

Regulation of Undertakings Employment Licences

at 31 December 2007

This report summarises the granting of employment licences by the Regulation of Undertakings and Development Office under Part II of the *Regulation of Undertakings and Development (Jersey) Law, 1973, as amended*.

The figures reported are based on licence information reported up to and including 31 December 2007. The figures for 2008-2010 are those projected under the continuation of three-year joint licences granted before the end of December 2007.

It should be noted that not all businesses will have recruited staff up to their approved level of staffing.

A full analysis of actual employment in Jersey at the end of December 2007 will be published in the Labour Market report on 23 April 2008.

Section 1) Three-year Joint Licences

Over any given period, the net change in the number of undertakings covered by three-year joint licences and in the associated approved level of staffing is the result of:

- established undertakings coming under the auspices of three-year joint licences for the first time;
- approved expansion (less reduction) of undertakings already with three-year joint licences;
- new undertakings forming in 2007 and coming under three-year joint licences;
- expiry of three-year joint licences for undertakings which ceased trading in 2007.

As a result of the ongoing efforts of the Regulation of Undertakings and Development Office to bring businesses into the framework of three-year joint licences, the number of undertakings covered by such licences increased by 441 (net) during 2007 (see Table 1). The corresponding net change in permitted staffing compared to December 2006 was 4,757. *The degree to which these new staff limits have been filled will be clear from the analysis of employment and vacancy information covered in the next Labour Market report.*

The increase in the number of authorised staff over the period 1998 to 2007 apparent in Table 1 is primarily due to the rise in the number of companies covered by three-year joint licences during this timeframe, but also incorporates an element of permitted expansion.

By 2007 over 90% of total private sector staffing (including vacancies) came under the auspices of 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).

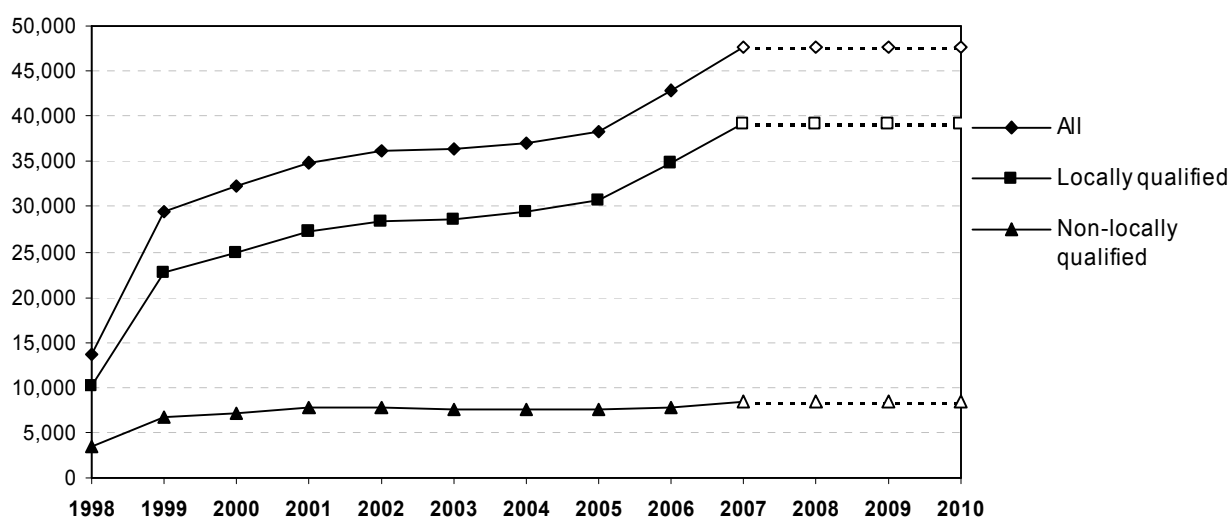
Table 1: Undertakings covered by three-year joint licences and associated staff.

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
2004	1,137	37,004	20.5
2005	1,242	38,259	19.7
2006	1,629	42,788	18.4
2007	2,070	47,545	17.8
2008	2,070	47,542	17.7
2009	2,070	47,542	17.7
2010	2,070	47,542	17.7

(The figures for 2008-2010 are projections under three-year joint licences granted before the end of December 2007).

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 2010.

Figure 1: Staff covered by three-year joint licences



(Dotted lines indicate projections under three-year joint licences granted before the end of December 2007).

Sectoral Analysis

Table 2 shows the breakdown into sectors¹ 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.

The large net increases seen in approved staffing in several sectors was due to the predominance of one of the mechanisms identified above. A quarter of the total annual net change in permitted staffing was in Banking/Finance, predominantly due to approved expansion of established undertakings and also established undertakings coming under three-year joint licences for the first time. Building/Construction and Retail accounted for a fifth and a sixth, respectively, of the total net change, mainly as a result of established undertakings coming under three-year licences for the first time. The principal factor in the net increase in the Other Offices/IT sector was approved expansion of established undertakings.

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

RUDL Sector	2003	2004	2005	2006	2007	2008	2009	2010
Retail	5,020	5,412	5,559	5,962	6,838	6,835	6,835	6,835
Building / Construction	2,732	2,703	2,850	4,075	5,035	5,035	5,035	5,035
Hotels / Guest Houses	2,467	2,547	2,572	2,919	3,267	3,267	3,267	3,267
Restaurants / Catering	3,231	3,313	3,240	3,577	3,796	3,796	3,796	3,796
Banking / Finance	9,419	9,286	9,404	9,640	10,840	10,840	10,840	10,840
Other Offices / IT Business	4,211	4,342	4,455	5,251	5,657	5,657	5,657	5,657
Import / Export	605	740	1,195	1,331	1,121	1,121	1,121	1,121
Garages / Manufacturing	888	949	776	803	849	849	849	849
Agencies	266	267	295	539	634	634	634	634
Transport / Haulage	1,050	999	1,189	1,356	1,491	1,491	1,491	1,491
Marine	71	116	118	138	160	160	160	160
Services	4,316	4,434	4,642	5,271	5,765	5,765	5,765	5,765
Other	1,980	1,896	1,964	1,926	2,092	2,092	2,092	2,092
Total	36,256	37,004	38,259	42,788	47,545	47,542	47,542	47,542

(Figures for 2008-2010 are projections under three-year joint licences granted before the end of December 2007).

As Table 3 (overleaf) shows, the proportion of staffing approved for the non-locally qualified had decreased from 1 in 4 in 1998 to less than 1 in 5 by 2007, largely as a result of established undertakings coming under three-year joint licences for the first time.

There was considerable variation across the RUDL sectors in the proportion of posts approved for non-locally qualified staff. For example, at 31 December 2007 such staffing accounted for:

- almost half of the total approved in Hotels/Guest Houses;
- more than two-fifths of that in Restaurants/Catering;
- 1 in 6 in Retail;

¹ The sectors used by the Regulation of Undertakings and Development Office differ from those of the internationally agreed SIC framework.

- 1 in 7 in Banking/Finance;
- 1 in 8 in Other Offices/IT
- around 1 in 10 in Marine, Building/Construction, Agencies and Services.

Table 3: Three-year joint licences: percentage of staffing approved for non-locally qualified persons by sector.

RUDL Sector	2003	2004	2005	2006	2007	2008	2009	2010
Retail	20.4	18.9	19.4	17.9	15.9	15.8	15.8	15.8
Building / Construction	17.9	16.3	14.2	10.3	9.2	9.1	9.1	9.1
Hotels / Guest Houses	49.3	47.8	48.2	46.2	49.2	49.2	49.2	49.2
Restaurants / Catering	40.0	42.5	43.1	44.2	44.2	44.2	44.2	44.2
Banking / Finance	15.6	14.9	14.4	13.9	13.5	13.5	13.5	13.5
Other Offices / IT Business	15.1	14.9	13.3	12.2	11.8	11.7	11.7	11.7
Import / Export	15.0	12.7	8.4	8.5	9.9	9.9	9.9	9.9
Garages / Manufacturing	16.2	17.2	16.8	14.9	14.5	14.5	14.5	14.5
Agencies	18.8	19.1	16.6	9.5	8.4	8.4	8.4	8.4
Transport / Haulage	11.9	10.9	9.9	8.9	8.8	8.8	8.8	8.8
Marine	9.9	12.9	11.9	12.3	10.6	10.6	10.6	10.6
Services	14.0	13.0	11.9	10.6	10.1	10.0	10.0	10.0
Other	25.8	24.5	25.1	24.3	23.0	22.9	22.9	22.9
Total	21.1	20.5	19.7	18.4	17.8	17.7	17.7	17.7

(Figures for 2008-2010 are projections under three-year joint licences granted before the end of December 2007).

Section 2) New and Existing Undertakings **without three-year joint licences**

Companies without three-year joint licences comprise new undertakings and existing undertakings requesting additional staff. Figures reported are for all of calendar 2007.

New undertakings

Table 4 shows the total number of applications from 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 (2007).

	Number of licences	Staff				
		Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Applications	611	956	868	60	0	28
Refusals	26	238	206	32	0	0
Approved	585	718	662	28	0	28

For approved licences, 4% of the total number of permanent staff² was authorised for non-locally qualified persons. The corresponding figure for 2006 was 6%. However, the staffing covered by these licences is subject to variations as the nature and type of undertakings not covered by three-year joint licences changes.

The number of licences approved for new undertakings in 2007 was about 12% less than in the previous year (662 in 2006). The total number of approved staff for such undertakings was about 40% lower than in 2006 (718 compared to 1,202).

The Other offices/IT business sector had the greatest number of staff approved for new undertakings, accounting for almost a fifth (19%) of the total (see Table 5). The Retail sector accounted for around a sixth (17%).

Table 5: New undertakings: approved licences by sector (2007).

RUDL Sector	Number of approved licences	Staff				
		Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Retail	98	122	117	5	0	0
Building / Construction	68	95	91	3	0	1
Hotels / Guest Houses	14	21	20	1	0	0
Restaurants / Catering	11	23	17	6	0	0
Banking / Finance	72	15	15	0	0	0
Other Offices / IT Business	109	140	135	5	0	0
Import / Export	14	23	23	0	0	0
Garages / Manufacturing	5	5	5	0	0	0
Agencies	14	21	21	0	0	0
Transport / Haulage	26	32	32	0	0	0
Marine	2	2	2	0	0	0
Services	4	6	6	0	0	0
Other	148	213	178	8	0	27
Total	585	718	662	28	0	28

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 (2007).

	Number of licences	Staff				
		Total staff	Locally qualified	Non-locally qualified	Seasonal	Contract
Applications	161	546	57	88	6	395
Refusals	56	93	4	74	0	15
Approved	105	453	53	14	6	380

² Permanent staff excludes those on seasonal or short-term contracts.

Few applications requesting additional locally-qualified persons were refused. Approvals for non-locally qualified persons accounted for 14 out of the total of 67 approved additional permanent staff; the comparable numbers in 2006 were 4 out of 199.

The total number of approved additional staff in 2007 was about 40% lower than the total of 794 in 2006.

85% (386 out of 453) of all approved additional staffing in 2007 was seasonal or contract. The comparable proportion for 2006 was 75% (595 out of 794).

As a result of the small number of firms in several sectors which were given approval for additional staff, a sectoral breakdown of Table 6 would be disclosive. Nevertheless, it may be noted that the Building/Construction sector alone accounted for around seven-eighths (87%) of all approved additional contract staff and for about two-fifths (42%) of the total number of approved additional permanent staff in 2007. Both of these proportions were up slightly from those of 2006.

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

30 January 2008