

Developing a New Migration Policy

Policy Development Board

Project Scope

21 March 2019

1. PROJECT ASSUMPTIONS
 - 1.1. In recent years, net migration has been at record levels as our economy has produced more jobs.
 - 1.2. This economic activity is important as it generates job opportunities locally, and the taxes that pay for public services. Nevertheless, the level and nature of inward migration fundamentally affects Island living. In particular, housing affordability is a challenge.
 - 1.3. While some migration is necessary to bring in new skills and experience, and to help business grow, successive governments have sought economic growth driven by productivity improvements, and not migration.
 - 1.4. The Council of Ministers has pledged to reduce reliance on inward migration in the Common Strategic Policy.
 - 1.5. This will be done alongside work to deliver a more sustainable economic future based around productivity and skills, feeding into a new Island Plan and as part of balancing population pressures against environmental needs.
 - 1.6. The terms of reference for the Board are agreed as follows:

Purpose:

To develop comprehensive migration policy proposals which will deliver more responsive controls over who can come to live, work and access public services in Jersey, improving consistency wherever practical and helping to reduce the Island's reliance on inward migration.

In doing this, the Board should:

- Rely on statistical and economic modelling, including long term fiscal modelling and analysis of the implications for taxes, services, and our economy, of migration;
- Consult with local businesses and may wish to survey public opinion;
- Review the migration policy lodged by the previous Council of Ministers;
- Be cognizant of and cover wider population issues, such as fiscal policy, the ageing demographic, public service provision, planning, transport policy and the impact of migration on housing affordability;
- Cover immigration controls, i.e. controls at the border of the Common Travel Area, as well as controls over work and housing, ensuring a consistency of approach;
- Anticipate and prepare for changes to British immigration controls related to Brexit, in particular, any future limitations on movement by EEA nationals.
- Consider policies which affect new migrants and their families, including access to services and housing;
- With the agreement of the Chair and the Chief Minister, any other matter which may be relevant may be considered.
- Provide, following approval by the Chair, a draft report to the Chief Minister. The findings will also be provided to the Council of Ministers, following which the report will be published as soon as practical and appropriate.

2. BACKGROUND AND CONTEXT

2.1. Common Strategic Policy 2018-22 (CSP)

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/Common%20Strategic%20Policy%202018%20to%202022.pdf>

The CSP specifically covers the establishment of the Migration Policy Development Board to develop an agreed population and migration policy.

We will create a sustainable, vibrant economy and skilled workforce for the future

We will do this by delivering an economic framework to improve productivity, by nurturing and strengthening our financial services industry, by enhancing our international profile and promoting our Island identity, by delivering the best outcomes from Brexit, and by improving skills in the local workforce to reduce Jersey's reliance on inward migration.

Where we need to focus our efforts

We will establish a Policy Development Board to develop an agreed population and migration policy that balances population pressures against economic and environmental needs.

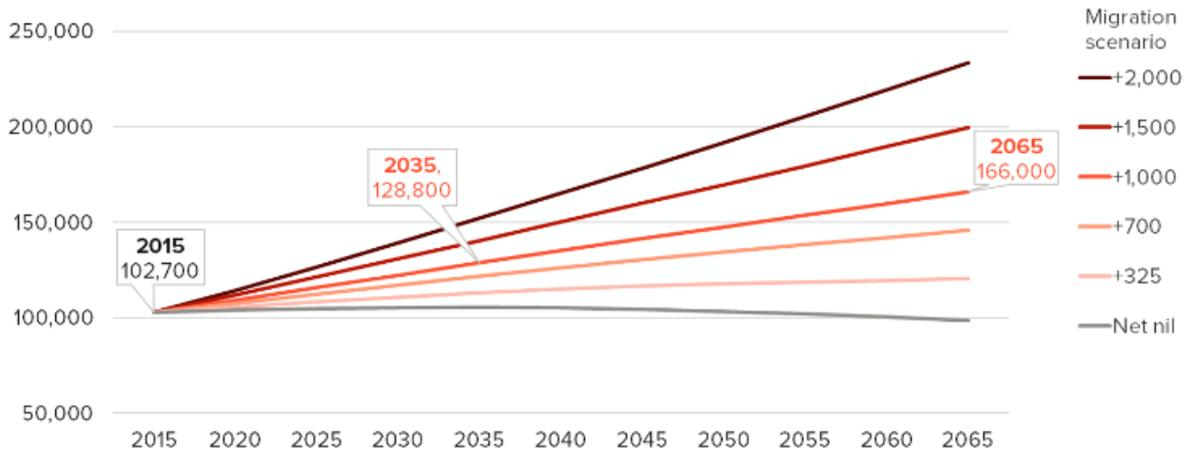
What we will achieve

As a result of our actions during our term of office, we will:

- Improve Jersey's economic performance
- Support and strengthen our financial services sector
- Support and strengthen our tourism industry
- Continue to diversify our economy, including ongoing support for our digital sector and the development of our philanthropic sector
- Be outward facing and promote Jersey on the international stage
- Increase the skills of our workforce with an enhanced focus on digital
- Improve productivity to reduce population pressures
- Develop and implement a comprehensive migration and population policy

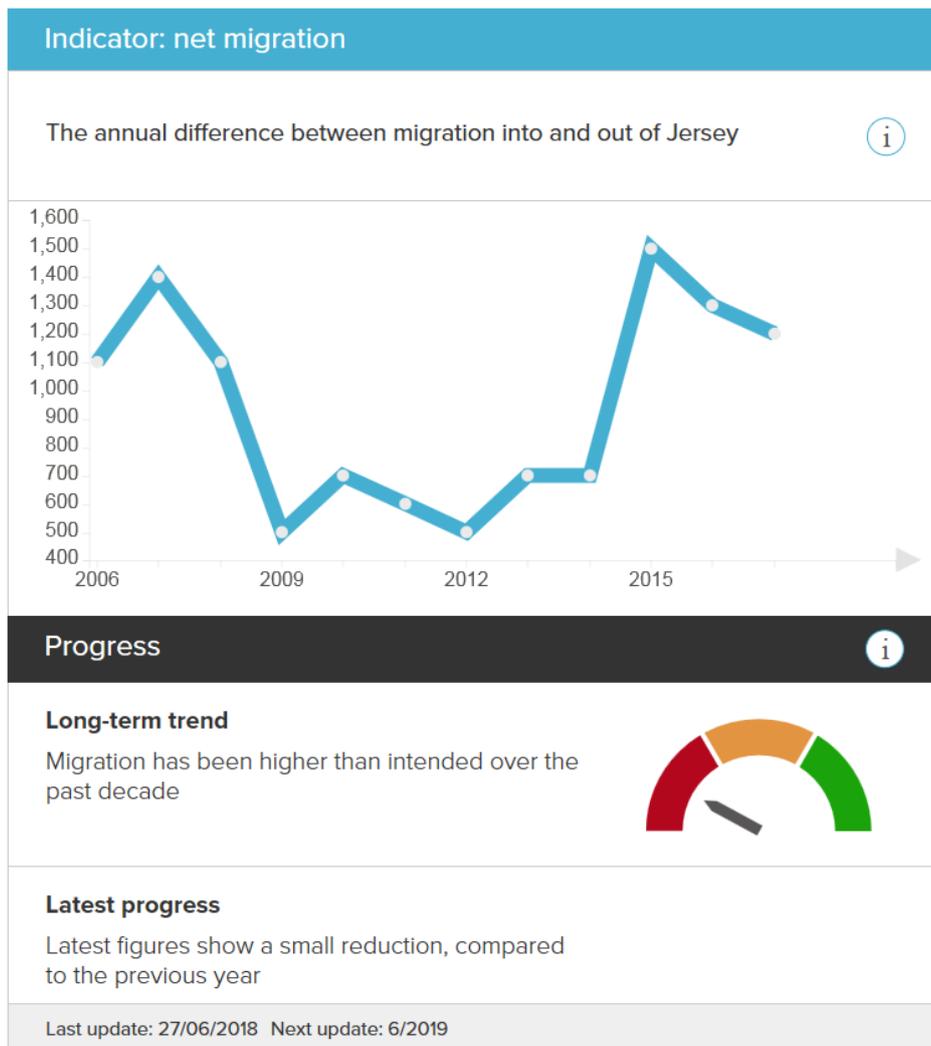
2.2. Population projections

<https://www.gov.je/SiteCollectionDocuments/Government%20and%20administration/R%20Population%20Projections%202016%2020161013%20SU.pdf>



Total projected population size 2015 – 2065 under different levels of migration

Since 2001, net inward migration has averaged 700 people per year. However, it fluctuates considerably each year, depending upon Jersey's economic performance.



<https://www.gov.je/government/planningperformance/futurejersey/examine/businessenvironment/pages/migration.aspx>

Net annual migration reached a high in 2007 of 1,400, just before the economic crisis, and in 2015 rose again to 1,500, as the economy delivered record employment growth. This dropped to 1,300 in 2016, but remained high. The latest figures for 2017 show a further reduction to 1,200.

Jersey's resident population is currently estimated to be 105,500, with net inward migration accounting for 77% of the increase over the past ten years.

This was reflected in the 2017 figures, with natural change (births minus deaths) accounting for only 100 of the overall increase - the lowest level recorded since 2002.

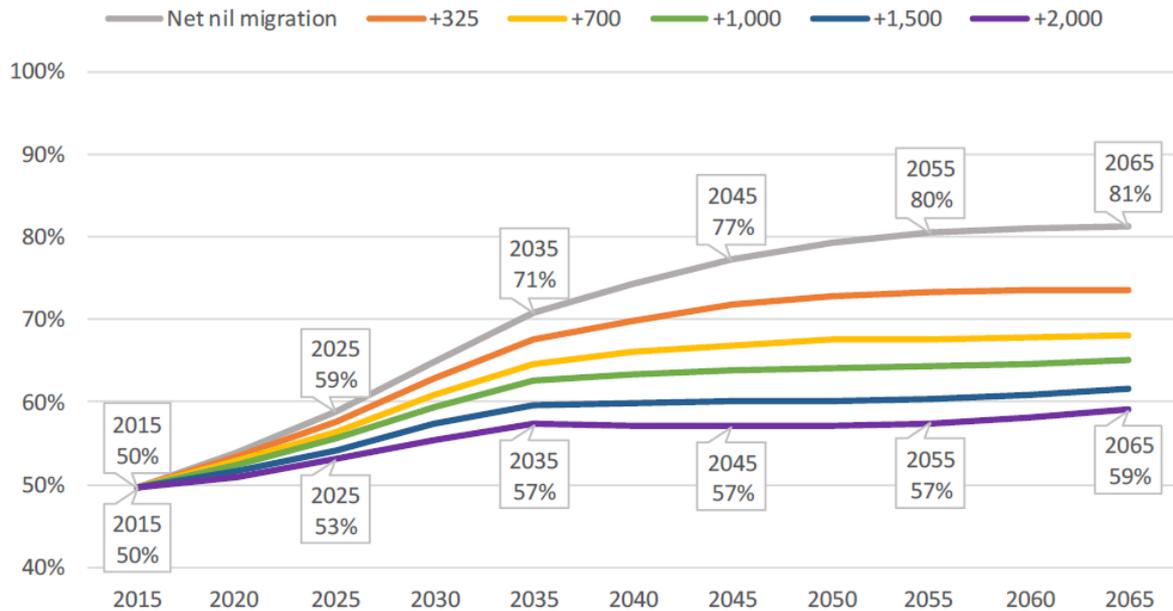
Factors, such as Brexit and exchange rate changes, are likely to influence the migration indicator, with the next reporting due in June 2019.

2.3. Ageing population & dependency ratio

By 2035, Statistics Jersey projects that, there will be 11,000 more people aged 65 or over living in Jersey, and around 3,000 more people over the age of 85 as we live longer lives. These are existing residents growing older. This will place sizeable pressures on our public finances.

The Migration Policy R.134/2017 reported that an ageing population means we need to import more skilled workers into our medical and care sectors. Over the period 2016-2026, at least an additional 280 full time employees are expected to be needed in Health & Social Services alone to fill vacancies for doctors, nurses, paramedics, and social workers. In addition, many more care workers will be needed across both public and private sector care provision.

The dependency ratio (the ratio of non-working age to working age persons in the population) is predicted to rise. The dependency ratio in Jersey was 50% at year-end 2015.



Dependency ratio 2015-2065 under different levels of net migration

A high dependency ratio represents a high number of non-working age being supported by a relatively small number of working-age residents.

2.4. Housing

<https://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=4193>

The January 2019 Objective Assessment of Housing Need Report estimates that almost 7,000 additional homes will be required in Jersey by 2030, assuming that recent trends in net inward migration (+1000/year) continue.

2.5. Infrastructure

An increasing population impacts upon resource management and infrastructure, such as the availability of clean water, solid and liquid waste treatment facilities, traffic on the roads, energy requirements and security of supply, and food security. To date, the planning and specifications for most significant infrastructure has been based on a net figure of +350 per annum. The more recent population scenario reports show that actual migration has been significantly higher than this for a significant period of time. This means we are already at risk of eroding the capacity and life-span terms of our existing infrastructure and resource provision over the short, medium and longer term.

2.6. Previous Population Policy Reports

A number of population and/or migration policies have been put forward by Government. In recent years these include:

1995	"2000 and beyond" Strategy – States policies should be designed to achieve ' a permanent resident population the same or less than the current level' (estimated 85,000)
1999/2002	Population to remain at the same level as autumn 1995
2004	A cap of 1% per annum on the increase in the working population
2009	Allows maximum inward migration at a rolling 5 year average of no more than +150 households per annum (equivalent to net +325 people) to be 'reviewed and reset' every 3 years
2014	Interim Population Policy 2014-2015 Net migration +325 people per year
2017	"Migration Policy" – 'net immigration over the next 20 years to be lower on average than it has been since 2001'. This Policy was withdrawn before debate.

The matter of population or migration control has bridged a number of elections but to date most iterations have been deemed to have failed in controlling the rate of migration to the island.

These policies have often met with delayed political decision making and political and public challenge.

This MPDB provides an opportunity to put in place a policy that can truly address the island's ability to control inward migration, taking into account a wide range of evidence and considering the relative risks of failing to implement effective actions.

2.7. Review Previous Migration Policy

The terms of reference for the MPDB request that the board should review the migration policy lodged by the previous Council of Ministers.

The Migration Policy R.134/2017 presented to the States on 8th December 2017 suggested a number of changes including the introduction of:

- work permits for registered workers of up to 10 months if 'seasonal and temporary';
- work permits up to four years if employment is year round;
- criminal record checks for applicants;
- photographs on Registration Cards;
- improved monitoring of migration in Jersey.

<https://statesassembly.gov.je/assemblyreports/2017/r.134-2017.pdf>

On 18th July 2018 the Chief Minister agreed to withdraw the proposed migration policy, stating 'we need greater consultation before we proceed in debating this policy', and that 'while the proposals in the policy for a work permit regime would function under different Brexit scenarios, precisely how they would operate will depend on how negotiations are concluded.'

<https://www.gov.je/news/2018/pages/WithdrawalOfMigrationPolicy.aspx>

2.8. Brexit

The outcomes and impacts of Brexit are not yet clear. However, the UK Government intends to remove the right of EU nationals to live and work freely in the UK, and require EU nationals to apply for permissions to live and work in the UK. EU nationals currently form a significant part of Jersey's community and workforce. Any changes to the UK Immigration Rules will impact directly upon Jersey, and require EU citizens (who are not 'settled') wishing to work in Jersey to obtain permission to work, by way of a work permit, in the same way as third country nationals, such as USA, Kenyan or New Zealand citizens do presently. New EU citizens would also require permission to live in Jersey.

UK Withdrawal Agreement:

<https://www.gov.uk/government/publications/withdrawal-agreement-and-political-declaration>

The UK's future skills-based immigration system:

<https://www.gov.uk/government/publications/withdrawal-agreement-and-political-declaration>

3. GOVERNANCE

- 3.1. The Board will be supported by the Director-General, Strategic Policy, Performance and Population Department.
- 3.2. The Board will be supported by officials, to the same standards and applying similar practices, including around the production of evidence, options, any reports and public engagement, as officials would apply in supporting individual Ministers.
- 3.3. Officials are under an obligation to produce reports and provide thereon free and open access to information to members of the Board, and impartial advice.
- 3.4. Board members will respect the impartiality of officials, and maintain the confidentiality of any information or advice provided, in so far as it is not already in the public domain.

- 3.5. Minutes of meetings will be taken and published as soon as practical and appropriate, subject to the relevant FOI exemption concerning policy under development.
- 3.6. The findings of the Board will be drafted into a report by the executive support staff and, following the approval by the Chair, provided to the Chief Minister. The dissent of any member will be noted where requested. The findings will also be provided to the Council of Ministers, following which the report will be published as soon as practical and appropriate.
4. DRAFT TIMESCALES¹
- Ministerial Decision signed to approve a Migration Policy Development Board (MPDB) – 8th February 2019
 - MPDB established – 7th March 2019
 - Research & policy development – March-September 2019
 - Interim report published - October 2019
 - Consultation – October - November 2019
 - Review consultation findings – December 2019
 - Draft report to Chief Minister– January 2020
 - Submission to Council of Ministers – January 2020
 - Final report published – March 2020
 - States debate on proposals – Spring States’ sitting 2020

Project Board Deliverable:
The Board will produce a report outlining proposals for lodging in the Spring States Sitting 2020.

5. ENGAGEMENT
- 5.1. The Board will need to agree a communication plan on the level of public and stakeholder engagement required for this process.
6. PROJECT RISKS AND OBSERVATIONS
- 6.1. There is no single answer to improve the island’s control of inward migration. The decisions that need to be made to truly reduce the island’s reliance on inward

¹ Amended to account for change of intended Brexit date and to coordinate with Island Plan

migration are unlikely to meet with universal approval, with the public or politically, but are important to ensure that the island can strike the right balance between having a sustainable economy, a balanced population and meeting its environmental needs.

6.2. Any migration policy proposals are unlikely to convince all States Members or all Island residents. There is a risk that proposals will re-galvanise the arguments for and against migration and not provide the closure that everyone wants about the correct migration policy for Jersey.

6.3. The biggest risk facing the project and the Island is failing to consult adequately with the various stakeholders, and failing to ensure that all parties understand the implications of not agreeing a sustainable and effective migration policy.

Other risks include:

6.4. Reputational damage to the Government of Jersey and States Assembly if the new migration policy has little, or no effect, on controlling migration levels.

6.5. Reducing the Island's reliance on inward migration could stifle business, and/or undermine the Island's economy, unless it is matched to an improvement in productivity.

6.6. Relevant time is required for research and the full implications of proposed changes must be mapped in the short and long term.

6.7. Making decisions based upon incorrect data/historical data.

6.8. Increased controls on migrants may reduce the attractiveness of Jersey to migrants.

6.9. Reducing migration could mean higher costs for consumers.

6.10. The social inclusion of migrants is important to ensure that those migrants that want to live and work in Jersey continue to feel a valued part of the Island community.

6.11. Any system must not be so prescriptive that it fails to allow Jersey to respond flexibly to labour market needs and economic conditions.

This project is closely linked with three other major projects:

- 6.12. A key dependency of this project is the delivery of a skills strategy and an economic framework that improve the skill level and productivity of the local workforce.
- 6.13. A new Island Plan will be agreed in 2021. Migration policy proposals need to be consistent and complimentary with the new Island Plan.
- 6.14. A separate Policy Development Board is examining the structure of the housing market, looking at both short and long term measures.
- The project is also dependent on a range of other factors including:
- 6.15. Jersey is part of the global economy, and subject to economic cycles. When economic performance improves, this has historically dramatically increased the number of workers that businesses request.
- 6.16. The outcomes and impacts of Brexit are not yet clear. Any future migration policy will need to take full account of the actions of the UK post-Brexit.
- 6.17. The impact, and influence, that changes to the UK's immigration system will have upon any future migration policy are not yet known.
- 6.18. Sterling falling in value against other countries, may make wages less attractive, and reduce the number of people who want to work in Jersey.
- 6.19. Immigration from the EU is going to reduce and businesses will need to adapt accordingly.