
STATES OF JERSEY



POPULATION OFFICE: CONSULTATION ON FEES – FEES THAT MAY BE LEVIED UNDER THE NEW CONTROL OF HOUSING AND WORK (JERSEY) LAW 201-

**Presented to the States on 7th June 2012
by the Chief Minister**

STATES GREFFE

Consultation on Fees:
Fees that may be levied under the new Control of Housing and
Work (Jersey) Law 201-

Purpose and type of consultation

To seek the views of members of the public, businesses and other organisations on the introduction of fees under the Control of Housing and Work (Jersey) Law, and the level of any fees:

Closing date:

25th July 2012

Summary

The new Control of Housing and Work Law is being introduced to control population levels and to secure housing and work for people with strong connections to Jersey. The Law will support our Strategic Priorities:

- “Get People into Work”
- “Manage Population Growth and Migration”
- “House our Community”

In particular, the new Law will support the employment of long established residents, while also ensuring that Jersey remains “open for business” where immigration adds significant economic or social value. The Law will be applied alongside other measures to support employers and local employment, for example the “Back to Work” initiative, and to complement economic growth and diversification strategies.

The new Law will replace the following Laws:

- The Regulation of Undertakings and Development (Jersey) Law 1973;
- The Housing (Jersey) Law 1949; and
- The Hawkers and Non-Resident Traders (Jersey) Law 1965.

The new Law will be more streamlined than the old Laws, for example:

- Businesses no longer need permission to employ Entitled people;
 - Requirements are reduced for a business wanting to change ownership;
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- Businesses will not need to prove the residential status of prospective employees – they need only see their registration card and identification.

At the same time, more work will be done to ensure that immigration is controlled effectively. In particular:

- Existing resources will be used to ensure businesses comply with licence conditions that limit the ability to employ migrants;
- New powers will enable the authorities to impose new conditions to support local employment, and to order activities to cease where a licence is not in place;
- A Population Register will provide an ongoing record of our population and immigration levels, and enable Departments to share name and address information to support service provision and compliance.

The new Law will be administered by the Population Office. The annual costs of administering the new Law, plus depreciation charges, will be £900,000 per year – that’s slightly less than the cost of administering the existing Laws.

The Migration Advisory Group and Council of Ministers have said that the costs of managing immigration should not be met by the taxpayer as they are now, but by user pays fees instead. For example, by:

- migrants that come to Jersey;
- businesses that bring migrants into Jersey;
- visiting contractors and traders.

This consultation outlines a range of possible fee options, and asks for comments. At this stage, these are merely options outlined to obtain comment from respondents.

In making decisions on introducing fees, great care will be taken to ensure that fees do not discourage valuable economic activity and do not materially affect the ability of local businesses to operate profitably, to contribute to our Island and to employ entitled people.

- This is why it is **not** proposed that any charges will be levied on businesses which employ only entitled people. Nor is it proposed that fees be charged for new businesses or applications. Of course, we will listen to the views of respondents.

Fees will also be designed to ensure that collection costs are modest and to prevent delays in the application process. In reviewing our options, it has also been noted that fees are charged for permits and licences in the Isle of Man and Guernsey so this proposal would not affect our competitiveness.

Finally, it is worth noting that the Population Office currently charge £70 for a housing consent before property buyers can transact. This currently raises £130,000 per year. This fee will be abolished under the new Law. It is not proposed that Entitled persons pay any fees for their property or any other matter.

Further information: You can download this Consultation Paper from the States of Jersey website at: www.gov.je/government/consultations.

You can find more information about the Control of Housing and Work (Jersey) Law 201- in the following Reports and Propositions presented to the States, which you can find on the States Assembly website: www.statesassembly.gov.je.

CONFIDENTIALITY: YOUR SUBMISSION

Please note that consultation responses may be made public (sent to other interested parties on request, sent to the Scrutiny Office, quoted in a published report, reported in the media, published on www.gov.je, listed on a consultation summary, etc.).

On completing your consultation response, you can indicate if you prefer your comments to remain confidential.

Please send your comments:

By post to: Director
 Population Office
 PO Box 843, Jubilee Wharf
 24 Esplanade
 St. Helier
 JE4 0UT

Or by email to: managingmigration@gov.je

How to contact us: Telephone: 01534 448997
 Fax: 01534 448988

WHAT HAPPENS AFTER THE CONSULTATION IS FINISHED?

The Migration Advisory Group will consider all responses and a Findings Report will be presented to the States together with any proposals. The Migration Advisory Group is chaired by the Assistant Chief Minister, Senator Paul Routier, and includes the Minister for Economic Development, the Minister for Housing, and the Assistant Minister for Social Security.

GLOSSARY: The new Law will introduce a variety of new categories:

Terms used in Housing and Regulation of Undertakings Laws	Comparable terms in Control of Housing and Work Law
“Non locally qualified” being mainly people who have not completed 5 years continuous residence	“Registered”
“Locally qualified” for work People who have completed 5 years continuous residence	“Entitled for Work”
“1(1)(j) employees” Highly skilled employees able to purchase or lease qualified housing	“Licenced”
“Residentially Qualified” People who may purchase or lease property	“Entitled”
“Qualified housing” Property available for occupation, lease and purchase by residentially qualified persons and 1(1)(j) employees	“Qualified Property”
“Unqualified housing” Property available for the occupation by any resident	“Registered Property” ; property available for lease by any occupier

FEES THAT COULD BE LEVIED UNDER THE NEW LAW

1. Registration Cards

Migrants coming to live in Jersey, and existing residents moving house or starting a new job, will need a Registration Card.

These registration cards will contain a person's name, social security number, residential status and any conditions, for example, when the card expires.

These cards will not include a photograph, unless the States direct otherwise. These cards are designed to enable a person to obtain housing and work based on their residential status and need not be carried at any other time.

The cards will be combined with the existing Social Security card so you only need a single card. The cards will belong to the person to whom it has been issued – and will not be held by employers.

The cards will show the landlord or employer, and other parties, that the person obtaining housing or work has the necessary residential status and is properly registered. In this way, administration will be reduced for the States, businesses and private individuals. For example, housing consents will no longer need to be issued for every purchase or lease transaction, and businesses will no longer need to prove the residential status of a prospective employee.

Introducing a fee could deter people from registering, so care is needed. However, as the new legislation is designed to achieve immigration objectives, it is suggested that some new migrants should be charged for cards, for example:

- A person gaining Entitled status through high value residency could be charged a fee of £5,000.
- New Registered and Licenced migrants could be charged a fee of £75 when first coming to the Island (this fee would not be payable each time they return to the Island as their first card would normally remain valid).

It is **not** felt that Entitled people who have completed a period of residence should be charged for obtaining a card – they should be able to obtain their cards for free.

These fees would generate £450,000 per year.

2. Annual charge for Licensed staff

These employees tend to be very high value - creating and safeguarding local jobs, supporting the competitiveness of our economy, and delivering front line public services, for example, doctors, nurses, teachers.

The average annual salary of a private sector Licenced employee is approximately £90,000. These employees are able to purchase or lease any property, including Qualified Property.

A charge of £200 per year has been suggested for each licenced employee for which a business has been granted permission. This fee would not apply to not-for-profit activities.

These fees would be collected alongside one of the periodic manpower return processes, if possible by way of electronic payment, with the first payments due on 31st December 2013, i.e. on completion of one full year.

This suggested fee level would represent 0.3% of the average annual salary of a Licenced employee. The largest employer of Licenced staff in Jersey would pay £10,000 per year.

This would generate £210,000 per year.

3. Non Resident Contractors – Application for a Licence

Visiting contractors support choice and increased competitiveness and do not add to the Island's permanent resident population. Nonetheless, it is felt that contractors should make some direct financial contribution when visiting Jersey to undertake work, while being mindful of any market effects this may have.

270 licences were issued to visiting contractors in 2011 under the Regulation of Undertakings and Developments Law, of which 140 were licences for construction activity. 80% of these licences were for contracts of less than 3 months.

Devising a fee that is both reasonable and simple to administer for this type of contractor presents significant challenges. For example, some contracts have a sizeable labour component and some do not, so charges should not simply be levied on the length of contract, but also its size. Also, some contracts are more profitable than others.

One simple means of raising a fee would be to charge for the number of days and number of Registered workers that the non resident contractor

is licenced for. As an example, a fee of £10 per day per Registered worker licenced would result in:

- A fee of £100 for a 10 day licence for one worker; and
- A fee of £1,000 for a 10 day licence for 10 workers.

Any such fee could be capped, perhaps at £5,000. It is also likely that short stay contractors will not need a licence, so any fee would only apply to the number of days the contractor was working beyond the exemption period. In addition, not-for-profit activities would be excluded.

This fee level would generate an estimated £230,000 per year.

4. Non-Resident Traders and Hawkers – Application for a Licence

Under the existing Hawkers and Non Resident Traders Law, a fee of £100 is charged for a licence for craft fairs, events, and exhibitions, and £2,000 for other purposes.

The new Law will also require traders to hold licences for offering to buy goods and the sale of services (the previous Law only dealt with the sale of goods). This means that traders coming to Jersey to buy precious metals or to sell smoking cessation services would need a licence.

Such traders bring increased choice and competition to the Island. However, such traders do not make a direct financial contribution through tax. Therefore, a flat fee of £250 per licence is suggested. Not-for-profit activities would again be excluded.

Hawkers currently require a licence, for which they are charged £100. In future, it is suggested that a fee be charged of £250 per licence. This would cover the administrative costs of confirming that the Hawker is a “fit and proper” person and of including their photograph on their licence (these safeguards are designed to protect householders from non licenced Hawkers).

These fees would generate £10,000 per year.

5. Other fees that could be levied – but which are not suggested at this time

Other fees could also be levied, although this is not actively suggested and the views of respondents will be listened to. Notably, fees could also be raised for:

- **Review, Renewal and Variation of Licences**

Licences for Registered or Licenced staff may require periodic review and renewal, commonly, every 3 years. Application may be made to increase the numbers of Registered and Licenced staff, or the Minister may decide to vary a licence following suitable notice. A fee could be levied for these applications, but as this would be a charge against businesses in the present economic climate, it is not suggested that such a charge be introduced at this time.

- **Annual charge for Registered persons**

There is concern about the impact of annual fees on businesses which employ Registered persons, particularly over the profitability and viability of some businesses, especially those with smaller profit margins, or where additional costs could be passed onto the consumer resulting in inflation. At the same time, very modest charges are unlikely to have a material effect and could exempt small businesses.

- **Applications by companies to purchase property**

It is estimated that 10 applications for companies to purchase property would be made each year, generally to buy land or property for redevelopment, with the completed units then being sold out of the company to individual buyers. Given the small volume of these transactions, it is not suggested presently that fees be levied.

- **Applications to change the residential status of a property from Qualified to Registered, or to apply conditions/concessions**

It is estimated that 40 applications would be made each year to change a property status or apply a condition, for example, that a Qualified property or annex to such a property can be used by a family member who is Registered. Given these relatively small numbers, and in the interests of keeping fee schedules and processes simple, it is not suggested presently that fees be levied.
