

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR HOME AFFAIRS

POPULATION & IMMIGRATION POLICY REVIEW

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled 'Population & Immigration Policy Review', dated 5th September 2022 they are of the opinion:-

1. To note the objective findings of the Review, and the evidence presented in sections 5 and 6 of this Policy Letter, that suggests an average net migration level of +300 per year over the next thirty years is required to sustain the Island's workforce at its 2020 level, and to agree that the economic competitiveness of the Island should be supported through the strategic population objective that:

"The States of Guernsey will assume, for the purpose of planning future infrastructure and service provision, that net migration will average up to +300 per year over the next thirty years. This assumption will support the capacity of the Island's workforce so that it remains a desirable and competitive jurisdiction, and will ensure that the Island can meet the needs of the economy with the necessary housing and infrastructure."

2. To agree that the strategic population objective shall be reviewed by the Committee *for* Home Affairs, in consultation with stakeholder committees, no later than December 31st, 2027.
3. To rescind Resolutions 3 and 4 of Billet d'État XXIV of 2015 ("Maintaining Guernsey's Working Population") and its accompanying strategic population objective.
4. To direct the Committee *for the* Environment & Infrastructure to include, in the work on market interventions that will be made by the States of Guernsey in respect of housing, specific reference to enabling the delivery of general housing units and stock, as well as social and key worker housing units and stock before the end of 2023.
5. To note that the Human Capital Development Plan will be published by Q2 2023, and to direct the Committee *for* Economic Development and the Committee *for* Education, Sport & Culture to ensure that the Plan supports the relevant aspects and recommendations of this Review.

6. To direct the Committee *for* Employment & Social Security to consider any recommendations in the areas of workforce participation where contributions and benefits may assist future outcomes, and to return to the States with any proposals before the end of 2023.
7. To direct the Policy & Resources Committee to lead a review of the options for any bespoke arrangements that ensure those who are new to a community, and who may only be staying and working in that community for a fixed period rather than on a permanent basis, access public services in a fair and transparent way, and to report its conclusions and make any recommendations to the States before the end of 2023.
8. To direct the Policy & Resources Committee to review whether any greater flexibility or benefits in kind could be applied to finance sector roles that are directly linked to Guernsey meeting its economic substance requirements, in order to include any new arrangements as part of the 2024 Budget Report.
9. To note the Committee *for* Home Affairs' intention to make any necessary policy changes to the Employment Permit Policy and the Immigration Work Permit Policy in line with the steps set out in paragraph 7.6 of this Policy Letter.
10. To agree that the Population Management (Guernsey) Law, 2016, shall be amended to provide that:
 - a) Short-Term Employment Permits may continue to be granted for a period of up to one year and may be renewed upon expiry by the Administrator until the holder reaches up to three years' consecutive residency;
 - b) An individual who has previously lived in Guernsey on the basis of a Short-Term Employment Permit for up to three consecutive years may be issued with a further Short-Term Employment Permit provided they have taken a "recognised break in residency", as defined under the Law; and
 - c) Medium-Term Employment Permits are removed from the Law.
11. To note the intention of the Committee *for* Home Affairs to develop and implement an improved end-to-end service through the merging, where appropriate, of Population Management and Immigration at the policy and operational level, and to further note that there may be consequential amendments to the Immigration Rules and resource requirements, including a minor capital funding request, to facilitate this and Proposition 10.
12. To note that one of the principal duties of government is to maintain the safety and security of the Island and its residents, and the ongoing roles and

coordination of the Population Management and Immigration regimes in contributing to this duty will be continually reviewed by the Committee *for* Home Affairs.

13. To direct the Committee *for* Home Affairs to conduct a review of the routes to Permanent Residency under Sections 3 and 6 of the Population Management (Guernsey) Law, 2016, particularly in respect of so-called 'birth-right privilege', and to report its conclusions and make any recommendations to the States before the end of the current political term.
14. To note that the Committee *for the* Environment & Infrastructure is in the process of developing proposals for an Open Market inscriptions policy and the Open Market Transfer Register, and will seek to make any necessary recommendations to the States before the end of 2023.
15. To agree that Section 8 of the Population Management (Guernsey) Law, 2016, should be amended to make clear that Open Market householders may accommodate Seasonal Employment Permit holders.
16. To note that the Committee *for* Home Affairs considers it essential for the Population Management regime to apply as a level playing field for all business entities across Guernsey and Herm, and that it intends to consider, following the necessary consultation and engagement, how Herm can be included within the Population Management (Guernsey) Law, 2016, reporting back to the States by the end of 2023.
17. To rescind Resolution 2 of Billet d'État VII of 2017 ("The Population Management (Guernsey) Law, 2016 (Commencement) Ordinance, 2017").
18. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

The above Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR HOME AFFAIRS

POPULATION & IMMIGRATION POLICY REVIEW

The Presiding Officer
States of Guernsey
Royal Court House
St Peter Port

5th September 2022

Dear Sir

1 Executive Summary

- 1.1 Guernsey faces a significant challenge in maintaining its economic competitiveness and security over the next 10 years and beyond. Global challenges such as the increasing demand for skilled workers, accelerating digitisation, taxation and economic substance mean that the States of Guernsey needs to consider the shape and size of its workforce in the long-term.
- 1.2 These issues are compounded by the infrastructure and economic challenges that Guernsey faces and feels the impact of, leading to further obstacles in areas such as the recruitment and retention of workers, including key workers. The scope of the Population & Immigration Policy Review ('the Review') was such that it could not address all of these challenges itself, but it has sought to ensure that it makes recommendations which actively support their resolution where it is appropriate.
- 1.3 Guernsey's innovative business sector has had success in diversifying the finance sector as well as the wider economy, and the States of Guernsey continues to take forward transformation initiatives to change the way that public services are provided. However, the need to ensure fiscal resilience and to reinvest in our economy and public services means that we need to ensure we do all we can as a jurisdiction to protect and enhance our long-term economic competitiveness.
- 1.4 Guernsey's productivity, if measured by GDP, is ahead of many comparable jurisdictions and also that of the United Kingdom. But global challenges mean that we must do all that we can to sustain that position. In addition, it is clear that more can be done to increase participation in our economy, and government's role must be to support our Island's businesses in achieving that.

Therefore, in proposing a revised strategic population objective, the Committee for Home Affairs ('the Committee') is mindful of the other work that Committees of the States are taking forward in these areas.

- 1.5 One of the central workstreams of the Review focused on providing data to inform these strategic questions. Future population and workforce modelling was conducted to provide objective insight through data-based forecasts. Following extensive discussions on the matter, this work led to the proposal of a new strategic population objective, reflected in Proposition 1 as:

"The States of Guernsey will assume, for the purpose of planning future infrastructure and service provision, that net migration will average up to +300 per year over the next thirty years. This assumption will support the capacity of the Island's workforce so that it remains a desirable and competitive jurisdiction, and will ensure that the Island can meet the needs of the economy with the necessary housing and infrastructure."

- 1.6 The revised strategic population objective is neither a target nor a cap. Nor is it the mechanism which automatically increases Guernsey's working population, not least as Guernsey's working population level is subject to myriad external factors. Instead, it is an assumption based on analysis undertaken to evaluate what the Guernsey economy will need to remain competitive. It does not seek to list who the Island needs, when it needs them, and which year that they need to arrive. What it does do is set out, at a high level, the framework in which government will need to consider its population in the next 10-30 years, not least to ensure appropriate planning can be taken in respect of housing and planning; the provision of public services; investment in infrastructure; and maintaining fiscal balance.
- 1.7 This Review and the recommendations that it sets out follow from that starting point, and the Committee has worked closely with the Island's numerous stakeholders and their often understandably competing interests to set out a constructive position for future decision-making by the States of Guernsey. The Review further sought to ensure it supported other areas of work and planning that the Committees of the States and the public service are undertaking.
- 1.8 Given the global challenges that Guernsey faces and how they impact on the Island's economy, in June 2021 the States' Assembly agreed the Government Work Plan ('GWP') 2021-2025: Investing in Islanders, Our Island and Our Future, which set the course of government work over the current political term. As a part of the GWP, the Assembly agreed ten critical recovery actions and decisions for government to be progressed as priority work. One of the top 10 recovery actions was to:

"Assess the fitness for purpose of our population and immigration framework"

while recognising the need to balance economic needs with maintaining quality of life.”¹

- 1.9 The Committee convened a cross-Committee Steering Group (‘the Steering Group’) to guide the Review that stemmed from this top 10 GWP action. The Steering Group comprised members of the Policy & Resources Committee and the Committees for Home Affairs; Economic Development; Employment & Social Security; Environment & Infrastructure; and Education, Sport & Culture.
- 1.10 Whilst much of the Review’s focus was centred on the question of economic migration to sustain the Island’s workforce, it further considered the effectiveness and functionality of the Population Management and Immigration regimes across a range of areas, and recognised their vital contribution to maintaining the safety and security of the Island.
- 1.11 The Review considered the link between Population Management and Immigration, particularly in light of Brexit. This work proposed changes to the Employment Permit Policy (‘EPP’) and the Immigration Work Permit Policy, which sought to address post-Brexit issues of ‘settlement’ for individuals working in the Island in certain job types whilst utilising the opportunity to change the regimes in such a way that benefited the Island and its businesses. These benefits are principally achieved through tying the Immigration Work Permit Policy to the EPP for third country nationals, rather than only EU/EEA nationals as per current arrangements, granting local businesses access to a global pool of workers from which to recruit.
- 1.12 The Review considered other policy areas of the Population Management (Guernsey) Law, 2016 (‘the Law’).² In respect of the routes to Permanent Residency under the Law, the Steering Group agreed, by a majority, that some of the routes could be considered discriminatory on the basis that those born with local ties are treated more favourably under the Law than those born without. In recognition of the considerable public interest in this area and the extensive consultation that would be required, the Steering Group agreed that the issue should be considered in full, separately from the Review.
- 1.13 The work of the Review also focused on a number of Open Market policy areas. The Steering Group is supportive of the significant contribution that the Open Market and its residents make to the community and the economy. Work that was undertaken in this area had the overall objective of clarifying and strengthening the Open Market’s positive role, particularly through; inscriptions onto the Open Market Housing Register (‘the Register’); work to clarify the rights of Open Market residents; and Open Market lodging. In some of these areas, the

¹ [Billet d’État XV of 2021](#) and its [Resolutions](#)

² [The Population Management \(Guernsey\) Law, 2016](#)

work of the Review led to new policies being implemented or developed. In others, however, the Steering Group determined that the current provisions of the Law, or its underlying policies, were sufficient. At all times, the Review remained cognisant of the potential impact any policy change would have on the Open Market and Local Market, and ensured that neither would be negatively impacted.

- 1.14 The role of the Population Employment Advisory Panel ('PEAP'), and its function under the Population Management regime, was examined by the Steering Group. Following Brexit and as a result of Covid-19, there has been increased direct engagement between industry and government which has proven beneficial. Coupled with a revised approach to the development of the EPP, the functions previously performed by PEAP have been impacted. PEAP's role will therefore be required to evolve with these changes, and its function and purpose should move to ensuring they are implemented and embedded in the Island's community effectively, continuing to act as a body through which businesses can raise concerns.
- 1.15 A separate workstream of the Committee considered the status of Herm, and explored whether and how the Population Management regime could apply to it. This workstream was not prioritised as a part of the Review, which focused its efforts on providing relief to businesses through substantive changes to the regime. However, the Committee believes it is essential that the Population Management regime applies as a level playing field for all business entities operating across Guernsey and Herm, and will consider, with the appropriate consultation and engagement with Herm, how it can be included in the Law.
- 1.16 With the support of the Steering Group, it was agreed that, as the work of the Review progressed, the Committee would prioritise and implement policy changes where it was recognised that they could provide immediate support to individuals or businesses.³

2 Scope of the Population & Immigration Policy Review

- 2.1 Following the States' decision that the Review would be a top 10 priority in the GWP, the Terms of Reference for the Review were established.⁴ These Terms of Reference, which can be found in full in Appendix 1, centred the Review on a single project ambition, namely:

"To have a population management regime that can respond quickly to the

³ For example, the early work of the Review led to considerable policies being agreed by the Committee. See [Media Release: Committee for Home Affairs introduces further changes to Population Management policies in support of businesses](#)

⁴ [Terms of Reference – Population and Immigration Policy Review](#)

Island's changing economic, social and environmental demands and support recovery."

- 2.2 The Steering Group was well-represented across the majority of Principal Committees, highlighting the strategic importance of the Island's population policy. The full membership of the Steering Group can be found in Appendix 1.
- 2.3 In accordance with the Terms of Reference and project ambition, the Review was squarely focused on the Island's population management policy, at both the strategic and operational level. However, it is important to acknowledge the role of other influencing factors which fall outside the scope of this Review.
- 2.4 Principally, there are interdependencies between population policy and other top 10 priorities of government, such as the volume of residential development required to adequately house the population, as demonstrated by the work to develop the States' Strategic Housing Indicator, and work on skills through the Human Capital Development Plan. Population policy further has an impact on the States' finances; a larger population would contribute to the amount of revenue generated from taxation, however it would also add to the cost of providing public services and infrastructure upon which the community and economy rely.
- 2.5 These interdependencies were influencing factors throughout the Review, and particularly fed into the revised strategic population objective (see sections 5 and 6). A joined-up approach was adopted to ensure these influencing priorities of government were progressed in alignment to the greatest degree. However, the substance of these issues ultimately falls outside of the scope of the Review, which was squarely focused on the management of the population through the Population Management and Immigration regimes.
- 2.6 It is therefore important to note, for the avoidance of doubt, that the objectives and ambitions of this Policy Letter will not be realised solely through the outcomes of the Review, and are heavily dependent upon a range of enabling factors.
- 2.7 In this sense, the outcomes of the Review are emblematic of the wider reality of the Population Management and Immigration regimes; although they provide some tools by which the population can be managed, they are limited in their extent, and the actual size and makeup of the population is influenced by myriad other factors. The strategic population objective and wider conclusions of the Review, if agreed by the States' Assembly, will consequently only be achieved through broader action across government initiatives.
- 2.8 The Committee acknowledged the work that took place during the last political term, which focused on the operational effectiveness of the Law. This work,

resulting from a 2017 Resolution,⁵ was paused as the Island went into its first lockdown.

- 2.9 The 2017 Resolution that led to the review in the previous political term was superseded by the new direction of the Assembly, as agreed via the GWP top 10 action, to conduct the Review. This Resolution is therefore proposed for rescission through this Policy Letter.

3 Background – The Population Management and Immigration Regimes

- 3.1 The Commencement of the Law in 2017 followed nearly a decade of policy development that sought to introduce a new regime to replace the previous Housing Control (Guernsey) Law, 1992 ('the HCL').

- 3.2 In contrast to the main objective of the HCL – namely to protect the Local Market – the primary objective of the new Population Management regime was instead centred on the effective management of the size and make-up of the Island's population, with the protection of the Local Market as a secondary aim.⁶

- 3.3 The responsibilities of the Committee and the Administrator of Population Management ('the Administrator') are set out in the Law. The Administrator is appointed by the Committee and is responsible for exercising the functions assigned under the Law. In taking decisions under the Law, the Administrator has to take into account:

- the strategic objectives of the States;
- States-approved policies regarding population size, make-up and housing availability; and
- the Committee's policies relating to the management of the population.

- 3.4 Whilst the Administrator must take into account the States and Committee policies, they are not bound by them. However, they are subject to an absolute duty to "act compatibly with Convention rights, and with fairness and impartiality" under section 1(6) of the Law.

- 3.5 The Population Management regime is necessarily interlinked with the Island's Immigration policy and legislation, which in turn is linked with, and strongly guided by, the UK's Immigration policy and legislation, as extended to the Bailiwick of Guernsey. The prominence and impact of this interdependency has become more apparent as a consequence of Brexit.

- 3.6 Much of the Review's focus was centred on the question of economic migration

⁵ [Resolutions, Billet d'État VII of 2017](#), Resolution 2

⁶ [Billet d'État XII of 2013](#), section 5.3

to sustain the Island's workforce, however it is also important to recognise that the Population Management and Immigration regimes are useful tools in supporting the attraction of individuals who will otherwise contribute to the Island and its community, and enable the relocation of residents' family members.

- 3.7 Furthermore, the Population Management and Immigration regimes play pivotal roles in contributing to the ongoing safety and security of the Island – one of the principal duties of government. They achieve this through the checks and processes that are in place to ensure that those who are deemed non-conducive to the public good – such as individuals with serious criminal convictions – are unable to come and live in Guernsey. This remained a key consideration throughout the Review.
- 3.8 Effective immigration and population controls are a core focus of many jurisdictions, and in an island where space and land are at a premium, and where infrastructure and public services are limited, it is essential for these controls to be in place. Together, the Population Management and the Immigration regimes are the only active levers that the States of Guernsey can use to exert some, albeit limited, control over the size of the working population. They do so by allowing non-residents to work in roles for which there is a local labour shortage, and to reside in Local Market accommodation for the duration of their Employment Permit (along with any immediate family members for the holders of certain types of Employment Permits).
- 3.9 Guernsey's migration patterns are largely demand-led; when the economy is performing well and jobs are available, net immigration may be high (as it has been over the last two years). However, the reverse is also true. When Guernsey's economy is less strong, periods of net emigration occur (as happened between 2012 and 2017). It is unlikely that any policy or legislation will remove this volatility, although it may seek to influence its impact.
- 3.10 The Steering Group recognised that, following Commencement, some aspects of the Law had been subject to criticism, and it thus committed to identifying and reviewing those areas. However, the Steering Group also acknowledged that the regime had demonstrated its considerable benefits in other ways, such as the Committee's ability, under the Law, to exercise policy control over Employment Permits. This had meant that it was possible to quickly respond to the challenges presented by Covid-19, and also as a consequence of Brexit, to meet the needs of individuals and the business community. The full list of policies implemented by the Committee from the beginning of the first lockdown has been included as Appendix 2.
- 3.11 Post-Brexit, it remains essential that the Island has a fair and transparent regime that seeks to manage the size and makeup of the population. Whilst the UK made

considerable changes to its post-Brexit immigration policy through the implementation of a points-based system, given the unique context and demands of the Island's economy, deviating away from this points-based system and accessing a wider recruitment pool is extremely beneficial to the Island.

- 3.12 In the absence of the Population Management regime and the EPP, the only controls on population and inward migration for the Island would be the Immigration regime, which is largely based on the UK's, with some deviations allowed for the Immigration Rules and the Immigration Work Permit Policy.
- 3.13 The restrictions of Immigration policy and legislation do not apply to British or (generally) Irish nationals, or those who already possess Leave to Remain in a Common Travel Area ('CTA') jurisdiction⁷ and their ability to live in the Island (subject to any conditions of their leave). Immigration controls also do not apply to inward movements into the Bailiwick from another CTA jurisdiction. This has been the crucial benefit of having a bespoke Population Management regime for the Island, enabling Guernsey to control the inward migration of all non-local residents, rather than only those from outside the CTA and who are subject to Immigration controls, and do not have Leave to Remain in another CTA jurisdiction.
- 3.14 The Steering Group therefore noted the critical importance of retaining a bespoke population management policy regime to enable government to effectively control the population. In light of the current regime's considerable benefits and its flexibility in key areas, as evidenced in the years following Commencement, the Steering Group agreed at the outset of the Review that it would not look to replace the Law or the Population Management regime.
- 3.15 Whilst the Population Management regime has demonstrated its flexibility in certain areas, it is important for the provisions of the Law and its underlying policies to be proactively reviewed, and additional policies created, in light of the changes that have taken place since Commencement, to ensure that it continues to meet the needs of the community through the changing contextual factors.
- 3.16 This formed the basis of the work of the Review, with the Steering Group acknowledging that, notwithstanding its agreement that the principles of the Law remain valid, it should not hesitate to make considerable changes to the Law or the Population Management policies that underpin it if required. In particular, it was acknowledged that the Law can appear complicated, and the work of the Review was focused on simplifying it where possible.
- 3.17 Similarly, the impact of Brexit has required the Population Management and Immigration offices to work in closer coordination with one another. Although

⁷ UK, Isle of Man, Jersey, and the Bailiwick.

the two regimes continue to operate under separate legislation, at an operational and policy level they are becoming more joined up, and the work of the Review – particularly section 7 of this Policy Letter – will further embolden this. The Committee has therefore utilised the opportunity to encourage the merging of the two regimes where it is possible and practicable to do so. This remains ongoing at the operational level, and the Committee may further make amendments to the Immigration Rules, and require resources, to facilitate this merging and the proposals contained in section 7.

4 Stakeholder Consultation

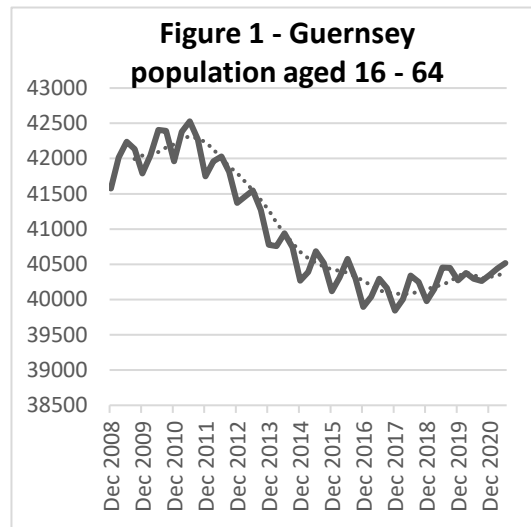
- 4.1 In the early stages of the Review, the Steering Group consulted key stakeholders to seek their feedback and experiences of Population Management and Immigration policy and processes. A targeted consultation was issued, and 249 responses were received, representing positive engagement by business and industry stakeholders. This section will provide a brief overview of the themes of the consultation findings.
- 4.2 The vast majority of respondents said that they currently recruited from the local workforce. However, four out of five of those who recruit from the local workforce reported challenges in doing so. The most common reasons were due to a lack of available on-Island applicants; insufficient skills/experience of applicants; and high or unrealistic salary expectations.
- 4.3 Over half of respondents stated that they recruited from outside the Island, with a majority of those reporting challenges in doing so. The most cited challenges included the cost or availability of housing, and the Immigration and Employment Permit processes.
- 4.4 Almost half of respondents stated that they had applied for Employment Permits in the last two years. The majority of comments on the Employment Permit application process were positive, with some noting positive experiences working with the staff at the Population Management Office, or stating that the application process was user-friendly.
- 4.5 Almost two thirds of respondents noted that they had concerns about staff retention in their business. In order to support employers to attract and retain workers to the Islands, respondents' top priorities for the States of Guernsey or Population Management policy were to:
- Improve the availability and provision of housing;
 - simplify the application process;
 - address concerns about the cost of living in Guernsey;
 - reduce fees; and

- allow more Permit extensions.

4.6 The findings of the consultation results helped to inform the strategic and policy work of the Review, particularly as it sought to make significant changes to the Employment Permit Policy and Immigration Work Permit Policy in such a way that would benefit the Island's businesses. These changes have been set out in full in section 7 of this Policy Letter.

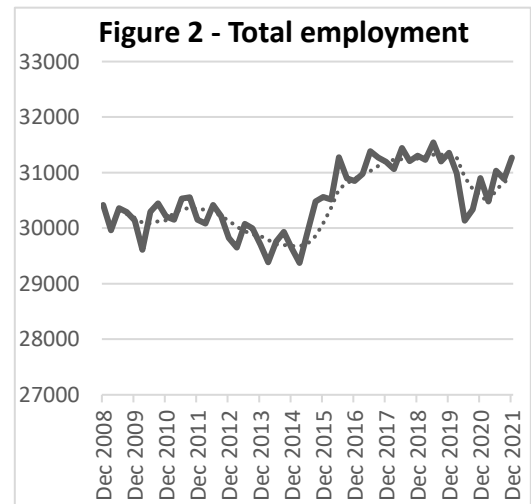
5 Strategic Population Objective – Forecast Population and Workforce Requirements

5.1 Through the data collection and forecasting methods of government, it is known that Guernsey faces significant long-term financial pressures due to the ageing population and the steady decrease of economically active residents in the Island's workforce.



5.2 This is occurring because, each year, there are more people retiring from the workforce than there are young people entering it. Net migration meets some of this gap, and it is enough to maintain or even increase the population aged between 16 and 64 in some years (as it has been in the last twelve-month period reported). However, on average over the last decade, this has not been the case. The population aged between 16 and 64 in June 2021 was 2,009 people smaller than at its peak in June 2011.

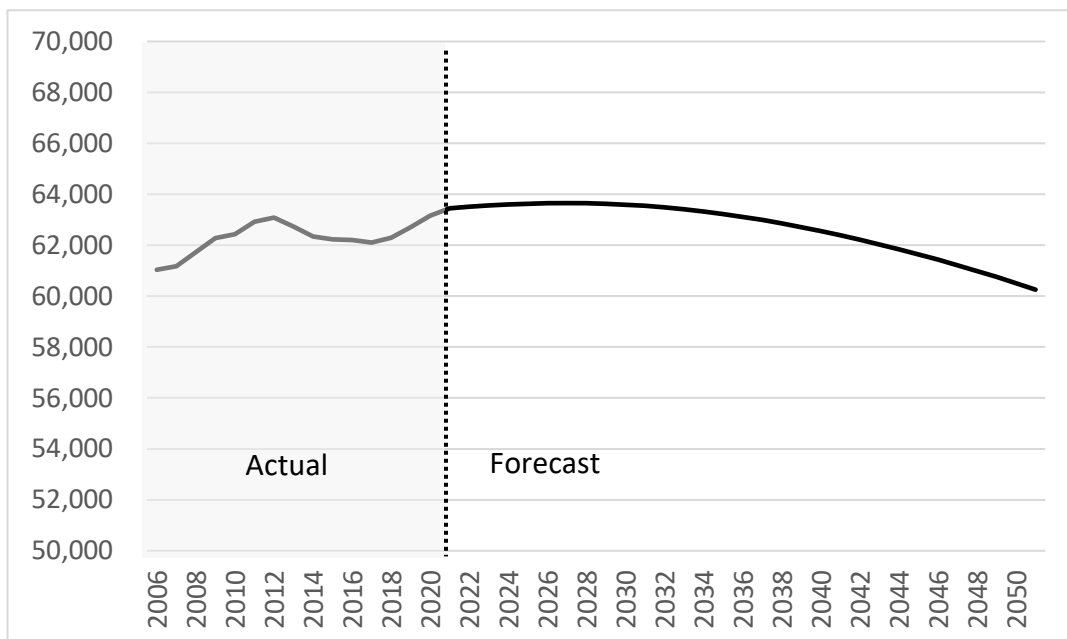
5.3 To date, this has been mitigated by an increase in participation (particularly between 2015 and 2017) and, more recently, by the increase in the age at which people can begin claiming the States' pension, which means employment has actually increased over the same period (see Figure 2). However, the participation rate had plateaued prior to the outbreak of Covid-19; it then fell during the pandemic and has yet to recover, despite the fall of unemployment



numbers to their pre-pandemic levels.⁸

- 5.4 Whilst this is a reality and a challenge that the Island must face, it is not alone in having to address this problem. The ageing demographic is increasingly recognised as a global issue that governments across the world must contend with. A declining number of workers is likely to become an issue for much of the developed world, and competition to attract workers is likely to increase. Further analysis in relation to current population trends in the Island has been included in Appendix 3.
- 5.5 The future population and workforce modelling undertaken in the Review sought to provide strategic insights into Guernsey's medium- to long-term population requirements, particularly in respect of the workforce and in light of the ageing demographic. It ultimately sought to develop a new strategic population objective, recommended for adoption by the States' Assembly, setting the course for the Island's future population policy and guiding other workstreams of government that are interlinked.
- 5.6 The findings of the modelling identified that, under a central scenario of an average annual net migration level of +100 (the average level experienced over the past 12 years), by 2050 Guernsey's population will decline by 5% (to c. 60,000 people, down from c. 63,000 today). At the same time, the population will age substantially. This has been shown through Figure 3, below.

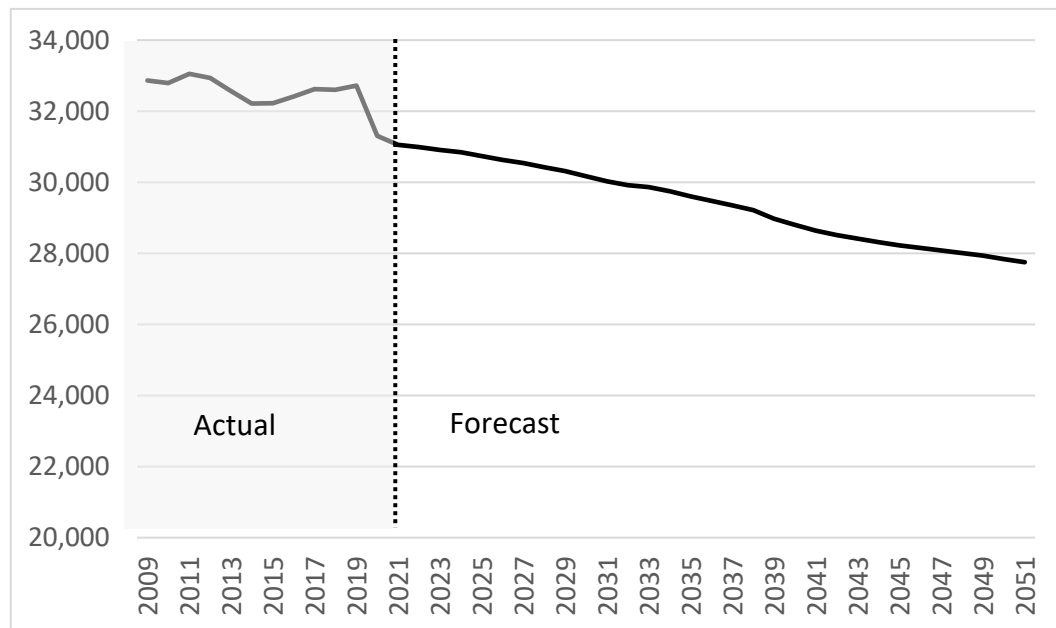
Figure 3 – Central population forecast (net migration: +100; fertility rate: 1.5)



⁸ Other jurisdictions have reported an increase in early retirement; it is likely something similar has occurred in Guernsey. "Long Covid" may also be a contributing factor. The drop in the participation rates for those aged 16-64 represents a loss of about 500 people from the workforce.

- 5.7 As a result of the ageing demographic, under the central scenario the size of Guernsey's workforce is forecast to fall at a faster pace than the size of the population, declining by 15% (to c. 26,000 workers, down from c. 30,000 today) as older residents leave the workforce and are not replaced by an equivalent number of younger, economically active people from within the Island or through migration. This has been shown through Figure 4, below.

Figure 4 – Central workforce forecast (net migration: +100; fertility rate: 1.5)



- 5.8 The Island is currently seeing record low levels of unemployment, with relatively high levels of participation (albeit slightly lower than prior to Covid-19). There may be some opportunity to marginally increase overall participation rates, and to significantly increase the amount of work undertaken by those who are currently only active for a limited number of hours (typically women with younger children) by improving access to the workplace. Notwithstanding these opportunities, there remains a real risk that Guernsey's economy will shrink significantly over the next 30 years under the central workforce forecast.
- 5.9 The future workforce modelling found that, in principle, an average level of around +300 net inward migration per annum, over the next 30 years, would be required to maintain a stable workforce and hence help sustain the Island's GDP at current levels (all other things remaining constant). It should further be added that the States of Guernsey's data indicates that, if there was +300 net migration, 85 of every 100 people who move to Guernsey would be economically active and filling vacant roles in the economy (see Appendix 3).
- 5.10 However, this level of net migration would also cause the population to rise by around 5,000 people, to close to 68,000 by 2050 (an 8% increase). This would

have a significant impact on the Island's environment, housing stock, infrastructure requirements and living standards, which on balance may offset the benefits to the economy that a stable workforce would bring. In consideration of these findings, the Steering Group remained cognisant of the clear tension between managing the decline in Guernsey's workforce and maintaining the Island as an attractive place to both live and relocate to. The findings of the modelling across various average annual net migration levels have been set out in Figures 5a and 5b, below.

Figure 5a: Population forecasts

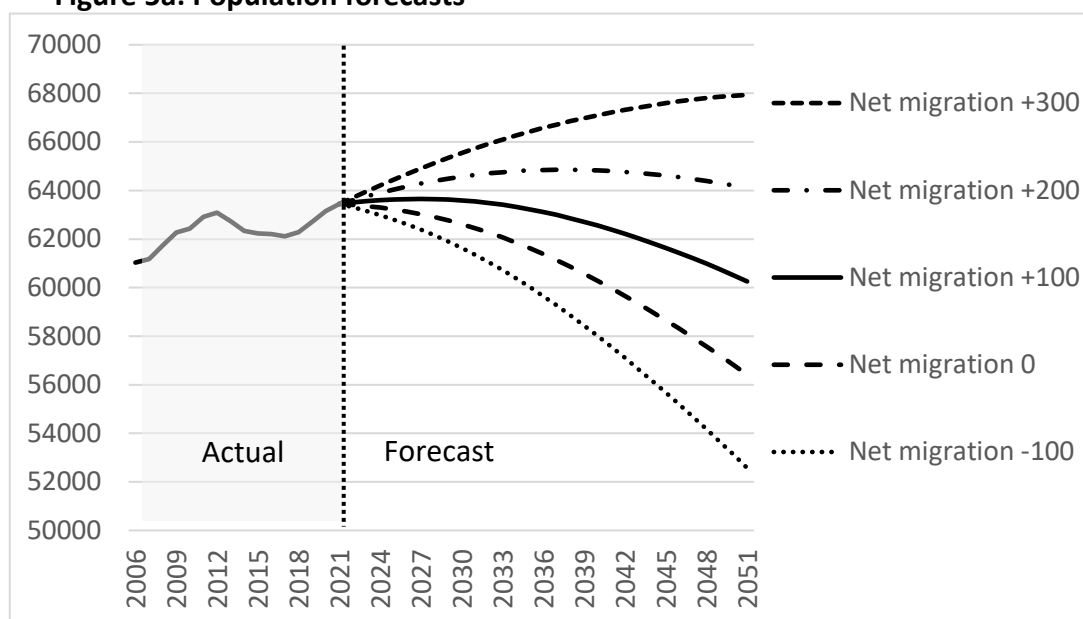
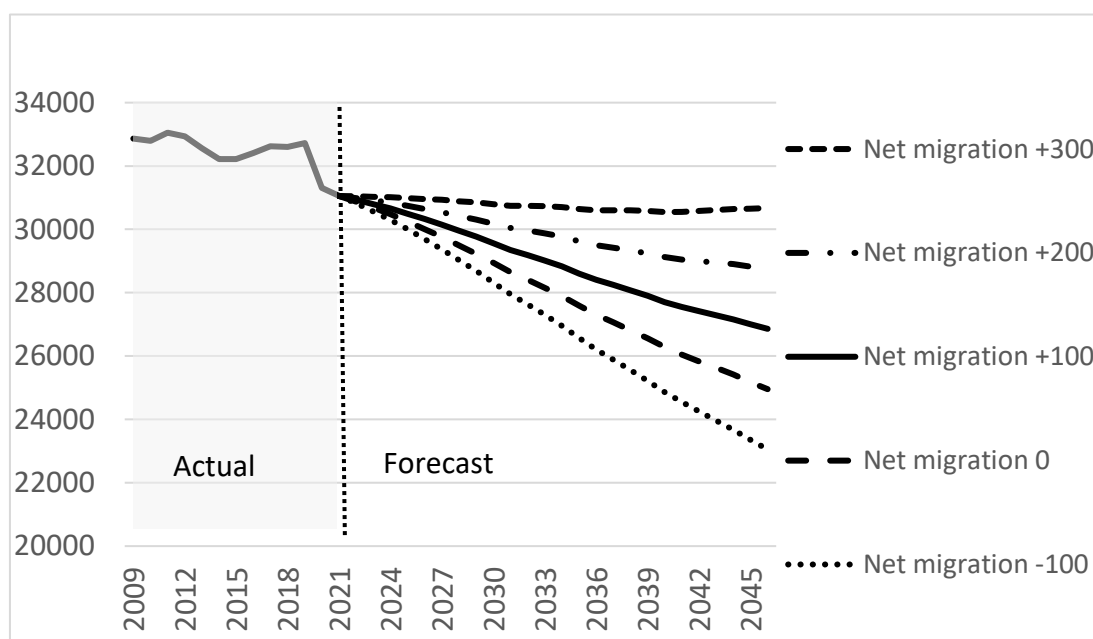


Figure 5b: Workforce forecasts



- 5.11 Work was also undertaken to forecast the overall dependency ratio under the three positive net migration scenarios (see Figure 6). The international standard used for the dependency ratio is:

$$\frac{\text{People aged 15 and under} + \text{Aged 65 and over}}{\text{People aged 16 to 64}}$$

- 5.12 However, as a consequence of Guernsey's decision to increase the pension age to 70 by 2049, Figure 6 also presents a second dataset adjusted for the increase in the pension age:

FIGURE 6: OVERALL DEPENDENCY RATIO ACROSS NET MIGRATION SCENARIOS

	Unadjusted			Adjusted for increased pension age		
	+100	+200	+300	+100	+200	+300
2021	0.58	0.58	0.58	0.57	0.57	0.57
2025	0.61	0.60	0.60	0.57	0.57	0.57
2030	0.66	0.65	0.64	0.59	0.58	0.57
2035	0.72	0.70	0.69	0.61	0.60	0.59
2040	0.77	0.74	0.72	0.63	0.62	0.60
2045	0.77	0.74	0.71	0.63	0.60	0.58

- 5.13 These figures provide a useful indication of the general balance in the population between those generally considered most likely to be economically active, and those who are more likely to be dependent on government services. However, they do not account for:

- Participation in the workforce above pension age. Currently there are 968 people aged 65 or over in the workforce (7.3% of the total in this age group); and
- Non-participation below pension age. Workforce participation peaks at 84% in age groups from 30 to 49, but drops to 63% in the 60 to 64 age group.

- 5.14 Allowing for both the impact on revenue and expenditure of a larger population, high-level initial analysis has found that +300 may only reduce the net revenue requirement by between £14m and £23m per year by 2040. This is a relatively modest sum and highlights the fact that maintaining the size of the workforce, on its own, will not suffice in responding to the Island's financial needs.

- 5.15 There is a considerable amount of natural volatility in net migration levels. Guernsey is currently undergoing a period of net migration well above the average observed over the last 12 years, but periods of net emigration have also been recorded, including a 5-year period between 2012 and 2017. There are

various factors affecting the levels of net migration, but they primarily cycle with the local economy, and in particular the strength of the job market relative to other jurisdictions that people may seek to relocate to.

- 5.16 Other jurisdictions are facing similar challenges and increasingly seeking net immigration of economically active people – particularly those with much sought after skills – to support their own demographic challenges. It should be further noted that high levels of net inward migration have a tendency to become self-limiting because of the price pressure it creates on housing. This collectively means that sustaining higher levels of net immigration over an extended period is likely to become increasingly difficult.
- 5.17 While considering an assumption of +300 net per annum to be theoretically sound, it therefore presents a challenge in practical terms, as it is unlikely that Guernsey could secure such numbers of economically active people on an annual basis, particularly given competition with other jurisdictions. A number of reports have been undertaken in previous years on Guernsey's attractiveness to new workers in different sectors, and it is clear that there should be no expectation that this assumption will be met year-on-year from year one; nor that all of the levers are in place in order to attract these prospective new arrivals.
- 5.18 On that basis, the States of Guernsey will need to work closely with local businesses to understand what steps need to be taken to attract critical employees to Guernsey, just as work is being undertaken in the public sector to do the same in respect of key workers. However, this is not to create a situation where the States of Guernsey is chasing a target, which is not the recommendation of the Review. Rather, it is to ensure that the States focuses on how to enable critical and key workers to come to the Island more readily.
- 5.19 During the course of 2022-23, the States will make further progress on meeting the Island's housing requirements through market interventions, and on enhancing workforce participation and increasing productivity through the Skills and Human Capital Development Plan work. Some of this work will take time to complete, but the Committee will continue to review the effectiveness of the Population Management and Immigration regimes as this work is developed and implemented.
- 5.20 The Steering Group emphasised the importance of both maximising the participation rate in the Island and increasing productivity in the existing workforce, such as through the upskilling of workers and the digitisation of certain job roles to enable the re-deployment of existing staff to more productive roles. It is important to ensure that employers can access skilled and productive employees from within the Island's resident population, both now and in the future.

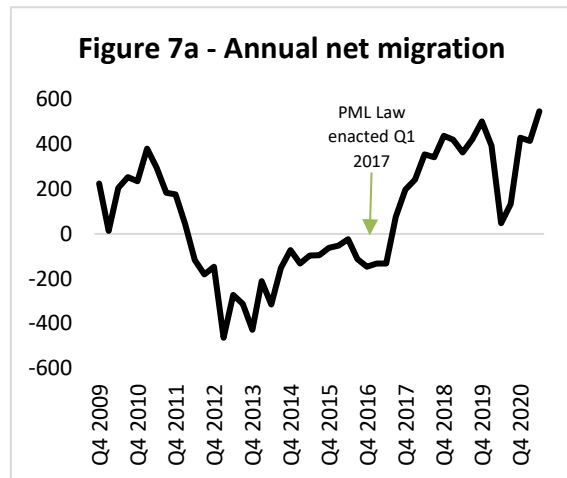
- 5.21 Inward migration should support the economic sectors with the most need and/or future growth potential. For example, the healthcare sector already needs to attract more workers to the Island to meet existing demand, and it will need an increasing number to support the Island in the future as the population ages. In addition, there is the potential for growth in a number of economic sectors, including the finance sector, professional services, and digital services, where targeted economic migration should be focused. Enabling inward migration to achieve policy objectives will need to complement the future actions to develop skills of the existing and future Island workforce.
- 5.22 It is currently understood that the Human Capital Development Plan will be published by Q2 2023, which will include consideration of how the States of Guernsey can support the Island's businesses in increasing productivity, and how productivity can be measured. However, it should be noted that Guernsey's businesses are already highly productive based on GDP measures, with Guernsey's productivity being 65 per cent higher than that of the UK and 29 per cent higher than Jersey.
- 5.23 The Review is recommending that the Committee *for* Employment & Social Security consider ways that government can support increased workforce participation where contributions and benefits may assist future outcomes, augmenting ongoing work in areas such as the Longer Working Lives strategy, the Supporting Occupational Health & Wellbeing ('SOHWELL') strategy and areas such as more employment friendly childcare schemes and policies.

6 Strategic Population Objective – Impact on the Island's Infrastructure

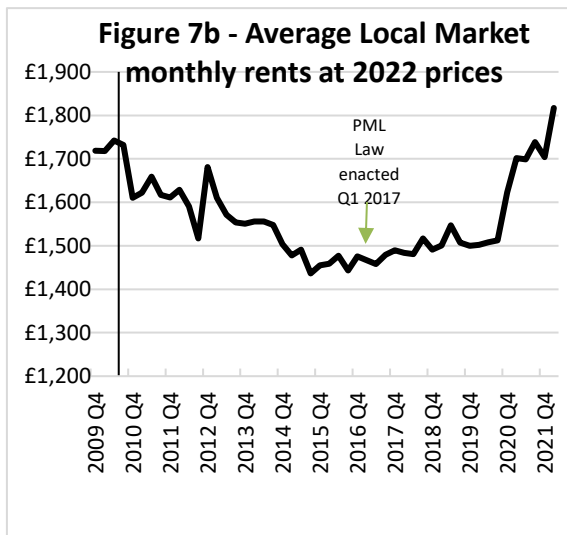
- 6.1 The size and makeup of the Island's population and workforce is heavily interlinked with a range of enabling factors and separate workstreams of government that fall outside the scope of this Review. However, the Review – through the Steering Group – has considered these matters, and the interconnections between this Review and other areas of priority work being undertaken across the States. The view of the Steering Group was clear that the Review itself was only one part of the long-term solution to the Island's demographic challenges.

Housing

6.2 The size and makeup of the population has a direct impact on the demand for housing in Guernsey, but there is often a delay before this is evident in pricing data. The period of net emigration which occurred between 2012 and 2017 was followed by falling prices (in real terms) in both Local Market rental prices (2012-2016) and property prices (2013-2018). The period of net immigration recorded since late 2017 has, at a slight lag, led to an increase in both rental and purchase prices.



6.3 The Commencement of the Law could have contributed in part to increased pressure on the Local Market, as there are more roles which lead to long-term permits (Medium-Term Employment Permits ('MTEPs') and Long-Term Employment Permits ('LTEPs')), enabling holders to live as householders in the Local Market

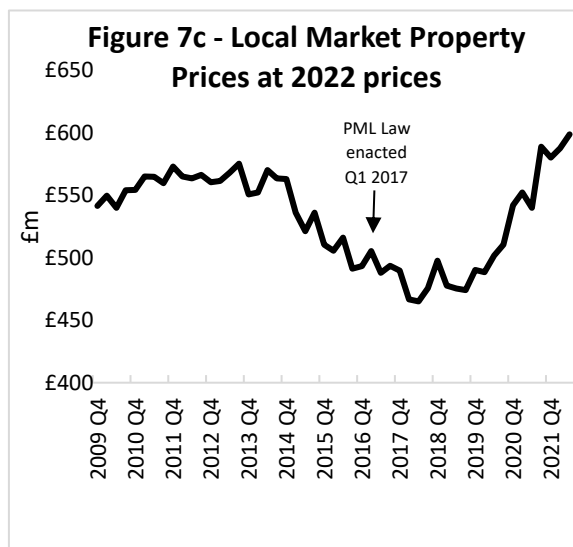


and, in the case of LTEPs, offering a pathway to Established Residency. This use of MTEPs and LTEPs has largely been received positively by businesses, allowing them to recruit and retain skilled staff.

6.4 However, in other areas the Law has maintained existing policy under the previous HCL regime, for example by continuing to allow Short-Term Employment Permit ('STEP') holders to live in the Local Market on a lodging basis. In some cases, it has gone further than the HCL, such as by enabling Employment Permit holders to live as lodgers in the Open Market. The impact of the Law's Commencement on the Local Market is therefore likely to be limited, with the

existing pressures on the Island's housing supply a result of Guernsey's increased economic stability and attractiveness as a jurisdiction to relocate to, particularly as a consequence of the pandemic.

6.5 The rising cost and lack of availability of housing is becoming increasingly cited as a limiting factor to local recruitment, as set out in section 4. Even if there are vacancies in the employment



market and people willing to fill them, the population cannot expand if there is nowhere suitable for people to live. The implication is that if sustaining the Island's economy and public services requires a higher level of net migration, it also requires more residential accommodation and the infrastructure to support it.

6.6 The data below presents the provisional outcome of the States Strategic Housing Indicator project. At this stage, it is understood that the States will debate this in late 2022 or early 2023 once a firmer direction is evident following debate of this Policy Letter, so that a more accurate outcome can be reached. Figure 8 shows that, in order to maintain the current average level of net migration experienced over the last 12 years (+100 people per annum), the creation of a further 1,327 residential housing units by 2026 would be required. If it is assumed that the level of net migration can be sustained at +300 people per annum over the next five years, this increases to 1,705 units by 2026. If these projections were extended to 2040, Guernsey would need to accommodate 3,370 additional units by 2040 to sustain a higher level of net migration over a long period.

Figure 8 – Provisional States' Strategic Housing Indicator outcome: Required number of new residential housing units across migration scenarios

Annual migration	New housing units by 2026	New housing units by 2040	2026 Difference with +100	2040 Difference with +100
+100	1,327	1,761	N/A	N/A
+200	1,517	2,565	190	804
+300	1,705	3,370	378	1,609

6.7 This data excludes the provision of key worker housing, which is being reviewed separately, although it is envisaged that a significant proportion of the additional migration will be key workers, such as nursing and care staff, and so there will be

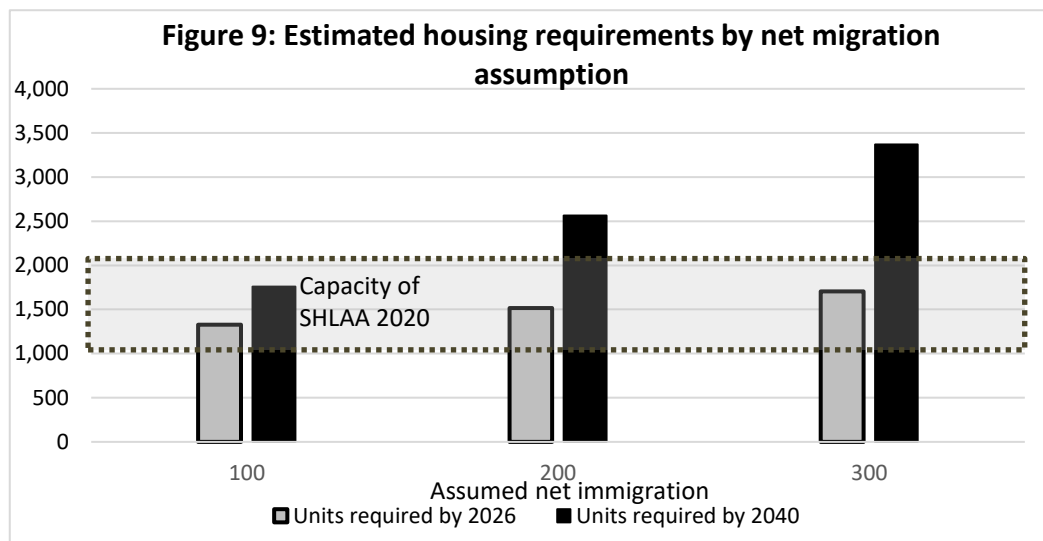
some overlap. Provision of key worker housing, which is particularly important to the ability to recruit and retain staff in health and education services, is expected to add a further requirement.

- 6.8 A significant increase in the required supply of residential accommodation implies a substantial level of new residential development. The Strategic Land Use Plan sets a spatial strategy for the distribution of development which concentrates development in the two main urban centres with more limited development in identified local areas where this would enable community growth. The boundaries of the Main and Local Centres are designated in the Island Development Plan ('IDP'). Other than in exceptional circumstances, the land supply for new residential development, and therefore capacity for new housing, is limited to housing land supply within these centres. Therefore, a significant increase in the requirement for housing land supply is likely to require the States to revisit the Main and Local Centre boundaries through a review of the IDP or, more fundamentally, the spatial strategy, which would have implications for the sustainability of development overall.
- 6.9 The provision of further housing needs not only physical space to build, but capacity within the transport and utility networks and services, as well as access to open space and amenity areas, to service these additional households. If development is not planned to align with the desired population policy, efforts to encourage skilled individuals to the Island will be limited by its ability to accommodate them.
- 6.10 As such, it is recommended that for the purposes of medium- and long-term infrastructure and land use planning, it should be assumed that net migration will be +300 per annum in line with the Island's requirements, and that this should be reviewed at least once every five years by the States. It is noted that this level of net migration may lead to an increased impact on social rental housing, which could negatively impact the long social housing waiting lists and result in the requirement for more social housing.
- 6.11 The Review also recommends, given the requirement for general housing units set out above, that the work on market interventions to be undertaken by the Committee *for the* Environment & Infrastructure includes specific reference to enabling the delivery of general housing units and stock as well as social and key worker housing units and stock.
- 6.12 The IDP 2016 sets out that there will be a review of housing land supply after five years unless monitoring indicates a more urgent need to review the land supply sooner. The States resolved in 2020 to pause the review, in the context of the Covid-19 pandemic, in order to "ensure that the review focuses on matters which are critical to strategic recovery and will support the future States' priorities to ensure that land use policies do not stand in the way of the States' recovery

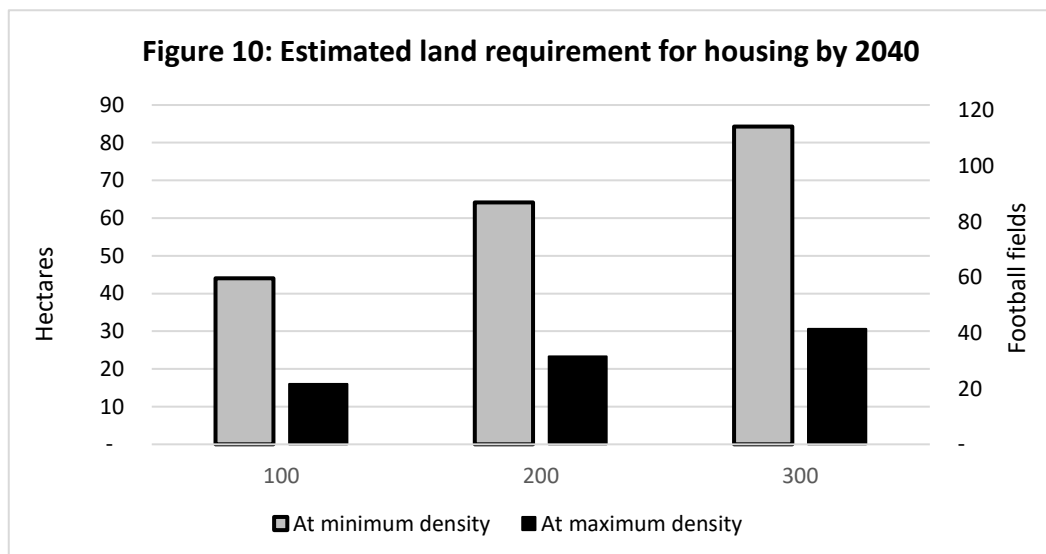
strategy”.⁹ The States Strategic Housing Indicator, once approved by the States, will provide up to date information to inform the review of housing land supply.

- 6.13 The GWP includes an action to carry out a focused and proportionate statutory review of the IDP between 2023 and 2025, and the review of demand and housing land supply, and how it will be provided, will form an important part of this. The overall housing land supply, the pipeline supply of planning permissions, and the annual rate of completions of dwellings will need to be considered, alongside the new Indicator, in the review of the IDP. The outcomes of this Review could have a significant impact on the demand for housing and therefore housing land supply, so will need to be taken into account as part of IDP review.
- 6.14 The Strategic Housing Land Availability Assessment (‘SHLAA’) was produced in June 2014 and is part of the evidence base that informed the preparation of the draft IDP. It is effectively a ‘stock check’ of the supply of potential development sites for housing in Guernsey in the Main Centres. It provides information on the suitability and availability of each site; whether the development of a site is considered to be achievable; and if there are any significant constraints to development. It also demonstrates whether there is an adequate supply of land to meet the Island’s Strategic Housing Indicator over the life of the IDP.
- 6.15 Most recently, the 2014 SHLAA was updated to inform the draft 2021 IDP Annual Monitoring Report (‘AMR’). The remaining undeveloped sites from the 2014 SHLAA and sites in Main Centres with a Development Framework that are without an extant planning consent, and the Regeneration Areas designated in the IDP, have been assessed for their development potential (i.e. the number of dwellings that could be achieved on the site, or ‘yield’).
- 6.16 The estimated development potential is presented as a lower and higher range for the number of dwellings that could be achieved. The total estimated yield from the remaining 26 sites is 968 to 1,954 dwellings. The SHLAA includes the housing allocation sites; the yield identified in the SHLAA update excluding the allocated sites is 342 to 951 dwellings (however it is important to note that not all eligible sites, which are privately owned, can be guaranteed to come forward for development). This demonstrates that the capacity in the existing Main Centres is sufficient only to meet, roughly, the requirement to 2026 at a level of +300 net migration if developed to current design specifications/expectations. By 2040 the requirement for housing will exceed the maximum assessed capacity of the land supply identified in the SHLAA by more than 1,300 units (see Figure 9).

⁹ [Resolutions of Billet d’État X of 2020](#), Resolution 2



- 6.17 The SHLAA uses a range of housing density assumptions, depending on the size and nature of the sites identified, of between 40 and 110 dwellings per hectare. Applying these densities to the forecasts suggests that, to accommodate an average net migration level of +300 per year, a total of between 31 and 84 hectares – in other words, between 41 and 114 football fields, or 25% and 75% of L'Ancrese Common – would need to be allocated to housing development by 2040 (see Figure 10).



- 6.18 It is therefore likely that there will be a substantial requirement to develop land, including likely green field sites, if the current model of building in terms of building heights, density, and off-street parking is continued. This may mean that there is a requirement to refocus in terms of building form and density in order to minimise the impacts of substantial levels of new residential development.

- 6.19 A new SHLAA will be required to inform the review of the IDP, with this potentially including another 'Call for Sites' public consultation exercise, if required, on the availability of sites for development to provide additional information on the potential supply of land for housing.

Human Capital Development Plan

- 6.20 Whilst net migration forms part of the solution to the Island's workforce requirements, the Steering Group noted that increasing the productivity of the local and existing workforce also plays a pivotal role. This ambition is currently being driven through separate workstreams of government, principally the Human Capital Development Plan, which is being drafted to include proposals to:
- Upskill and re-skill the local workforce, and maximise participation;
 - Increase productivity in the economy;
 - Develop Guernsey's human capital through data-led and joined-up actions; and
 - Ensure Guernsey's learning and skills system meets customer needs.
- 6.21 The work of the States, and others, to develop Guernsey's human capital, and to meet the needs of the economy through inward migration, must be complementary to achieve the best outcomes for the Island. In order to ensure that this is done effectively, it is recommended that, as a part of the ongoing work to develop the Human Capital Development Plan, the Committees *for* Economic Development and Education, Sport & Culture ensure that the Plan is aligned with and supportive of the relevant aspects and recommendations of this Review, as agreed by the States. This should set out clear steps that government in Guernsey should take in order to provide an environment for business and the community to increase participation and productivity in the Island's economy.

Balancing the Demand on Public Services

- 6.22 The Review was cognisant of the matters set out above in considering the recommendation of a strategic population objective. It was also cognisant that an increase in migration will have an effect on the cost of, delivery of, and therefore access to public services. As recognised through the proposed strategic population objective below, the States of Guernsey's approach to its population requirements has a consequential effect on the delivery of public services. Ensuring capacity within the Island's workforce to continue to meet the needs of the economy through net migration will increase demand for public services already operating to limited resources and, in turn, require further increase in the public sector workforce.

- 6.23 The adoption of the strategic population objective therefore provides an opportunity to consider how public services are arranged, accessed, and funded, considering what level of services are provided and who is entitled to access them. While arrangements need to ensure that the Island remains an attractive place to work and live, anticipated increases in demand further illustrate the importance of ensuring that all islanders have a clear understanding of the services they can, and cannot, expect to receive and the cost of doing so where relevant. A number of workstreams across government are considering how to manage this need, not least in the health and care arena where the ageing demographic is having the most immediate and acute effect on demand and expenditure.
- 6.24 At a government level, there is a need to consider how public resources can be more effectively targeted through, for example, further means testing (for example restricting access to Family Allowance for households with an income above £120,000), or restricting the entitlement to some services on the basis of residency period or contribution record. If this is not addressed, increased net migration will put more pressure on the funding of those services. This provides opportunity to improve social inclusion for those receiving the targeted support and, by considering alternative routes of access for those falling outside the eligibility criteria such as possible insurance models, retain a universal ability to access core services in a way which is fair and equitable to the population as a whole. It should be stressed that this work will not include access to universal entitlements, such as access to education and school.
- 6.25 Given the cross-government considerations, it is considered that this work is most effectively coordinated through the Policy & Resources Committee, with engagement with the Principal Committees, so to provide a coordinated and consistent approach. This work will be deliverable through existing resources.

Strategic Population Objective

- 6.26 The Steering Group discussed the issues set out in sections 5 and 6 at length, noting in particular the key interdependencies between the size of the population and the Island's ability to accommodate it in terms of its infrastructure and housing. Furthermore, members of the Steering Group wished to place more emphasis on increasing productivity of the existing workforce prior to targeting increased levels of migration.
- 6.27 The Committee notes that these interdependencies ultimately fall outside of the scope of the Review, and notwithstanding their relevance to a new strategic population objective, it maintained that the outcomes of the Review should remain centred on the population through the proposal of a new, pragmatic, and practicable strategic population objective. The enabling factors and interdependencies can consequently stem from this new objective, if it is agreed

by the States' Assembly, enabling the States of Guernsey – and indeed the Island as a whole – to plan for the long-term.

- 6.28 The Committee consequently drew upon the objective findings of the modelling to draft and propose a new strategic population objective that:

“The States of Guernsey will assume, for the purpose of planning future infrastructure and service provision, that net migration will average up to +300 per year over the next thirty years. This assumption will support the capacity of the Island’s workforce so that it remains a desirable and competitive jurisdiction, and will ensure that the Island can meet the needs of the economy with the necessary housing and infrastructure.”

- 6.29 The stabilisation of the workforce over the next ten years (to 2032) is expected to lead to a slight increase in the population to between 64,500 and 66,000 inhabitants (from around 63,000 currently). However, it is important to note that positive net migration does not necessarily mean that the population will increase by the same amount, as natural fluctuations (births/deaths) will also influence the size of the population.

- 6.30 The proposed strategic population objective could have substantial implications for the necessary investment needed in infrastructure and service delivery. If net migration averaging +300 per year is achieved, it will ensure that the infrastructure planned has the capacity to meet the Island’s needs. However, if this level of net migration is not forthcoming, it may result in an over-provision of infrastructure which we may not require, implying a potentially significant overspend on infrastructure projects and the development of more land resources than necessary.

- 6.31 The adoption of this strategic population objective by the States' Assembly will supersede the existing population objective, as agreed by the States in 2015, that “as far as practicable, Guernsey’s population should, in the long-term, be kept to the lowest level possible to achieve ‘The Statement of Aims’ in this [the States’ Strategic] Plan”.¹⁰

- 6.32 Although this population objective referred to “The States’ Strategic Plan”, it has since been deemed to equally apply to the relevant strategic plan of government at the time, as set out in the Policy & Resource Plan – Stage 2 Policy Letter.¹¹ In the absence of a new strategic population objective having been agreed in the previous political term, the population objective agreed in 2015 has thus remained the same in the lead up to this Policy Letter.

¹⁰ [Billet d’État XXIV of 2015](#) and its [Resolutions](#)

¹¹ [Billet d’État XII of 2017](#), p.126

- 6.33 It is consequently recommended that Resolutions 3 and 4 of Billet d'État XXIV of 2015,¹² which respectively agreed the population objective and directed all Committees to take account of it when developing policies and business plans, and which both remain ongoing principles, are rescinded by the States' Assembly.

Supporting Guernsey's Economic Substance Requirements

- 6.34 As a jurisdiction, Guernsey is committed to meeting international standards and norms in respect of economic substance. This is a critical component of the approach to corporate taxation and the long-term strategy for resilience and growth in the finance sector, which is the engine of the economy. It is also supported by the Guernsey Financial Services Commission's framework in respect of mind and management.
- 6.35 The population approach must continue to support the Island's economic substance requirements. In order to do that, and following discussions with representatives of the finance sector, it is clear that the States can do more to help businesses attract individuals that help to ensure Guernsey's finance sector meets the Island's economic substance requirements.
- 6.36 For that reason, in order to ensure that Guernsey is competitive in maintaining economic substance, the Review is recommending that the Policy & Resources Committee undertakes a review of arrangements to ensure the competitiveness of Guernsey as a place for those individuals who are critical to finance sector business' economic substance, and to make any changes that are required. Initial discussions with finance sector representatives indicate that useful areas to consider would be assessing if any greater flexibility can be applied to the tax treatment of relocation packages and benefits in kind that are offered to new posts and employees brought to the Island to help meet economic substance requirements. Any findings and recommendations should be included in the 2024 Budget Report.

7 Employment Permit Policy/Immigration Work Permit Policy Review – Settlement

- 7.1 The UK's post-Brexit immigration policy clearly shifted its focus toward attracting skilled immigration, as set out in the Skilled Worker Visa: Eligible Occupations list ('the UK list').¹³ Provided they are employed in a role identified in the UK list, any EU/EEA or third country national may live and work in the UK and, after five years' residency, qualify for Indefinite Leave to Remain (herein referred to as 'settlement').

¹² [Billet d'État XXIV of 2015](#) and its [Resolutions](#)

¹³ [Skilled Worker visa: eligible occupations and codes](#)

- 7.2 Given the unique needs of the Island and its workforce, the Island's post-Brexit policy deviated from that of the UK. In contrast to the UK list, the Island ties the Immigration Work Permit Policy to the EPP for EU/EEA nationals, enabling them to relocate to Guernsey provided they work in a role identified in the EPP. This currently only applies to EU/EEA nationals, with stricter requirements and narrower job types for 'rest of world'/third country nationals.
- 7.3 Although there is a considerable degree of alignment between the EPP and the UK list, there are some roles in the EPP that are not identified in the UK list. After five years' residence living and working in Guernsey, an individual who is working in Guernsey – including Employment Permit holders who are working in roles that are not aligned with the UK list – may reasonably apply for settlement provided that certain conditions are met, which would enable them to permanently live and work anywhere in the CTA.
- 7.4 In this sense, in light of Brexit, Guernsey potentially offers a pathway to settled status for EU/EEA nationals working in some job types who would not qualify for settlement in the UK. The Review sought to amend the Population Management and Immigration regimes in such a way that this would not be possible.
- 7.5 Whilst the Review focused on addressing this issue, the Steering Group also used the opportunity to amend the Population Management and Immigration regimes to benefit the Island's businesses who recruit from outside the Island. These benefits are principally achieved through tying the Immigration Work Permit Policy to the EPP for third country nationals, rather than only EU/EEA nationals as currently. In doing so, local businesses seeking to recruit to roles listed in the EPP would have access to a global pool of workers, as they will now be able to recruit to these roles from anywhere in the world rather than being restricted to EU/EEA countries.
- 7.6 A number of proposals to amend the Population Management regime and Immigration policy were considered and agreed by the Steering Group and the Committee. These proposals have been set out, with a short rationale and explanation, below:

a. The Immigration Work Permit Policy will be tied to the EPP for both EU/EEA and third country nationals, rather than only EU/EEA nationals.

This proposal is intended to realise the main benefit of the revised EPP and Immigration Work Permit Policy framework, and will enable third country nationals and EU/EEA nationals to be treated equally for the benefit of local businesses seeking to recruit from outside the Island. Under this proposal, if a person is approved for a Seasonal Employment Permit ('SEP'), STEP or LTEP, the person will be eligible for an Immigration entry clearance (visa), if

needed, and an Immigration Work Permit. This process will be merged into a single combined Population Management and Immigration application, streamlining the application process.

This represents a significant change from the existing situation, where there are a much more limited number of job types that third country nationals can be recruited to, as set out in the Immigration Work Permit Policy.¹⁴ Tying the Immigration Work Permit Policy to the EPP for third country nationals will thus grant access to prospective workers from across the world for all job types contained in the EPP, rather than just EU/EEA nationals. This proposal seeks to make it as easy as possible for businesses to access the workers they need to recruit, enabling recruitment on a global scale for a large number of roles that would have previously been limited to EU/EEA nationals.

- b. STEPs will continue to be granted for periods of one year at a time, but will only be renewable up to a maximum of three consecutive years, rather than five aggregate years as currently provided. After a recognised break in residence, someone who has previously held a STEP may re-apply for a further STEP.**

This step is crucial in order to address the issue of settlement for roles not identified in the UK list, and ensure these roles do not offer a pathway to settlement across the CTA after five years. Revising the maximum length of time that a STEP holder may reside in Guernsey down to three years may, at first sight, appear to be restrictive. However, through the change in (a) above, the pool of workers from which an employer can recruit is significantly wider. STEPs being capped at a maximum of three years residency may lead to a higher turnover, however this would be offset by there being much more scope and opportunity for overseas recruitment. Opening up easier recruitment on a global scale for third country nationals would not be possible without this change due to settlement issues and the Island's responsibilities as a member of the CTA.

This change is further recommending that STEP holders may be issued with a STEP until they have reached three years' **consecutive** residency, rather than five years **aggregate** residency as currently provided. After five years' aggregate residency, irrespective of when that residency was accrued, a STEP holder is currently no longer eligible to hold a further STEP in their lifetime. Amending the Law to provide for a maximum of three years' consecutive residency for STEPs will thus enable a STEP holder to take a "recognised break

¹⁴ [Immigration Act 1971 – Work Permit Policy](#) – 'Sector-Based Scheme'

in residence”¹⁵ before being eligible to apply for a further STEP, for another three consecutive years if desired.

These proposals are being recommended as amendments to the Law.

- c. **The job roles within the EPP will be reviewed: those roles that do not align with the UK list will be categorised as STEPs unless otherwise agreed (as the case may be for some job types), while roles that are aligned with the UK list will continue to be STEPs or LTEPs as needed, based upon Guernsey’s domestic needs.**

This step will re-categorise the roles in the EPP, ensuring that those roles that are not aligned with the UK list are categorised as STEPs, and may not surpass more than three years’ consecutive residence. Meanwhile, other roles that are aligned with the UK list will be categorised as a STEP or LTEP as required by the Island. It is important to note that initial work has identified roughly 75% of job types contained within the EPP are aligned with the UK list, and thus only a quarter of roles will be necessarily categorised as STEPs.

Furthermore, as implementation work has progressed, it has become clear that there are a very small number of roles in the EPP that do not feature on the UK list which would be unsuitable as STEPs due to the nature, seniority, or requirements of the job type. These roles will be addressed individually as implementation work continues, however the Committee wishes to flag, at this stage, that appropriate consideration and arrangements will be made in respect of them.

- d. **MTEPs are removed from the Law, while LTEPs are maintained as they currently exist, leaving only STEPs (issued for one year, up to 3 consecutive years) and LTEPs (up to 8 years, generally granting pathway to Established Residency) as the two main Employment Permits that will be issued by the Population Management Office.**

The removal of MTEPs from the regime will provide greater certainty to those looking to relocate to the Island and the businesses for which they work by offering LTEP holders a route to Established Residency and settlement. Provided they are working in a role that is aligned with the UK list (or where otherwise agreed for exceptional job types), an individual will be issued with an LTEP for 8 years, after which they may apply for an Established Resident Certificate to remain in the Island permanently. This proposal to remove MTEPs is being recommended as an amendment to the Law. Transitional

¹⁵ Defined under section 78 of the Law as “a period of time during which a person is not resident that is of a duration equal to, or exceeding, that person’s last period of residence.”

arrangements and other matters in respect of this change have been addressed in this section below.

- e. All STEP holders, including UK nationals, will be required to leave the Island at the end of the three-year period, unless they are subsequently granted a LTEP should they have upskilled in the course of those three years.**

This clarifies the continuation of the existing EPP system in this respect. If the holder of a STEP has upskilled in the course of the three years living and working in the Island, and they are now working in a role that is categorised as an LTEP, they should be granted an extension to an LTEP and allowed to remain in the Island. This provides a significant avenue for businesses to seek to retain certain staff where career progression exists.

- 7.7 Following the decisions of the Steering Group and Committee to approve these changes to the EPP and Immigration Work Permit Policy, implementation work has been ongoing which has included correspondence with the UK.
- 7.8 The proposals in part represent changes to policy, and can be implemented by the Committee under its mandate with regard to Population Management and Immigration policy, however amendments to the Law will also be required. These have been referenced in the proposals above, however in summary they seek the States' Assembly's agreement to amend the Law to provide that:
- STEPs may continue to be granted for a period of up to one year and may be renewed upon expiry by the Administrator until the holder reaches up to three years' consecutive, rather than aggregate, residency;
 - Individuals who have previously held a STEP may re-apply for a further STEP after taking a recognised break in residence, even if they have previously reached three years' consecutive residency; and
 - MTEPs are removed from the Law.
- 7.9 Similarly, depending on the exact details of the changes made to the Immigration Work Permit Policy, minor amendments may be needed to the Immigration Rules. The Immigration Rules are made by, and fall under the mandate of, the Committee, and any changes that may be needed can be implemented by it.
- 7.10 The Committee currently anticipates making progress on the necessary changes to the EPP and Immigration Work Permit Policy simultaneously with the drafting of the required amendments to the Law, should they be approved by the Assembly, in order for the policy changes to be made at the same time as the Commencement of the amendment legislation.

Transitional Arrangements and Other Matters

- 7.11 Some of the proposed changes in paragraph 7.6 will require transitional arrangements from the current regime, for example for current MTEP holders who will see their Employment Permit removed from the regime, or will otherwise require changes from the status quo. This section will summarise these provisional working transitional arrangements and other changes.

a) Transitional Arrangements – MTEPs and STEP

- 7.12 If the holder of an MTEP is working in a job which will be categorised as an LTEP under the new EPP following its re-structure, their employer – who applies for the Employment Permit on the behalf of the employee – will be eligible to convert their MTEP to an LTEP when the new system is in place. As set out in paragraph 7.6, initial work has suggested that the vast majority of job types that qualify for an MTEP could be re-categorised as qualifying for LTEP roles. It is therefore likely that the vast majority of current MTEP holders will be eligible for an LTEP under the new system.
- 7.13 Where an MTEP holder is working in one of the few job types that may be categorised as a STEP under the newly re-structured EPP, transitional arrangements will be put in place to enable them to continue to live in Guernsey until the time prescribed on their original MTEP. This may include, for example, issuing ‘out of policy’ permits to MTEP holders once MTEPs have been removed from the Law.
- 7.14 Transitional arrangements will also be required for some STEP holders as the length of residency permitted under a STEP is amended from five years aggregate to three years consecutive residency. These transitional arrangements will be agreed by Committee policy as the changes move toward implementation. Further consideration will also be required in respect of Employment Permit holders who have accessed the Extension Policy,¹⁶ and have resided in Guernsey for in excess of five years.

b) Risks around the removal of MTEPS

- 7.15 Although the removal of MTEPs from the Law is likely to benefit the Island’s employers, enabling them to recruit and retain staff without the need to replace them after five years and thereby lowering turnover rates, it is also noted that there could be some budgetary consequences for employers, including the

¹⁶ [Population Management – Business Support Policies](#); the Employment Permit ‘Extension’ Policy was implemented by the Committee to assist employers in mitigating the impact of Covid-19. This policy allows for STEP and MTEP holders who have reached their five-year limit to apply for a further 12-month Employment Permit on or before 31st December 2022.

States of Guernsey. This will need to be a factor considered by the employer at the point of appointment, requiring them to weigh up the potential costs and benefits of experienced staff against potentially lower remuneration coupled with relocation costs.

- 7.16 Whilst the Committee acknowledges the potential consequences of the removal of MTEPs, the terms and conditions of a contract offered to those coming to work locally is a matter for the employer to determine. The offer of a post does not have to mirror the length of an Employment Permit, albeit in relation to STEPs where the length of employment cannot be extended beyond the Employment Permit's validity.
- 7.17 It is also noted that the removal of MTEPs and consequential increase in LTEPs is likely to result in more family groups relocating to Guernsey due to the removed uncertainty around the potential need to relocate at key stages of a child's education. This is likely to impact the proportion of pre- and school-aged children arriving in the Island for whom English is an additional language ('EAL'). Although EAL is seen as an educational advantage in the long-term, in the short-term any significant increase in EAL students would have resource implications for the Committee *for* Education, Sport & Culture to support those students.

C) Open Market Employment Permits and Other Permits

- 7.18 The proposals set out earlier in this section are principally centred on amendments to the EPP and the Immigration Work Permit Policy, however it is important to note that Open Market Employment Permits ('OMEPS') have also been impacted by Brexit.
- 7.19 In summary, OMEPs – which can be issued for either Parts A, B or C of the Open Market – allow the holder to work full-time in a named job for a named employer, and are conditional on the holder living on-site within the Open Market property. This type of Permit can be issued indefinitely, in 5-year increments, and is not tied to a job type in the EPP. These Permits are thus not aligned with the principles of the EPP, namely to fill identified gaps and shortage occupations in the Island's skills and workforce, as they can be issued to any job types.
- 7.20 The use of OMEPs – in addition to further Open Market Permits such as Open Market House of Multiple Occupancy Resident Permits (Part D) – will be adapted by the Committee in light of the issues regarding settlement rights set out in section 7.3. Whilst this Policy Letter is not recommending that they are removed from the regime as in the case of MTEPs, it is considered at this stage that EU/EEA nationals, third country nationals, or those not already holding valid Leave to Remain in a CTA jurisdiction will be encouraged to apply for an identified job in the EPP, which will lead to the granting of immigration clearance and the relevant

visa.

- 7.21 This will not only address potential issues of settlement rights for these Permits, but will further benefit the Island by ensuring that any job role is identified as a shortage occupation in the EPP, assisting Guernsey in filling known gaps in its workforce. It is further important to note that, under the Law, anyone who holds an Employment Permit under the EPP can reside in the Open Market should they wish to, and should that accommodation be most suitable for them.
- 7.22 Any changes or transitional arrangements needed to Population Management or Immigration policy as a result of the arrangements set out in this section will be enacted by the Committee, under its mandated responsibilities to create and amend policy within these regimes.

8 Permanent Residency Under the Law

- 8.1 One of the criticisms of the Law since its Commencement has been that it is overly complex, with one such area considered to be the Law's routes to Permanent Residency.
- 8.2 The Law includes 26 pathways leading to Permanent Residency qualification, which are explored in more detail in Appendix 4, along with a more detailed summary of the Steering Group's considerations in respect of these routes.
- 8.3 In general, these residency pathways cover three categories:
- 1) section 3 of the Law – 'Population Management' routes:** Pathways to residency with qualifying periods that start and finish after Commencement of the Law;
 - 2) section 6 of the Law – 'Transitional' routes:** Pathways to residency for individuals with qualifying periods that hold a degree of crossover from pre- and post-Commencement of the Law; and
 - 3) section 6(1)(K) and 6(1)(L) of the Law – 'Housing Control Law' routes:** For individuals who would have, or already were, qualified under the previous Housing Control Law.
- 8.4 Initially, the Steering Group considered whether it would be beneficial to remove or simplify any of the existing routes to Permanent Residency. Unlike other areas of the Law, the Administrator has no discretionary powers to issue Permanent Resident Certificates; he may only grant a Permanent Resident Certificate to an individual who meets the criteria set out in one of the statutory pathways. The removal, therefore, of any of those pathways could impact an individual's right to qualification, who has clear and identified links to the Island.
- 8.5 On this basis, the Steering Group concluded that there were no benefits that

derived from the removal of any of the routes to Permanent Residency, and the routes included in the Law offered proportionate and justified pathways to residency. However, further discussion in respect of these routes to Permanent Residency considered the issue of so-called 'birth-right privilege'.

- 8.6 The concept of 'birth right privilege' is centred on more favourable qualification routes for residents who are born in the Island (or who come to the Island subsequently) who have local heritage as compared with residents with different heritage. This is an issue with considerable background in the initial proposals for the Population Management regime.¹⁷
- 8.7 Several options scoping how the routes to Permanent Residency could be changed in respect of 'birth right privilege', if at all, were presented at a high level to the Steering Group. Whilst the Steering Group did not wish to progress these options as a part of the Review, it did, by a majority, note its general disagreement with the Permanent Residency routes as set out in the current Law, with Members stating that they were arguably discriminatory by disadvantaging those with no or few familial ties to the Island. This is explored more fully in Appendix 4.
- 8.8 The Steering Group consequently agreed that the issue warranted closer and more focused investigation, in addition to considered and extensive public consultation. The Review therefore seeks direction from the States' Assembly for this work to be carried out by the Committee as a further and separate workstream.

9 The Open Market

- 9.1 Much of the secondary work of the Review was centred on Open Market policy areas, particularly; inscriptions onto the Register; work to clarify the rights of Open Market residents; and Open Market lodging. In some of these areas, the work of the Review led to new policies being implemented or developed. In other areas, however, the Steering Group determined that the current provisions of the Law, or its underlying policies, were sufficient.
- 9.2 The Open Market has recently undergone a period of increased activity, largely as a result of the Covid-19 pandemic increasing Guernsey's attractiveness as a safe destination. The Review was cognisant of, and encouraged by, this increased activity, and its work was centred on both continuing to develop the Open Market as an economic enabler for the Island whilst ensuring that the Local Market remains protected.
- 9.3 When considering the role of the Open Market in relation to the Bailiwick's

¹⁷ [Billet d'État XVI of 2014](#)

population policy, the Steering Group agreed to a number of policy principles which were used as a basis and guide for the Open Market work of the Review:

1. Part A of the Open Market should support and develop the Island's economy by attracting wealthy and/or entrepreneurial people to Guernsey who will make a positive contribution to both the Island's economy and its community;
2. Open Market Part A properties should be high quality, aspirational dwellings in a variety of types, sizes, and Island locations, with many being exceptional 'landmark' properties by virtue of their location, structure, design, or high-quality fit out and appearance;
3. The Open Market should be perceived positively as an attractive element of residence in Guernsey that permits easy relocation to the Island for those wealthy enough to afford the properties; and
4. Open Market residents should have clarity over their long-term residency, and the status of their dependents.

Open Market Inscriptions

- 9.4 The Open Market has now existed in some form for over 50 years. When first formalised into the Register as a part of the Housing Control (Guernsey) Law, 1969, there were an estimated 2,200 properties that were eligible for inscription. However, over the following decade, the number of properties inscribed on the Register fell below what was envisaged. By the 1980s, the Housing Authority "was finding it increasingly difficult to determine the status of the property" at the point it first become a dwelling exempt from housing controls.¹⁸
- 9.5 The States' Assembly consequently agreed that the Register should be closed to new inscriptions, with effect from the date of the Commencement of the Housing Control (Guernsey) Law, 1982.¹⁹
- 9.6 The Register has largely remained closed to new inscriptions following this decision of the States' Assembly, with only a limited policy, implemented in 2001, that enabled new inscriptions in clearly defined areas subject to the deletion of existing units.²⁰
- 9.7 Over the years since the Register was closed, the number of housing units inscribed upon the Register has generally remained stable at roughly 1,700. Although not a specifically defined 'cap', it has gradually become common knowledge that the total number of Open Market properties generally does not exceed this number. As of August 2022, the total number of Open Market

¹⁸ [The Development of the Open Market](#), p.13

¹⁹ [The Development of the Open Market](#), p.13

²⁰ The 'Mixed-Use Redevelopment Area' ('MURA') Policy, [Billet d'État III of 2001](#), p.191

inscriptions stood at:

- Open Market Part A (private family homes) – 1,484
- Open Market Part B (hotels) – 52
- Open Market Part C (residential and nursing homes) – 10
- Open Market Part D (houses in multiple occupation) – 134

9.8 In 2015, the States' Assembly agreed to the development and introduction of the Open Market Housing Register (Guernsey) Law, 2016²¹ ('the Open Market Law') to exist interlinked with, and alongside, the Law. Under the Open Market Law, the Committee *for the* Environment & Infrastructure has the authority to inscribe new properties onto the Register – a marked change in approach from the effective closure of the Register under the HCL regime.

9.9 This authority is set out under section 3 of the Open Market Law, which states that "the Committee [*for the* Environment & Infrastructure] may, on application being made to it ... inscribe in the Register a property that is currently not so inscribed."²² The only statutory requirement in respect of these inscriptions is for the Committee *for the* Environment & Infrastructure to be satisfied that the new inscription would be in accordance with States population policies or, in the case of a Part D inscription, that it is a House in Multiple Occupancy ('HMO') and the statutory Part D cap will not be exceeded.²³

9.10 There is thus considerable scope for the Committee *for the* Environment & Infrastructure to approve inscriptions onto the Register under the Open Market Law. However, in the years following Commencement, the application process has remained relatively opaque.

9.11 Therefore, one workstream in the Review considered proposals for a new Inscriptions policy to be implemented, clarifying the conditions and criteria in which a new development or Local Market housing unit may be inscribed upon the Register. In line with the policy principles agreed by the Steering Group at the outset of the Review, there were a number of clear policy drivers for a new approach, including:

- enhancing the Open Market as an economic enabler through the inscription of aspirational housing units for relocators;
- enabling lower-end Open Market housing units to be removed from the Register and transferred to the Local Market as they are replaced with higher quality properties, adding more suitable stock to the Local Market for local

²¹ [The Open Market Housing Register \(Guernsey\) Law, 2016](#)

²² [The Open Market Housing Register \(Guernsey\) Law, 2016](#), section 3

²³ Under Section 2 of the Law, the Part D cap is prescribed by Ordinance. The current cap, as set out in [The Open Market Housing Register \(Part D Cap\) Ordinance, 2017](#), is 205.

- families at a time of significant pressure on that market; and
 - incentivising new developments for aspirational properties, increasing their financial viability.
- 9.12 This policy work remains ongoing, and is being progressed by the Committee *for the Environment & Infrastructure* given its mandate in that area, where it is likely to be implemented as a Committee policy given its authority under section 3 of the Open Market Law. In general, however, the policy will seek to provide clear, objective criteria which, if met, will enable a new development or Local Market housing unit to be inscribed upon the Register.
- 9.13 In the majority of cases, an inscription application is likely to be subject to the condition that an existing Open Market housing unit is de-registered from the Register elsewhere, so as to ensure there is no impact on total Local Market or Open Market housing stock. However, there may be some cases in which altogether new inscriptions are released by the Committee *for the Environment & Infrastructure*, should it be pragmatic to do so in order to maintain the Open Market as a proportion of total housing stock in the Island. It bears repeating that this policy work remains very much in the development phase by the Committee *for the Environment & Infrastructure*.
- 9.14 In the course of the Inscriptions policy development, the potential for a new vehicle through which inscriptions can be transferred was identified. Policy work thus far has proposed an 'Open Market Transfer Register' ('the Transfer Register'). The Transfer Register would seek to exist as a central location for the inscriptions of some Open Market housing units to be listed and sold by property owners separately from the property itself. In this sense, the Transfer Register would enable Open Market property owners to release the equity contained within the Open Market inscription while retaining the property, which would become a Local Market dwelling. Any occupiers of that property would need to be qualified to live in the Local Market.
- 9.15 Initial proposals suggested that the Transfer Register would principally serve as a location for the inscriptions attached to lower end Open Market properties, or properties that are unsuitable for the Open Market, to be listed and sold, thus enabling the inscription to be purchased by applicants who are seeking an inscription for a new development or Local Market housing unit, in line with the new Inscriptions policy. This would allow for the removal of lower end housing stock from the Open Market, to be replaced with aspirational dwellings more suited to that marketplace.
- 9.16 Further uses of the Transfer Register are likely to be, and have already been, identified, expanding its future potential as it is established (see section 9.20 and Appendix 5).

- 9.17 The Transfer Register remains in development by the Committee *for the Environment & Infrastructure* given its responsibility for the Open Market Law, and legislative changes would be required to establish it in a statutory framework. Its development is interlinked with the proposals for a new Inscriptions policy, ensuring a joined-up approach where potential risks and unintended consequences can be effectively mitigated prior to implementation. Whether and when these issues are considered by the States' Assembly is a matter that will be progressed separately from the Review by the Committee *for the Environment & Infrastructure*.

Open Market Residency and Further Matters

- 9.18 Throughout the Review, the Steering Group considered further matters related to the Open Market, many of which were centred on policy changes to the Population Management regime across areas including Open Market residency and lodging. These matters, and the conclusions of the Steering Group, have been set out in full in Appendix 5, however the decisions of the Steering Group in respect of Open Market residency rights have been briefly summarised in this section.
- 9.19 Various matters in relation to Open Market residency were considered by the Steering Group throughout the Review, in which policy options for different cohorts of Open Market residents to move to the Local Market were discussed. Many of these policy options were centred on new 'Discretionary Resident Permit' ('DRP') policies for residents whose circumstances meet certain conditions. DRPs enable an Open Market resident to move to the Local Market where they would otherwise have been unable to do so.
- 9.20 In summary, the decisions of the Steering Group were:
- Open Market property owners: A new policy was agreed in principle, however further work is required as the Open Market Inscriptions policy and Transfer Register is developed. This policy would enable older Open Market residents who have lived in the Island for a significant period to move to the Local Market, provided they deleted a property inscription from the Open Market and passed its inscription to the States of Guernsey for listing on the Transfer Register. This policy would be similar in nature to that which was in place under the previous HCL regime.²⁴
 - Open Market residents with grandfather rights from the HCL regime: There are some residents of the Open Market (e.g. long-term Part A lodgers, and long-term Parts B, C and D residents) who possess the right to remain indefinitely in the Island, provided they continue to live in Open Market

²⁴ [Billet d'État XI of 2013](#), section 13.15-13.18

accommodation. However, as their circumstances change, it may become an unjustifiable infringement on their Convention rights, or become otherwise inequitable, for them to continue to be required to live in such Open Market accommodation. A bespoke policy for this cohort of residents was therefore considered. However, the Steering Group agreed that, for the reasons set out in Appendix 5, a new policy should not be implemented. Instead, it agreed to encourage these residents to engage with the Population Management Office and existing DRP processes. It is recognised that the process of applying for a DRP can seem complex, however the Population Management Office stands ready to assist individuals in a DRP application, and provide the necessary advice regarding the evidence that is required.

- Open Market residents with additional health needs: The Committee agreed to the introduction of a new policy in November 2021 which is now in force. This policy enables Open Market residents with additional health needs to move in with an immediate family member, who is a Local Market householder, if doing so is conducive to the provision of informal care.
- Open Market minors: Whilst the Law treats Open Market and Local Market minors broadly equally in terms of their pathways to Permanent Residency, there was a policy in place that treated such minors differently. A DRP policy provides that Local Market residents first resident in Guernsey before their 18th birthday, and who have been ordinarily resident for 8 consecutive years, could generally expect to be granted a DRP to enable them to remain living in the Local Market until they have achieved Established Residency, if they cannot continue to live with the householder named on their Permit.²⁵ In October 2021, the Committee agreed to the implementation of a new DRP policy which brings the rights of Open Market minors in such a situation into alignment with the policy described above. A similar policy for Open Market minors was therefore introduced by the Committee at the time it considered the matter.²⁶
- The Steering Group further considered the matter of section 72 of the Law, which prohibits an Open Market resident from moving to the Local Market solely by virtue of being an immediate family member of a Local Market householder. Given the potential impact removing this provision from the Law may have on the Local Market, the Steering Group agreed that no change should be implemented.

9.21 As mentioned above, the full considerations of the Steering Group in these areas are set out in Appendix 5.

²⁵ [Discretionary Resident Permit Policies – For people living as Family Members](#), Ref DR6

²⁶ [Discretionary Resident Permit Policies – For Open Market Residents](#), Ref DR41

Seasonal Employment Permit Holders

- 9.22 Though much of the work on the Open Market did not conclude with proposing any amendments to the Law, the need for one technical amendment was identified.
- 9.23 In 2019, the States' Assembly approved an amendment to the Law that introduced 'Seasonal Employment Permits' ('SEPs'), which enable someone to live and work in Guernsey for a period of up to nine months, after which they may re-apply for a further SEP after a break of three months where the individual was not physically present in Guernsey.
- 9.24 This amendment granted SEP holders the same rights as STEP holders, as set out in section 24 of the Law, which states that STEP holders may be accommodated in an Open Market dwelling.
- 9.25 However, the rights of Open Market householders, as set out under section 8 of the Law, were not consequently amended so as to make it clear that they may lawfully accommodate SEP holders. The Review therefore utilises the opportunity, through this Policy Letter, to propose this small and technical amendment to section 8(3) of the Law, expressly providing that Open Market householders may accommodate SEP holders.

10 The Population Employment Advisory Panel

- 10.1 PEAP was established in 2016 prior to the Commencement of the Law to support the introduction and implementation of the new Population Management regime, which it did successfully through notable contributions to the development of the EPP and through periodic reports to the Committee.
- 10.2 The Steering Group noted the contributions of PEAP, and assessed its objectives and purpose as a part of the Review, particularly in light of some of the wider changes to the EPP proposed in the Review as set out in section 7 of this Policy Letter. For example, there will ultimately be less need for PEAP to proactively identify, add to, or move roles within the EPP as it becomes more closely aligned with the UK 'Skilled Worker' visa list.
- 10.3 As these changes are implemented, the Review concluded that PEAP will continue to be a helpful panel to ensure the changes are embedded effectively, and businesses will continue to have representatives on PEAP with whom they can engage and talk to regarding any concerns.
- 10.4 In this sense, the role of PEAP has evolved in tandem with the evolution of the Population Management regime. As these changes are embedded, and the Population Management approach continues to evolve, the role of PEAP will

further naturally evolve as needed, ensuring it continues to benefit the regime and the Island's businesses.

11 Population Management – Herm

- 11.1 The Committee considers that there is merit in extending the Law to Herm. This workstream was not prioritised as a part of the Review, which focused its efforts on providing relief to businesses through substantive changes to the regime. However, the Committee wishes to note its intention to develop this work in future, through the necessary consultation and engagement with Herm, as it believes it is essential that the Population Management regime applies as a level playing field for all business entities operating across Guernsey and Herm.

12 Compliance with Rule 4

- 12.1 Rule 4 of the Rules of Procedure of the States of Deliberation and their Committees sets out the information which must be included in, or appended to, motions laid before the States.

- 12.2 The following information is provided in conformity with Rule 4(1):

- a) The Propositions accord with the States' objectives and policy plan to assess the fitness for purpose of the population and immigration framework, which was agreed as a top 10 priority action of the GWP 2021/2022. The Review's progression was resourced through the GWP in 2021/2022, and the strategic context is further explained in section 2.
- b) The Review was informed by significant cross-Committee joint-working through the convening of the Steering Group, which saw the majority of Principal Committees represented. Further political consultation on the draft Policy Letter and Propositions was undertaken with all Principal Committees in July and August 2022. The main responses that were received have been appended to this Policy Letter as Appendix 6.
- c) The Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.
- d) No direct financial implications for the States of Guernsey have been identified as a consequence of the Propositions.

- 12.3 For the purposes of Rule 4(2):

- a) It is confirmed that the Propositions relate to the responsibility of the Committee *for* Home Affairs for advising the States on, and developing and implementing policies for, the Population Management and Immigration regimes.

- b) It is confirmed that each of the Propositions have the unanimous support of the Committee, with the exception of Propositions 1 and 8, which were supported by majority.

Yours faithfully

R G Prow
President

S P J Vermeulen
Vice-President

A W Taylor
S Aldwell
L McKenna

P A Harwood OBE
Non-States Member

APPENDIX 1: TERMS OF REFERENCE FOR THE REVIEW

Project Ambition

“To have a population management regime that can respond quickly to the Island’s changing economic, social and environmental demands and support recovery.”

Background

The Housing Control regime was originally introduced in 1948 because of the need to “protect” the Island’s very limited housing stock. The Housing Control Law’s primary purpose continued to be to preserve a stock of Local Market housing for occupation by Qualified Residents and existing Licence holders. However, over 60 years the regime evolved and was used to attempt to regulate length of residence and type of employment for some living in the Island.

In January 2012 Billet d'État I the States approved the principles of a new approach primarily based on population management. The 2012 Report explained that “the proposals ... are aimed at influencing the size of the Island’s population over the medium to long term and are designed to be effective whether the States’ strategic population policy as any point in the future is for the population to rise, fall or to remain static.”

On 3rd April 2017 the Population Management (Guernsey) Law, 2016 (the Law) came into force to replace the Housing (Control of Occupation) (Guernsey) Law, 1994 (the Housing Control Law). The new Law was designed to be more flexible and responsive than the Housing Control Law with a focus on population management rather than controlling housing occupancy.

Most developed societies have two levels of consideration for managing the population: a first-tier immigration regime to control entry, to provide safety and ensure security; and a second tier of work permits managing the population.

As a result of the United Kingdom’s (UK) exit from the European Union (EU) the free movement that was enjoyed between the EU and UK has now ended. An EU national looking to take up residence in the Bailiwick is not able to without applying for entry clearance under the Immigration Act 1971 as extended. This requires they meet the criteria of the Immigration (Bailiwick of Guernsey) Rules, 2008 for eligibility to reside in the Bailiwick under one of the available Immigration residency routes, or by seeking employment through the application of a work permit.

The Bailiwick does have some discretionary powers, which has meant that we did not have to adopt the UK points-based immigration system, which is predominantly limited to skilled or highly qualified job types. The Population Management regime was established to recognise skills and manpower shortages locally, this particular statutory regime established prior to Brexit, has enabled local policy to combine with the

immigration work permit and the population management employment permit allowing the issuance of a joint permit for the EU cohort seeking employment in Guernsey.

Scope of the Review

Any review of population policy should consider the changing economic climate as a result of the COVID pandemic and the impact of the Law, since its implementation, on immigration, emigration, employment and the economy and its interaction with GDP and housing costs. The Review must acknowledge that:

- There is a need to limit immigration to restrict population growth and manage pressure on public services, housing stock and the environment; and
- There is a need to access an off-island workforce to address local skills and manpower shortages to maintain services in light of the demographic shift in the Island and to foster economic growth.

Objectives of the Review

- Analysis of what the size of Guernsey's economically active working population will need to be in order to maintain sustainable economic growth over the medium to long term, taking into account the projected demographic changes that could impact on the availability of local labour;
- Interdependencies between population and immigration and the impact of Brexit on immigration rights and migration flows in respect of the Common Travel Areas;
- To promote economic wellbeing, consider how we attract individuals who will make a lifetime contribution to the public purse, whilst balancing the need for lower paid workers to continue to see Guernsey as an attractive place to live and work;
- Analyse the skills needed to support economic recovery and growth, ensuring future policy can be flexible in order to meet the changing needs of business and the economy;
- Working with the Population Employment Advisory Panel and Skills Guernsey to support the development of the skills of the resident workforce and those who are not working;
- Encourage new business and support entrepreneurship, recognising the need for flexibility to allow companies to expand their workforce and recruit off Island;
- Consideration of pathways to Permanent Resident status, including birth and ancestry rights and the rights of minors in Alderney and Sark;
- Consideration of the Open Market as an economic enabler;
- Ensure that individuals' rights in relation to their property or dwelling are not subject to unnecessary or disproportionate interference from the Law;
- The availability of Local and Open Market housing stock and how future population management policy might impact on future housing needs;

- Opportunity for service delivery which is sustainable and makes the best use of resources;
- Ensure that the Bailiwick is kept safe and secure, by excluding those who have serious criminal convictions and those whose presence is not deemed conducive to the public good.

The Population Policy Review aligns with the following Government Work Plan – Recovery Outcomes and Outcome Statements

A resilient essential workforce

Employees in essential services (health care, supply of food and other necessary goods, utilities, education and childcare, public safety, vital transport) are protected and the Island is better positioned to train, attract and retain the employees needed in key areas.

Inclusive and sustainable economic growth and greater productivity

Inclusive and sustainable economic growth, exceeding the previous growth path for the economy by 2024.

Sustained employment and enhanced matching of skills

Full and productive employment, with greater match between islanders' skills and available roles, enabling all islanders to reach their potential.

Greater innovation and creativity in existing and new sectors

The Island's business environment encourages and enables innovation and creativity in existing and new economic sectors, enhancing economic resilience and community wellbeing.

The full membership of the Steering Group was as follows:

Deputy R. Prow, President, Committee *for* Home Affairs (Chair)
 Deputy P. Ferbrache, President, Policy & Resources Committee
 Deputy N. Inder, President, Committee *for* Economic Development
 Deputy P. Roffey, President, Committee *for* Employment & Social Security
 Deputy A. Dudley-Owen, President, Committee *for* Education, Sport & Culture
 Deputy L. de Sausmarez, President, Committee *for the* Environment & Infrastructure
 Deputy S. Vermeulen, Member, Committee *for* Home Affairs
 Deputy N. Moakes, Member, Committee *for* Economic Development
 Mr. A. Niles, Non-Voting Member, Committee *for* Economic Development
 Mr. T. Mancini, Non-Voting Member, Committee *for* Economic Development

APPENDIX 2: POLICIES IMPLEMENTED IN RESPONSE TO THE COVID-19 PANDEMIC

Timeline	Policy/Event	Policy details
February 2020	- (Existing Temporary Policies) Brexit Policy* 2 Year Extension Policy v.1	<i>*The Brexit Policy was originally introduced in February 2019, with an expiry date of February 2020. This was extended by CfHA to February 2021.</i>
March 2020 <i>Introduced -</i> <i>Introduced -</i> <i>Introduced -</i>	- <i>Guernsey enters first Lockdown</i> CCA Regulations v.1 OMEF (B)/(C) discretion DRP – Travel Restrictions	Brexit Policy Any STEP, MTEP or OMHMORP(D) holders reaching their 5-year limit could be granted an additional year holding an Employment Permit (DRP), if they are working within a role in the EPP.
June 2020 <i>EXPIRED -</i> <i>Introduced -</i>	- <i>Guernsey enters Phase 5 of exit strategy</i> CCA Regulations v.1 DRP – Travel Restrictions (9/3)	2 Year Extension Policy v.1 Anyone working in a **role in the EPP could hold a further Employment Permit (DRP) until they reached a total aggregate residence of 7 years in Guernsey.
December 2020 <i>Introduced -</i>	STEP 9/3 Extension Policy	2 Year Extension Policy v.2 Anyone working in a role in the EPP, and is holding a STEP, MTEP or OMHMORP(D) could hold a further Employment Permit (DRP) after they have reached their 5-year limit. This cannot exceed 7 years of residence in Guernsey.
January 2021 <i>Introduced -</i>	- <i>Guernsey enters second Lockdown</i> CCA Regulations v.2	CCA Regulations V.1 STEP, MTEP & LTEP holders could undertake part-time employment, cease employment or work for another employer (other than the employer named on their Permit) without invalidating their Employment Permit (would have usually under PML). STEP 9/3 holders were exempt from needing to take their 3 month break away from Guernsey (would hold a DRP Temp for this duration). Would be able to resume this pattern of working
February 2021 <i>EXPIRED -</i> <i>Introduced -</i>	Brexit Policy 2 Year Extension Policy v.2	OMEF(B)/(C) discretion The Administrator extended the principles of the CCA regulations to OMEF (B) & (C) holders.
March 2021	- <i>Guernsey exit's second Lockdown</i>	DRP – Travel Restrictions Individuals who were due to leave Guernsey but could demonstrate due to travel restrictions were granted a temporary Permit until travel could be undertaken.
June 2021 <i>EXPIRES -</i>	STEP 9/3 Extension Policy	DRP – Travel Restrictions (9/3) Similar principles to the CCA regulations. Anyone who could demonstrate an inability to travel due to travel restrictions were issued with a temporary Permit in place of their 3-month break from Guernsey.
July 2021	- <i>New travel regime starts</i>	STEP (9/3) Extension Policy Similar principles to the CCA regulations but agreed by the CfHA.
October 2021 <i>EXPIRED -</i>	CCA Regulations v.2	CCA Regulations v.2 Same regulations as CCA regulations v.1 but now includes OMEF, following previous experience from 1 st Lockdown.
Key		
CfHA	- Committee for Home Affairs	
PML	- Population Management Law	
STEP	- Short Term Employment Permit	
MTEP	- Medium Term Employment Permit	
LTEP	- Long Term Employment Permit	
OMHMORP(D)	- Open Market HMO Resident Permit	

APPENDIX 3: CURRENT POPULATION AND MIGRATION TRENDS

Guernsey's population in June 2022 was 63,825 (not including the 2,144 people resident in Alderney) (see Figure 1). This is about 500 people (0.8%) higher than the last peak in the summer of 2011. The population is typically seasonal, and on average there is a difference averaging about 500 people between June and December because of the influx of seasonal workers over the summer months to supply the Hostelry sector (note the seasonal shift has been disrupted during the Covid-19 pandemic and there is no summer peak visible in 2020).

Changes in the population are driven by two types of activity: natural changes like births, deaths and the normal ageing of the people in a population; and migration both inwards (immigration) and outwards (emigration) (see Figure 2).

Within Guernsey, natural changes in the current population tend to have a larger impact on the age profile of the population, while migration patterns make a larger contribution to its overall size.

Figure 1: Total population resident in Guernsey

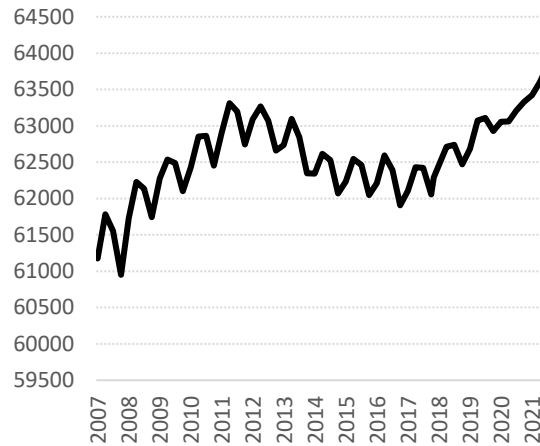
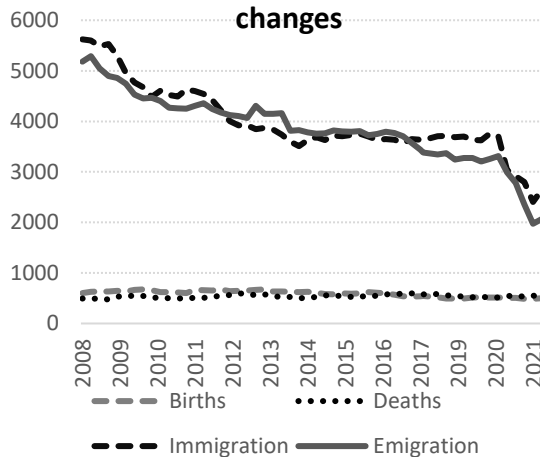


Figure 2: Annual population changes



Natural changes

The generation currently reaching retirement, known as the “baby boom” generation because they were born in a period of exceptionally high fertility rates in the decades following the end of World War II, is larger than either the generation that preceded it or the generation that follows it. Decades of improvements in living standards and medical care also means that people are living longer once they reach retirement.

Combined, this means that there are more people in Guernsey retiring each year than there are entering the workforce. As a result, the natural pressure on the population age 16 to 64 has been downwards since about 2011 (see Figure 5). Only in the last three years, when net migration has been higher than the average level of +100 people a year, has migration been sufficient to stabilise the population age 16-64 against this downward pressure.

As this large generation move into retirement, the number of people above pension age has steadily increased. This trend is enhanced by longer life expectancies. In the 1940s, when the first of the baby boom generation were born, someone aged 65 might, on average, live another 12 (male) or 14 (female) years. By contrast, those turning 65 in Guernsey today can expect to live an average of 20 to 23 or more years.²⁷

The improvements in life expectancy have been reflected in the policy

Figure 3: People aged 16 and 65

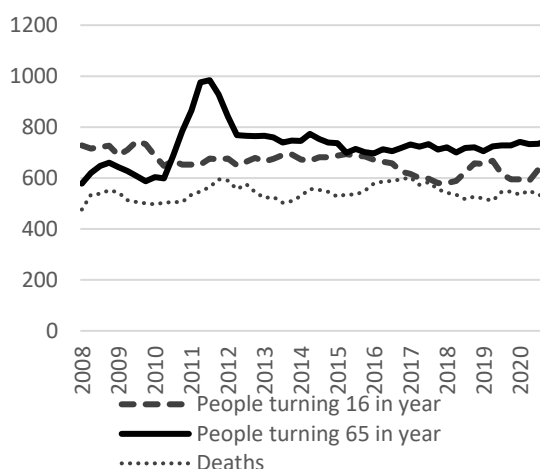


Figure 4: Population 65 and over

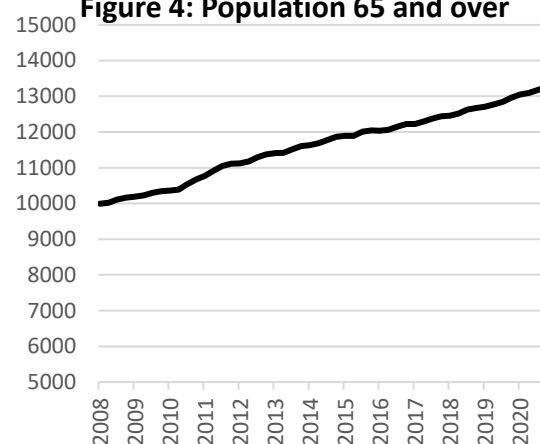
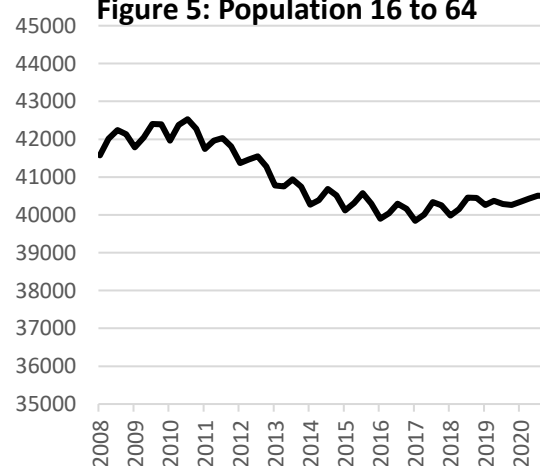


Figure 5: Population 16 to 64



²⁷ For more information on life expectancy trends and their causes see: [How has life expectancy changed over time? - Office for National Statistics](#)

decision to increase the age at which you are entitled to a States' Pension to 70 by 2040 (a process which began in 2020). Over time, this will provide some mitigation for the increase in the population above pension age, and the downward pressure on the population below State pension age, but it is not sufficient to reverse the trends.

Migration

In a typical year, the annual “churn” in the population is between 3,500 and 4,000 people. Net migration, the difference between immigration and emigration, is just a fraction of this. Net migration varies significantly year by year and within the last decade has ranged from a net gain of more than 600 people in a year to a net loss of more than 400. Over the available time series, it has averaged net gain of just over 100 people per year.

The drivers of this volatility are generally economic factors such as the availability of jobs. The period during, and to some extent immediately following, the Covid-19 pandemic is an exception to this, where policy responses (lockdown and travel restrictions) and the positive Guernsey position relative to the UK are likely to be contributing factors.

Both immigration and emigration are heavily focused in the working age population and typically in younger working adults. It is assumed that 85% of any net migration will fall between the ages of 18 and 64 (see Figure 7).

Figure 6: Annual population changes

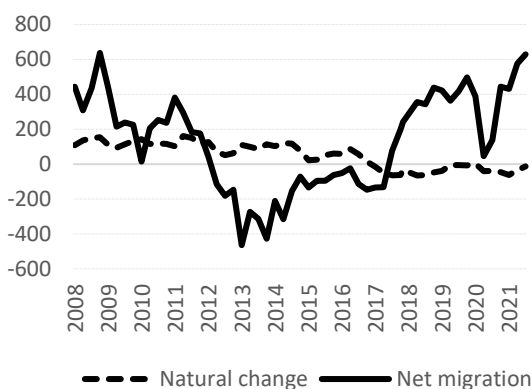
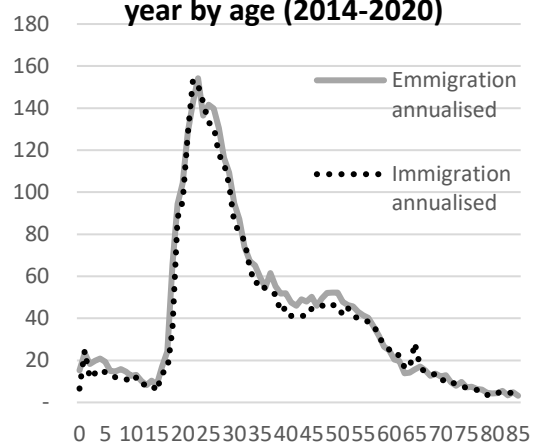


Figure 7: Average migration per year by age (2014-2020)



Typically, the net movement of people of school age is fairly limited (averaging 2-3 children in each year group). The net movement of pensioners is also relatively small. The available data suggests a small net inward movement of people at pension age (a net gain of around 10-15 people a year); beyond that, the net movement of pensioners is generally balanced. Combined, under 18s and over 64 year olds are assumed to contribute about 15% of net migration.

In a typical year between 10% and 12% of immigrants and 15% and 18% of emigrants were born in Guernsey. Typically, these individuals and their households would face few requirements from the Population Management regime on their relocation to Guernsey

if they already hold a 'Status Declaration' or 'Permanent Resident Certificate'. If they do not hold one of these documents they would need to apply to the Population Management Office for a Permanent Resident Certificate to verify that they are a Permanent Resident.

Figure 8: Distributions of immigration and emigration by country of birth (% of total)

	Immigration					Emigration				
	Guernsey	UK Common Travel Area	Other Europe	Rest of World	Place of birth unknown	Guernsey	UK Common Travel Area	Europe	Other	Place of birth unknown
2016	10.2	27.0	27.6	10.8	24.4	15.2	27.2	36.2	8.5	12.9
2017	11.3	24.0	34.1	9.0	21.6	16.9	25.9	36.8	7.7	12.7
2018	12.4	23.8	35.7	10.0	18.1	18.0	24.7	36.8	7.3	13.2
2019	9.9	26.1	32.8	12.5	18.7	16.2	26.4	36.8	8.6	12.0
2020	12.1	26.7	30.8	14.4	16.0	16.3	26.6	35.8	9.5	11.8
2021	15.2	31.4	19.2	14.7	19.5	17.0	27.4	32.0	11.2	12.4

APPENDIX 4: PERMANENT RESIDENCY UNDER THE LAW

Under the Law, a 'Permanent Resident' is an individual who is qualified to occupy, and be the householder of, a Local Market or an Open Market dwelling. Once a person obtains Permanent Resident status, they do not lose it, irrespective of whether, and for how long, they cease to be ordinarily resident in the Island.²⁸

The Law includes 26 pathways leading to Permanent Residency.²⁹ In general, these residency pathways cover three categories:

- 1) Section 3 of the Law – 'Population Management' routes:** Pathways to residency with qualifying periods that start and finish after Commencement of the Law;
- 2) section 6 of the Law – 'Transitional' routes:** Pathways to residency for individuals with qualifying periods that hold a degree of crossover from pre- and post-Commencement of the Law; and
- 3) section 6(1)(K) and 6(1)(L) of the Law – 'Housing Control Law' routes:** For individuals who would have, or already were, qualified under the previous Housing Control Law.

In the first instance, the Steering Group considered the 26 pathways that fall under these categories regarding whether, in light of their administrative and operational complexity, any changes were needed in order to simplify or reduce the number of these routes.

The Steering Group agreed that there were no benefits that derived from the removal of any of the routes to Permanent Residency, and that the routes included in the Law offer proportionate and justified pathways to residency. It is an area of the Law in which the Administrator has no discretionary powers; he may only grant a Permanent Resident Certificate to an individual who meets the criteria set out in one of the statutory pathways. The removal, therefore, of those pathways on the basis of simplicity could impact an individual's right to qualification, who has clear and identified links to the Island.

Furthermore, despite the routes to Permanent Residency appearing complex at first sight, they are not complex to administer or implement operationally, and the existence of the various routes recognises the range of circumstances that residents possess. In addition, from a customer perspective, there is no requirement for all 26 routes to be read and understood in order to apply for a Permanent Resident Certificate. Through online tools that are available, a short questionnaire directs customers to the application form for the residency route most relevant to their circumstances. The Population Management Office further has the ability to amend the application route quickly and easily on an online PRC application, which it does regularly when required.

²⁸ [The Population Management \(Guernsey\) Law, 2016](#), section 4(1) and (2)

²⁹ [The Population Management \(Guernsey\) Law, 2016](#), section 3 and 6

On the basis of these points, and in respect of administrative simplicity and operational effectiveness, the Steering Group agreed that there was no justification to rescind, reduce, or simplify the existing routes to Permanent Residency. However, further discussion in respect of these routes to Permanent Residency was centred on the issue of ‘birth right privilege’ for children born in the Island to local heritage.

‘Birth Right Privilege’

The concept of ‘birth right privilege’ is centred on more favourable qualification routes for residents who are born in the Island with local heritage as compared with residents who are born in the Island with different heritage. This is an issue with considerable background in the initial proposals for the Population Management regime.

In 2013, the States’ Assembly agreed proposals for the routes to Permanent Residency to be simplified under the Population Management regime, with all residents equally being required to complete a period of 8 years (Established Residency) and 14 years (Permanent Residency) in order to qualify, irrespective of local heritage or ties to the Island.³⁰ However, following extensive public feedback on the matter, the Policy Council returned to the Assembly with revised proposals in 2014.³¹

The decisions of the States’ Assembly in 2014 led to the routes to Permanent Residency that currently exist in the Law. In general, ‘birth right privilege’ can be seen as existing in these routes to Permanent Residency to some degree; those who are born with connections to the Island are required to complete fewer, or in some cases no, periods of ordinary residence in order to qualify for Permanent Residency.

When considering this issue, the Steering Group noted the emotionally sensitive and subjective nature of the matter at hand, as was evidenced through the public and political passion shown in 2013 and 2014. These debates further highlighted the inherently subjective nature of the issue, in which an evidence basis to guide policy decisions is difficult to establish.

Broadly, the routes to Permanent Residency in the Law can be grouped into five categories:

1. **Born in the Island with a locally qualified parent and grandparent:** Qualify for Permanent Residency at birth;
2. **Born in the Island with a parent who is a Permanent Resident:** Qualify for Permanent Residency after 8 years aggregate residence in an 18-year period;
3. **Come to the Island as a child or an adult with a parent who is/was a Permanent Resident and was born here:** Qualify for Permanent Residency after 8 years aggregate residence in an 18-year period for a child; Qualify for Permanent Residency after 8 years consecutive residence for an adult.³²

³⁰ [Billet d’État XI of 2013](#), section 9

³¹ [Billet d’État XVI of 2014](#) and its [Resolutions](#)

³² If an individual was not born in Guernsey, and who has a parent who is a Permanent Resident and was not born in Guernsey, they will fall into category 4.

4. **Born in the Island, or come to the Island as a child, with a parent who is ordinarily resident:** Qualify for Permanent Residency after 14 years aggregate residence in a 24-year period; and
5. **Come to the Island as an adult:** Qualify for Permanent Residency after 14 years consecutive residence.

The concept of ‘birth right privilege’ applies to Categories 1 to 3 above to a greater or lesser degree, with those groups being treated more favourably under the Law given they have some degree of familial ties to the Island. The key distinction between these groups is whether or not a person’s parent was a Permanent Resident when they were born. Meanwhile, the children of non-Permanent Residents are treated the same under the Law, irrespective of whether they were born in Guernsey or not.

Several options scoping how the routes to Permanent Residency could be changed in respect of ‘birth right privilege’, if at all, were presented at a high level to the Steering Group. Whilst the Steering Group did not wish to progress these options as a part of the Review, it did, by a majority, note its general disagreement with the Permanent Residency routes as set out in the current Law, with members stating that they were arguably discriminatory by disadvantaging those with no or few familial ties to the Island.

The Steering Group consequently agreed that the issue warranted closer and more focused investigation, in addition to considered and extensive public consultation, and has proposed this as a separate workstream in the Propositions of this Policy Letter, for the endorsement of the States’ Assembly.

APPENDIX 5: THE OPEN MARKET

In addition to the Open Market Inscriptions policy and Transfer Register, the detail of which is set out in sections 9.4-9.17 of this Policy Letter, the Review considered various further matters related to the Open Market, including the rights of Open Market residents and Open Market lodging. The detail of these matters, and the conclusions of the Steering Group in respect of them, are set out in full in this Appendix.

Open Market Residency

One of the core Open Market workstreams of the Review sought to ensure policy principle 4 – “Open Market residents should have clarity over their long-term residency” – was met. This led to considerable work that both set out the current residency status of Open Market residents under the Law, and considered whether any additional policies or amendments to the Law were required.

As a consequence of the decisions of the States’ Assembly in the founding proposals for the regime, it remains an underlying principle of the Open Market that, although the Human Rights of every member of the community must be protected, this does not mean that an Open Market resident should expect to move to the Local Market simply because they wish to do so.³³ In the 2013 Report, the Policy Council maintained that this held true irrespective of the length of time that an Open Market resident had been living in the Island.

Whether this principle should be upheld, reviewed, or amended was discussed by the Steering Group at one of its earliest meetings, in which it considered an option to allow Open Market residents to move to the Local Market after they had been ordinarily resident in the Island for a specified period of time, such as 20 years.

On the basis of various data that provided an insight into the potential impact on the Local Market that such a policy would have, at a time of considerable pressure on that market, the Steering Group agreed by a majority to rule out this option. Although one of its benefits would lead to Open Market properties being freed up for further economically active relocations, it was considered to be an unjustifiable risk to Local Market housing stock, which is already struggling to meet the needs of the Island’s residents who are permitted to reside in that market.

Consideration instead turned to more focused, targeted policies for Open Market residents, which could be introduced as ‘Discretionary Resident Permit’ (‘DRP’) policies. DRPs may be issued for different lengths of time and subject to such conditions as the Administrator thinks appropriate based on an individual’s circumstances, and taking into account the States’ population policies.³⁴ The purpose of a DRP, as stated in the Law, is to:

“enable a person to be resident, or to occupy a class or classes of dwelling, in

³³ [Billet d’État XI of 2013](#), section 13.09; 13.16; Recommendation 22

³⁴ [The Population Management \(Guernsey\) Law, 2016](#), Schedule 2, paragraph 7(3)

circumstances where –

- a. it would otherwise be unlawful for him to do so, and*
- b. it is necessary to ensure compatibility with one or more Convention rights, or otherwise equitable.”³⁵*

Currently, there are a range of DRP policies that have been implemented by the Committee which enable an Open Market resident to move to the Local Market if their circumstances meet certain criteria.³⁶ In general, these policies enable an Open Market resident to live in the Local Market if they:

- are the spouse/partner of a Local Market resident;
- are a resident with additional health needs; or
- first moved to the Island in the Open Market as a minor with their parents.

Furthermore, it is important to note that a DRP can be issued by the Administrator should the individual circumstances of an applicant warrant it, but do not fall under any of the agreed policies; these are referred to as ‘Out of Policy’ DRPs. In the case of the Open Market, if a person can evidence that continuing to be restricted to living in the Open Market amounts to an infringement of their Article 8 right to respect for the private and family life, and such infringement is not in accordance with the Law or justifiable or proportionate, or is otherwise inequitable, they can make a strong case to be issued with a DRP to live in the Local Market. The Administrator’s discretion to grant DRPs to ensure compatibility with Convention rights, or where it would otherwise be equitable to do so, is clearly set out in the Law.³⁷

The Steering Group considered the scope for new, broader DRP policies, or indeed amendments to the Law, across a range of different areas which would be applicable to various groups of Open Market residents based on their unique circumstances. These policy areas, and the decisions of the Steering Group, are set out in turn below:

(a) Open Market property owners – the Transfer Register: As proposals for the Transfer Register were developed (see sections 9.14-9.17), the potential for an interlinked DRP policy was scoped. This policy would be similar in nature to that which was in place under the previous HCL regime.³⁸ In summary, it would enable an Open Market resident who is above States’ pension age, and who has been ordinarily resident in the Island for a considerable period of time, such as 14 years, to be issued with a DRP to live in the Local Market provided that they de-register a property from the Open Market, and pass its inscription to the States of Guernsey for it to list on the Transfer Register. Using the Transfer Register in this way will ensure that the policy will not lead to the loss of either Open Market or Local Market properties, with the Open Market inscription being transferred to a new suitable Open Market property.

³⁵ [The Population Management \(Guernsey\) Law, 2016](#), Schedule 2, paragraph 7(1)

³⁶ [Discretionary Resident Permit Policies – For Open Market Residents](#)

³⁷ [The Population Management \(Guernsey\) Law, 2016](#), Schedule 2, paragraph 7

³⁸ [Billet d’État XI of 2013](#), section 13.15-13.18

The Steering Group approved this draft policy in principle, and asked the Committee to consider implementing it at a future time as and when the Transfer Register is established. This policy is necessarily interlinked with the Committee *for the Environment & Infrastructure's* work on the Transfer Register, and will not be implemented until that work has been concluded, and the Transfer Register established. Further policy work will therefore be required to ensure the benefits of the policy are realised, and that there are no potential risks or unintended consequences to either the Open Market or the Local Market through its implementation.

(b) Open Market residents with grandfather rights from the HCL regime: Under the Law, there is a cohort of Open Market residents who possess the right to remain in the Island indefinitely, provided they continue to reside in Open Market accommodation (herein collectively referred to as 'the HCL cohort'). These residents possess this 'grandfather right' to remain indefinitely due to their residency in certain parts of the Open Market under the HCL regime, prior to the Commencement of the Law. The HCL cohort typically comprises residents of Open Market Part D, however there are also some residents in Parts B and C, and some lodgers in Part A, who possess these grandfather rights.³⁹

The Steering Group considered whether a bespoke policy for the HCL cohort should be implemented, particularly in recognition that, as these residents remain in the Island, they will often be required to live in shared accommodation that may become unsuitable for their needs. This often leads to these residents making a strong case to be issued with a DRP to live in the Local Market, as it becomes an unjustifiable infringement on their Convention rights, or is otherwise inequitable, for them to continue to be required to live in shared accommodation, particularly in the case of an individual who has resided in the Island for a significant period of time.

The Steering Group ultimately agreed that a bespoke policy for the HCL cohort should not be created, and the existing DRP processes are sufficient. This decision was made on the basis that any new policy would likely use long periods of residence as a criterion, and it was considered that, as the residents of the HCL cohort approach such long periods of residence, they are already highly likely to make a strong case for a DRP under the existing processes. A new, complex policy was therefore likely to do little more than formalise the existing DRP processes, while not being any simpler or easier to administer for the Population Management Office.

The Steering Group consequently concluded that the existing DRP policies, and the use of Out of Policy DRPs, provided sufficient means through which residents of the HCL cohort can move to the Local Market if their circumstances were to require it.

It is recognised that the process of applying for a DRP can seem complex. The

³⁹ The residents with grandfather rights from the HCL regime are set out in sections 60, 61 and 65 of [The Population Management \(Guernsey\) Law, 2016](#).

Population Management Office is able and willing to provide any necessary advice and assistance to applicants in relation to the evidence required, and the DRP application process as a whole.

- (c) Open Market minors:** At the beginning of the Review, the Committee considered a new residency policy for Open Market minors. Whilst the residency requirements for Open Market minors to obtain Permanent Residency under the Law were the same as for other minors with no familial ties to the Island (such as the children of Employment Permit holders) their circumstances were different under the policies of the Committee.

One DRP policy enables someone who has lived in Local Market housing for at least 8 consecutive years to be granted a Permit to live in other Local Market housing if they cannot continue to live with the householder named on their Permit.⁴⁰ Whilst this applied to young adults of Local Market parents who needed to move out of the family home, a similar policy for Open Market young adults was not in place.

The Committee therefore took the opportunity in October 2021 to implement a new Open Market DRP policy for these Open Market minors and young adults. An Open Market minor who first lived in Guernsey before their 18th birthday, in the household of their parents, and who has been ordinarily resident for 8 consecutive years, is now able to move to the Local Market under a DRP until they become a Permanent Resident if they cannot continue to live with the householder named on their Permit.⁴¹

This policy was implemented by the Committee at the time it was considered, under its mandate to create policies under the Law.

- (d) OM residents with additional health needs:** The Committee also considered a new DRP policy for Open Market residents with additional health needs. Existing policies enabled Open Market residents with additional health needs to move to the Local Market if they were to live in a residential or nursing home, however no policy existed for Open Market residents who would benefit from more informal care from family members in the Local Market.

The Committee consequently agreed to the introduction of a new policy in November 2021.⁴² Under this policy, an Open Market resident who has been resident for the preceding 10 years, and who needs care and support, can move in with an immediate family member who is willing to care for them and is a Local Market resident.

⁴⁰ [Discretionary Resident Permit Policies – For people living as Family Members](#), Ref DR6

⁴¹ [Discretionary Resident Permit Policies – For Open Market Residents](#), Ref DR41

⁴² [Discretionary Resident Permit Policies – For Open Market Residents](#), Ref DR42

(e) Section 72 – Immediate family members: In addition to the above policies, the Steering Group considered the more strategic question of whether section 72 should be amended, or removed entirely, from the Law. Section 72 of the Law prevents certain Open Market residents⁴³ from occupying a Local Market dwelling solely by virtue of being an immediate family member of a Local Market householder.⁴⁴

Although in general section 72 applies, it is important to note that Discretionary Resident Permits – Family Member Resident ('DRP-FMR') provide a potential route for an Open Market resident to whom section 72 applies to move to the Local Market with an immediate family member in certain circumstances. For example, were it to be contrary to their Convention rights, or be otherwise inequitable, to prevent an Open Market resident from moving to the Local Market with their immediate family member who is a Local Market householder, the Administrator would be able to issue a DRP-FMR to facilitate this.

The Steering Group acknowledged that section 72 of the Law can be seen as unfavourable for Open Market residents, however agreed that the potential impact of removing section 72 on the Local Market was a significant risk. In essence, were section 72 to be removed from the Law, indirect routes to Local Market residence for Open Market households would become available. Over the years, this may lead to considerably more demand for Local Market properties, placing further pressure on an already strained housing market in the Island. Furthermore, the Steering Group agreed that an indirect route to Local Market residence, enabled by the removal of section 72, would run contrary to the underlying philosophy of the Open Market, namely that an Open Market resident should not expect to move to the Local Market simply because they wish to do so.⁴⁵

The Steering Group consequently agreed that section 72 should not be removed from the Law. Rather, as in the case of Open Market residents with grandfather rights, the Steering Group wished to reiterate the current routes to Local Market residency available through the existing DRP policies and processes (including the availability of applying for an Out of Policy DRP). The Steering Group agreed that these DRP policies and processes, as implemented by the Committee, are sufficient in both enabling Open Market residents to move to the Local Market with an immediate family member where they have an identified and genuine need to do so, while also ensuring the Local Market is protected.

Although new policies were not implemented in every area set out above, the Steering Group believes that these policies, in addition to the existing DRP policies as

⁴³ Section 72 applies to all Open Market residents except Part A lodgers; Part A full-time staff members (and their family members); Part B residents (and their family members); and Part C staff (and their family members).

⁴⁴ Immediate family members are defined in Section 80 of the Law as a 'spouse, partner, child, parent, grandchild, father-in-law or mother-in-law'. However, a DRP policy is currently in place which allows the spouse or civil partner of a Local Market householder to be granted a Permit to live in the Local Market.

⁴⁵ [Billet d'État XI of 2013](#), section 13.09; 13.16; Recommendation 22.

implemented by the Committee, are sufficient in covering a range of circumstances to enable Open Market residents to move to the Local Market. Moreover, where an Open Market resident's circumstances do not match one of the agreed policies, they can apply for Out of Policy DRPs to move to the Local Market which the Administrator has the discretion to grant if remaining as an Open Market resident would represent an infringement of their Convention rights, or would be otherwise inequitable.

Ultimately, the Steering Group remained cognisant throughout the Review of the potential impact on the Local Market, particularly in light of the pressure on that market in recent years. It is with this key consideration in mind that the routes to Local Market residency, as set out above and in the existing DRP policies, were considered to be sufficient, proportionate, and fair, enabling some movement from the Open Market to the Local Market in specific circumstances where it is justified and proportionate, but ensuring that such movement is carefully controlled.

Open Market Householders

Since the Commencement of the Law, Open Market Resident Certificates ('OMRCs') have been assigned on the basis of there being one 'householder' per household, with any other relatives occupying that dwelling doing so as family members of that OMRC householder.

The Committee is aware of previous suggestions that this arrangement is unfair. Specifically, it has been proposed that the holder of the OMRC is granted more residency rights under the Law than the holder of an Open Market Family Member Resident Permit ('OMFMRP') in relation to the family members that may be accommodated by each resident.

It has been noted that this has led to a perception of inequality between the individuals that occupy the same house, with the suggestion that the OMFMRP holder possesses fewer rights than the OMRC 'householder'.

Under the Law, it is true that only the OMRC is considered to be the householder, and it is only the householder who is permitted to accommodate immediate and extended family members.⁴⁶

However, in practice, where Open Market properties are owned or rented jointly by spouses or partners, the right to accommodate immediate and, in the case of Part A properties, extended family members benefits both the householder and their spouse or partner equally. This is most clearly set out under the definition of 'extended family member' in the Law:

"an 'extended family member' of a person (J) means a person who is related within the fourth degree of consanguinity to J, or to J's spouse or partner

⁴⁶ [The Population Management \(Guernsey\) Law, 2016](#), sections 8(3) and (4); section 79(2)

[emphasis added]".⁴⁷

Under this definition of extended family member, both the rights of the OMRC householder and the OMFMRP holder are equal in respect of the extended family members that may be accommodated under section 8 of the Law.⁴⁸

Whilst this clarifies the rights of a householder and their partner or spouse when living together, it was understood that the householder could be perceived to possess more rights should the couple separate. In this case, by holding the OMRC, they could be seen as more likely to continue to be the householder of that property. However, in practice, the holder of the OMRC has no bearing on who remains in the house, which is ultimately decided by the couple or as a part of separation proceedings. If the OMFMRP holder remained in the house, a new OMRC would be issued to them. Similarly, the OMFMRP holder leaving the house would be issued an OMRC if they secured an alternative Open Market property as a householder in their own right.

Although the residency rights of the OMRC and OMFMRP holder are the same, the Steering Group acknowledged that there could be a feeling of inequality between the two permits, and considered whether the Law could be amended to change this arrangement. However, it ultimately decided that the Law should not be amended, due to there being no material change or benefit to the rights of Open Market residents in doing so.

Open Market Lodging

Open Market lodging was one of the areas that saw the most substantial changes from the HCL to the Population Management regime, and the Review used the opportunity to consider whether these changes were still justified, or needed to be revisited.

Although it was not an active policy decision to allow lodgers in Part A properties under HCL, by virtue of a "joint and several leases" loophole, it was possible for a group of unrelated adults to occupy a Part A property. The primary purpose of the HCL regime was to "preserve a stock of Local Market housing for occupation by Qualified Residents and existing Housing License holders". Consequently, under the HCL objective "it can be argued that a high level of occupancy of Open Market properties is a very efficient use of the Island's housing stock".⁴⁹

However, if the occupation of Part A properties by unrelated adults was allowed to continue in an uncontrolled manner, the Policy Council contended in 2013 that it would run contrary to the primary objective of the Population Management regime – namely to effectively manage the size and make-up of the Island's population – as there would be no way to control or influence the number of people living in such properties.

⁴⁷ [The Population Management \(Guernsey\) Law, 2016](#), section 78

⁴⁸ [The Population Management \(Guernsey\) Law, 2016](#), Section 8(4). See also a visual map of [Immediate and Extended Family Members of a Householder \(Showing up to four degrees of consanguinity or partnership\)](#)

⁴⁹ [Billet d'État XI of 2013](#), section 13.42

Furthermore, the continued use of Part A properties as lodging houses effectively removed those properties from being available for families, who were the very people that Part A was originally intended to attract. Finally, there was a concern that such Part A lodgers residing in Guernsey for long periods of time would eventually make a strong case for moving to the Local Market on Human Rights grounds.⁵⁰

The Commencement of the Law therefore more clearly set out who may be accommodated in each part of the Open Market. Most fundamentally, the States' Assembly agreed that all Part A houses in use as HMOs should be transferred to Part D upon Commencement. At the time, there were 148 Part A properties that were used as HMOs.⁵¹

Whilst this led to a considerable shift in residents and properties from Part A to Part D upon Commencement, a Part A householder's ability to accommodate lodgers or unrelated adults was not completely removed under the Population Management regime.

Under the provisions of the Law, a Part A householder can accommodate one lodger who is living in Guernsey on the basis of an Open Market Lodger Resident Permit (Part A) ('OMLRP'). These OMLRPs are capped at 5 years' maximum residence, and are not tied to any specific job, or have any further conditions imposed upon them.

In addition to an OMLRP holder, a Part A householder can accommodate other residents who are eligible to live in Local Market accommodation, such as an Employment Permit holder or a Permanent Resident. This was a very clear policy proposal set out in a States' Report in 2015, in which the Policy Council stated that:

*"2.24 Consequently, it is proposed that, after the commencement of the new regime, only one lodger will be permitted in a Part A Open Market dwelling. Any additional lodgers will mean that the Part A inscription will be jeopardised. **The only exception to this would be where a second or subsequent lodger could demonstrate a right to occupy Local Market accommodation**, in which case he would be permitted to occupy the Open Market property in question for so long as his Permit remained valid.*

*2.25 Thus, for example, **an individual in possession of a 1-year Short-Term Permit, which would entitle him to live in a Local Market property, could live in a Part A Open Market dwelling as a lodger** but, if that person were not the only lodger in the property, he would have to move out when the Short-Term Permit expired [emphasis added]."*⁵²

⁵⁰ [Billet d'État XI of 2013](#), 13.43-13.47

⁵¹ [Billet d'État XI of 2013](#), 13.41

⁵² [Billet d'État XIV of 2015](#), 2.24-2.25

The full list of residents that a Part A householder may accommodate are set out in the provisions of the Law.⁵³ However, in general, a Part A householder may accommodate:

- their immediate/extended family members;
- residents who are permitted to live in the Local Market (for example, Employment Permit holders or Permanent Residents);
- any full-time household staff and their immediate family; and
- one Part A lodger living in Guernsey on the basis of an Open Market Lodger Resident Permit (Part A).

Whilst a Part A householder may accommodate these residents, the Open Market Law states that, where a Part A house is being used as an HMO, its inscription shall be transferred to Part D of the Register.⁵⁴ A Part A householder may accommodate the various persons set out in section 8(3) and (4) of the Law provided that the Part A household continues to be principally used as a private family dwelling.

Therefore, the only barriers in respect of accommodating unrelated individuals in a Part A household is, first, in relation to the holders of an OMLRP where only one such lodger may be accommodated and, second, in relation to the point at which accommodating multiple unrelated adults makes the Part A property an HMO, in which case it is more suitably inscribed upon Part D.

The Steering Group considered whether there was any merit in increasing the number of OMLRP lodgers that a Part A household can accommodate. However, it agreed that there was ultimately no rationale for doing so. Lodgers under these permits are not tied to any employment conditions in the Island, and in the context of post-Brexit immigration and the objective of targeted migration for specific employment sectors and positions, increasing the ability of multiple OMLRP lodgers to be accommodated in a Part A property without qualifying for an Employment Permit seemingly flies in the face of this objective.

Furthermore, the Steering Group also noted that a Part A householder may be able to use an annexe of their property to accommodate lodgers, provided that the annexe is ancillary to the main property, and not a household in its own right. In each case, however, the individual circumstances and facts of the property would be taken into account in this judgement.

Following consideration of the provisions of the Law in respect of Part A lodging, the Steering Group agreed that no substantive changes should be proposed as a part of the Review, and the range of individuals that a Part A householder can currently accommodate is sufficiently broad. However, the need for one technical amendment was identified, in order to enable Open Market householders to accommodate Seasonal

⁵³ [The Population Management \(Guernsey\) Law, 2016](#), section 8(3) and (4)

⁵⁴ [The Open Market Housing Register \(Guernsey\) Law, 2016](#), section 16(4)

Employment Permit holders. This amendment has been set out and proposed in sections 9.22-9.25 of the Policy Letter, and is included as a Proposition for the approval of the States' Assembly.

APPENDIX 6: POLITICAL CONSULTATION FEEDBACK



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23rd August 2022

Dear Deputy Prow

POPULATION & IMMIGRATION POLICY REVIEW

Thank you for your further letter of 8th August, and for sharing the full draft of the Population & Immigration Policy Review Policy Letter with the Policy & Resources Committee ('the Committee').

In general, the Committee believes that the comments provided in its letter of 27th July remain applicable, and it will therefore not further repeat them in this letter. However, having sight of the full draft Policy Letter has provided the Committee with the opportunity to comment on the more detailed strategic work of the Review that engages its mandate.

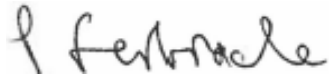
In particular, the Committee welcomes the evidence-based approach adopted in the proposal of a new strategic population objective, using available forecasting data to understand the Island's future workforce requirements in the short- and long-term. It is clear from the work undertaken that an increase in the working population is necessary to sustain the Island's economic competitiveness in the long-term.

However, as has been clear through the Committee's membership of the Steering Group and the discussions that have taken place, there are myriad additional factors caused by a growing population – not least the impact on infrastructure and public services – that must be managed, cutting across multiple workstreams of government.

Notwithstanding the evidence-based work that fed into the revised strategic population objective, the Committee has not considered nor agreed a position on the proposed objective. Rather, it maintains that its Members should vote as they individually believe appropriate when the matter is debated by the States in October, having listened to the arguments presented in both the Policy Letter and during debate.

The Committee is grateful to the Committee *for* Home Affairs, and to you as President and Chair of the Steering Group, for guiding the Review through what is a politically charged and emotive subject matter, and it looks forward to the debate in October.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'P Ferbrache', written in a cursive style.

Deputy Peter Ferbrache
President



Committee *for*
Health & Social Care

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23 August 2022

Dear Deputy Prow,

Population and Immigration Policy Review Consultation

Thank you for your letter and for providing the Committee *for* Health & Social Care (“the Committee”) with the opportunity to provide comment on your Policy Letter entitled ‘Population and Immigration Policy Review’ and the associated Propositions. The Committee has had limited time to consider this matter in full but is pleased to provide some initial feedback.

The Committee is broadly supportive of the strategic population objective and the need to address some of the longer-term, related challenges as a means to enable key workers to come to the Island. The States of Guernsey employ a significant number of health and care workers, both locally based and recruited from off-island, across a variety of roles, to ensure that our services can be delivered safely and effectively. To that end the Committee wishes to provide comment both on the proposals relating to changes to Employment Permit Policy (EPP) and the various interlinked areas that need to be addressed to support, and indeed will be impacted by, the strategic population objective.

Changes to Employment Permit Policy

With regards to the proposed changes to EPP, the Committee wishes to make the following points:

The Immigration Work Permit Policy will be tied to the EPP for both EU/EEA and third country nationals (paragraph 7.6a)

The Committee welcomes this step as a means to be able to recruit from a wider pool of health and care workers, however the benefit will likely only be realised if there is sufficient key worker accommodation for them to live in (as discussed below). Further, there are existing concerns at the length of time currently being taken for UK Visas to be granted, and it is anticipated that opening up the recruitment process to a wider pool of workers would add further strain to this process and cause additional delay. The Committee acknowledges that the system was impacted by the conflict in Ukraine which saw the fast-tracking process removed, however it wishes to flag these concerns and trusts that the Committee *for* Home Affairs is in a position to address them.

Short-Term Employment Permits (STEPs) will continue to be granted for periods of one year at a time, but only renewable up to a maximum of three consecutive years, rather than five aggregate years (paragraph 7.6b)

The Committee understands that this is a necessary step as part of Guernsey being a responsible member of the Common Travel Area (CTA). There are not currently any Health & Social Care (HSC) staff employed on STEP's that have been on the Island for more than three years.

The job roles within the EPP will be reviewed based on their alignment with the “UK list” (paragraph 7.6c) and the removal of Medium-Term Employment Permits (MTEPs) from the Law (paragraph 7.6d)

It would appear that all relevant HSC roles would qualify for an Long-Term Employment Permit (LTEP) once the Guernsey list is aligned with the UK which is a positive step and will add some certainty to our recruitment processes. Nonetheless the Committee would appreciate being given sight of any final lists of employment permit eligibility to confirm that alignment with the “UK list” would not cause any disadvantage, noting that there are some HSC roles that are on the list that would not usually qualify for an employment permit (for example chefs and laboratory technicians).

It is also worth noting that this step would have some financial implications as anyone appointed from outside of the Island on an Employment Permit would qualify for relocation assistance under current policy. By adding more roles to the list of LTEP eligibility, whether through alignment with the UK or the removal of the MTEP, there would be additional costs, especially as Rent Allowance has recently been increased by a further two years. It is not clear from the Policy Letter whether the existing process of applying for permits only when there is no one suitable for the role with local residential qualifications will continue, if not then this will add to the financial impact further.

Supplementary Employment Permit Policy matters

In addition to those changes to the EPP proposed within the Policy Letter, there are some further changes which would be not currently covered but the Committee wishes to bring to your attention.

Changes to the Immigration Law

The Committee is currently in discussion with Immigration over proposed changes to the Immigration (Bailiwick of Guernsey) Rules, 2008 which would enable skilled workers who have spent time elsewhere in the CTA to have this time count towards their required period for settlement. It is understood that such a provision is in place in Jersey which has given it a competitive advantage. Discussions at officer level have progressed well and the Committee would wish to see this change implemented as soon as is practicable.

Employment Permit fees

The Committee currently covers the fees for the employment permits of some agency staff as they are not Health & Social Care employees. This adds to the cost of employing agency staff who play a valuable role in supporting service provision. Currently fees are waived if an agency worker is new to the island, however if they are returning or their STEP needs to be reviewed then this cost is borne by the Committee. Furthermore, there are rare occasions where an agency worker wishes to bring over dependants and is granted an MTEP. This is charged at a higher fee, and under the new proposals the individual would now be granted an LTEP which is costlier still. The Committee wishes to work with you to review how this policy is applied.

Impacts on the Island's infrastructure

The Policy Letter refers to a number of interlinked factors that will need to be addressed both to support the strategic population objective and to respond to the impacts that an average net migration of +300 per year will bring.

The Committee notes that there will be a requirement to increase the number of houses on the Island in order to meet the demand that will come with an increase in the population. Key worker housing is of critical importance to the Committee. The need to be able to provide housing of sufficient quantity and quality for health and care staff to enable our services to be delivered effectively is well-known, and housing provision is a constant obstacle to attracting workers. The need for key worker housing is only going to increase as the population ages and putting additional demand on health and care services. The Policy Letter notes that provision of key worker housing is being reviewed separately to that of general housing, though there is likely to be some overlap, and that this work is to be taken forward by the Committee *for the* Environment & Infrastructure under Proposition 2.

At the same time, the Committee is also committed to training and developing staff on-island through the 'Grow Your Own' Programme. It is recognised that this is essential in supporting our workforce as staff who are already resident on-island tend to have longer periods of retention and do not require key worker accommodation. The Policy Letter refers to the need to increase the productivity of the existing workforce, and that this work is to be

taken forward by the Committee *for* Economic Development through a skills-led economic development strategy under Proposition 3.

Although key worker housing and skills are not within the mandate of the Committee *for* Home Affairs, the Committee would wish to flag that it would welcome involvement and further consultation as part of this work, given the criticality of both workstreams to recruitment and the maintenance of HSC services.

The Committee trusts that this feedback will assist the Committee *for* Home Affairs in finalising its proposals, however if you require further clarification please do not hesitate to contact us.

While writing, the Committee would also like to take the opportunity to thank the Committee *for* Home Affairs for the support that its staff continue to provide, particularly from Population Management and Immigration, in addressing some of the recruitment challenges being faced by HSC.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Al Brouard', with a long, sweeping horizontal line extending to the right.

Deputy Al Brouard

President

Committee *for* Health & Social Care



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25 August 2022

Dear Deputy Prow

Population & Immigration Policy Review

Thank you for your most recent letter dated 8 August 2022 concerning the above. The Committee appreciated the clarification provided in your letter and the opportunity to read the full policy letter.

In order to help your Committee in its planning, the Committee wanted to advise you formally that it has decided not to finalise its planned policy letter on the States Strategic Housing Indicator (SSHI) until the States had decided on the PIPR policy letter.

There were several factors that influenced that decision. Primarily it was because if the Committee published its SSHI policy letter ahead of the PIPR policy letter being debated, it would have to produce a more complex policy letter, trying to anticipate various potential States' resolutions, including any changes that might be brought about by amendments. Knowing the resolutions on the PIPR policy letter would allow the production of a much more targeted policy letter.

Therefore, the delay in the PIPR policy letter will also cause a small delay in the publication of the SSHI policy letter.

Separately, it would be advantageous to include in the policy letter more of a spatially-based description of the pressures on land for housing rather than only set out figures. Figures are often harder to visualise. This would illustrate what the figures could mean in terms of land supply for extra housing. A description based on an indicative area such as "X number of football pitches" would allow the impact to be more readily visualised by the Assembly.

It might be useful to highlight that in paragraph 6.6 of the draft policy letter it says

"If it is assumed that the level of net migration can be sustained at +300 people per annum over the next five years, this increases to 1,705 units a year by 2026."

It is presumed this is the total required and not intended to be the amount required "a year".

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lindsay de Sausmarez', with a stylized, cursive script.

Deputy Lindsay de Sausmarez

President

Committee *for the* Environment & Infrastructure

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By email

30 August 2022

Dear Deputy Prow

Population & Immigration Policy Review

I refer to your letter, dated 8 August 2022, inviting the Committee for Employment & Social Security ('the Committee') to provide its views on the draft Policy Letter and Propositions arising from the Population & Immigration Policy Review.

The Committee is grateful for the extended consultation and the opportunity to comment on the full draft of the Policy Letter. The Committee is also pleased to see that the Committee for Home Affairs has responded positively to the feedback provided by the Committee as part of the initial consultation.

The Committee's concerns raised during the initial consultation with regard to the broader environmental, social and economic impact of assumed net migration of +300 people per annum are alleviated by the detail included in Section 6 of the draft Policy Letter. The Committee is also reassured to see further consideration surrounding the potential to improve economic productivity and participation in the existing workforce in Section 5.

The Committee does however wish to challenge the assertion in paragraph 5.9 of the draft Policy Letter, itself based on data contained in the Guernsey Annual Electronic Census Report, that "...95 of every 100 people who move to Guernsey would be economically active".... The Committee expects that there would likely be a number of workers who would move to the island with a partner (who may or may not be economically active) and a child or children and/or other dependent relative(s). Even if this was true for only a small number of workers, it seems implausible that there would only be 5 non-economically active dependents out of every 100 people.

In the Committee's response to the initial consultation, concerns were raised regarding Proposition 4 and the rationale for carrying out a review of "the options for any bespoke arrangements that ensure those who are new to a community, and who may only be staying and working in that community for a fixed period rather than on a permanent basis, access public services in a fair and transparent way". Without further information being available at that time, the Committee raised concern about the potential of this creating a "sub-class" of resident which would be both unfair to guest workers and potentially counter to the strategic population objective. Members are, however, reassured that this is not the intention of the review and by the detail included in paragraphs 6.20-6.23 of the draft Policy Letter which sets out the need for government to consider how public resources can be more effectively targeted. The Committee notes the Committee for Home Affairs' intention to seek to ensure that some public services are accessed in a balanced and fair way based upon, for example, residency period or contribution record. And members note that access to universal entitlements, such as access to school and education, will be maintained and will not form part of the proposed review.

The Committee notes that the wording of Proposition 8 has been amended and now more accurately reflects how the safety and security of the Island and its residents relates to Population Management and Immigration regimes.

Following further review of the draft Policy Letter and Propositions as part of the extended consultation, the Committee would like to raise the following additional points.

Proposition 1.b. seeks approval of the strategic population objective that *"The States of Guernsey will assume, for the purpose of planning future infrastructure and service provision, that net migration will average up to +300 per year over the next thirty years..."*. For the planning of housing and other essential infrastructure, the Committee is of the view that the figure for average net migration needs to be expressed as a fixed number rather than a range (i.e. "up to"). The use of a range leaves the objective open to differential interpretation and the Committee believes that it would be prudent for the Committee for Home Affairs to provide more specificity in this respect.

The Committee notes that more up to date data (up to Q2 2022) is available¹ in respect of real average Local Market monthly rents (Figure 6b) and real Local Market residential property prices (Figure 6c). This shows that both Local Market rental prices and property prices have increased substantially since Q1 2021 and Q4 2020 (i.e. the end of the period illustrated in the two figures in the draft Policy Letter).

The Committee wishes to raise a point for correction in paragraph 6.6 of the draft Policy Letter. This paragraph states that "The data shows that, in order to maintain the current average level of net migration experienced over the last 12 years (+100 people per annum), the creation of a further 1,327 residential housing units by 2026 would be required. If it is assumed that the level of net migration can be sustained at +300 people per annum over the next five years, this increases to 1,705 units a year by 2026". The Committee believes that the requirement should be for 1,705 residential housing units in total by 2026 rather than "a year".

¹ www.gov.gg/property

The Committee is of the view that the information provided in the draft Policy Letter on spatial (land) requirements for the additional housing is inadequate. Originally, the intention was to publish the Policy Letter on the States' Strategic Housing Indicator (SHHI) at the same time as the Policy Letter on the Population & Immigration Review to enable the States to consider their interdependencies. Now that it has been decided that the SHHI Policy Letter will be debated at a later date, it is even more important to ensure that housing *and* spatial requirements arising from net migration of +300 people per annum are set out in the Population & Immigration Review Policy Letter.

Members also consider it important that the Policy Letter should acknowledge that the target average net migration might result in the displacement of people into social rental housing which could negatively impact the already long social housing waiting lists and result in the requirement for more social housing.

The Committee is of the view that it would be helpful if the Policy Letter drew a distinction between expected natural population change, caused by births and deaths, and migration. It could be made clearer within the Policy Letter that a net migration level of +300 per year does not mean that the population will necessarily increase by 300 people each year owing to natural fluctuations.

Members also believe that it would be helpful if a third graph/table could be included on page 14 of the Policy Letter showing the ratios of economically active/inactive people under each of the net migration scenarios illustrated in Figures 5a and 5b.

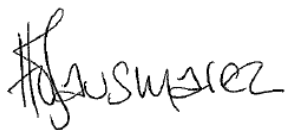
The Committee is of the view that the draft Policy Letter raises an unanswered question around who decides who can move to the island and who cannot. The Committee suggests that this should be recognised in the Policy Letter and that actions which seek resolution in this respect should be proposed.

The Committee notes that population and immigration are challenging policy topics, and notwithstanding the points raised above, members wish to recognise that, overall, the draft Policy Letter successfully pulls together many different strands of work and complex information.

I should be grateful if you would arrange for this letter to be appended to the Policy Letter in place of the President's previous letter dated 29 July 2022.

Thank you for the opportunity to provide feedback in respect of the draft Policy Letter and revised Propositions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H L de Sausmarez', written in a cursive style.

Deputy H L de Sausmarez
Vice-President



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31 August 2022

Dear Deputy Prow

Population and Immigration Policy Review

Thank you for your letter of 8th August, enclosed with which was the draft Policy Letter in respect of the above subject.

The Committee is grateful to note that some of its earlier feedback, provided following circulation of an earlier iteration of the draft Propositions but without the benefit of sight of the draft Policy Letter itself, has been taken into account and has resulted in some changes to the draft Propositions.

Looking at the Policy Letter holistically in the context of other high priority workstreams within the Government Work Plan in respect of which the Committee has a special interest:

1. Housing:

Following on from the work of the Housing Action Group, the Committee for the Environment & Infrastructure is progressing a workstream which will evaluate and implement interventions to address key worker housing capacity and affordability; and the Policy & Resources Committee is developing a Housing Action Plan which will identify States-owned land is available for housing to meet the needs of: private ownership; joint ventures; self-build; and social housing (social rental, key worker, part ownership and specialised housing).

There is a reliance within the teaching profession on both: i) islanders returning to live and work locally following a period of post-qualification experience elsewhere; and ii) employment permit holders to supplement the local workforce. Given the States' recognition of the significant impact of housing affordability on relocation decisions, in terms of both immigration and emigration, the Committee is keenly interested in these workstreams, recognising the connections between these workstreams and population and immigration policies and would want to ensure that policy development in all of these areas is undertaken in a coordinated way.

The Committee notes references within the draft Policy Letter to 'critical workers' and 'key workers'. It would like to ensure there is a commonly understood

definition of both of these terms across all relevant workstreams within the Government Work Plan; and further to ensure that teachers and other essential roles within the education sector are included in the relevant definition.

2. Human Capital Development Plan:

The Committee *for* Economic Development and the Committee *for* Education, Sport & Culture are jointly developing a coordinated programme of work for developing human capital (i.e. the skills, knowledge, and other attributes such as health, which facilitate economic, social, and personal wellbeing) in Guernsey. The actions to be taken under this programme of work – the Human Capital Development Plan – are being formulated to, among other things, facilitate productivity in the economy, align with employer needs, and support the delivery of population policies. There are clear connections between the Population and Immigration Policy Review and the Human Capital Development Plan, with both seeking to ensure that businesses, public services, and other employers have access to a skilled workforce to meet the Island's economic and social needs. It is important that work to implement, and to develop human capital, is carried out in a coordinated manner, to ensure complementarity across both policy areas.

More generally:

- Paragraph 7.11 of the draft Policy Letter clarifies the process via which the holder of a Medium-Term Employment Permit (MTEP) can apply to convert it to a Long-Term Employment Permit (LTEP) should the former be discontinued. Presently, it is our understanding that it falls to the employer to make the initial application for an Employment Permit of a specific length, prior to it attaching to a named person, and given that the employer can currently elect to apply for a shorter Permit than the Employment Permit Policy might allow for a given post, the Committee would like to ensure that there has been appropriate consultation with the Policy & Resources Committee, in its capacity as the employer of States' employees, to confirm its views with regard to whether it should be for the employer or the employee to make an application to convert an existing MTEP into an LTEP should the former be discontinued.
- Paragraphs 7.12 and 7.13 of the draft Policy Letter confirm that the 'vast majority' of MTEP roles will be eligible for LTEPs. It would appear, from a brief review of the UK's Skilled Worker Visa: Eligible Occupations list that this is indeed the case for roles within the education sector; however some of the roles within the third sector organisations that the Committee partners with might well not be eligible for LTEPs in the future. Whilst the draft Policy Letter is clear about the transitional arrangements for current MTEP holders, it is not clear what provisions will be in place for new/vacant roles that would, in the past, have attracted an MTEP cannot benefit from an LTEP, and where a Short-Term Employment Permit might not be suitable.
- The removal of the MTEP and consequential increase in LTEPs is likely to result in more family groups relocating to Guernsey as it removes uncertainty surrounding the potential need to relocate at key stages of a child's education. Given this, the proportion of pre- and school-aged children arriving in the Island for whom English is an additional language (EAL) might well increase. Whilst, in the longer term, EAL is seen as an educational advantage, in the short-term any significant increase in EAL students would have resource implications for schools which would be unlikely

to be met from within the Committee's existing budget. This should be reflected in the Policy Letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Dudley-Owen', with a stylized flourish at the end.

Deputy Andrea Dudley-Owen

President

Committee *for* Education, Sport & Culture

Deputy Rob Prow
President
Committee for Home Affairs
Sir Charles Frossard House
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7th September, 2022

Dear Rob

Population and Immigration Policy Review

Thank you for your letter dated 14th July, 2022 requesting the formal view of the Committee for Economic Development (the Committee) on the draft propositions for the Population and Immigration Policy Review (PIPR) Policy Letter. The Committee considered these propositions at its meeting on 9th August. It has also subsequently had the opportunity to consider the draft Policy Letter, which is appreciated.

Several members of the Committee (three States Members and both non-States Members) were members of the PIPR steering group, and the opportunity to provide input throughout the process has been invaluable.

The Committee is supportive of the work being undertaken in order to set out clearly that +300 net migration is needed over the next 30 years. There are clear benefits to the economy and tax take in terms of the numbers of active workers. Further work will be needed on the composition of the 300, and the Committee would welcome the opportunity to have direct input into that work should the States of Deliberation agree that Proposition. This will include modelling to determine whether/how the 300 could be targeted to the active working roles required, especially given the ability for family and partners of local residents to move to the island. It is clear that the numbers from different economic sectors as well as the public sector will vary over time, and the Committee will be pleased to work with businesses and their representative bodies to provide further analysis and insights.

It also clear that more work will need to be done on attracting the identified capabilities and competences to the Island. A combination of short-term and long-term solutions will be needed, and the Committee will be pleased to support the work referred to in Proposition 6, and supports the Policy Letter in clarifying that this will mean issues such as housing and

skills will also need to be addressed. The Committee will play its role in attracting people to the Island, and will consider how to support Locate Guernsey in that respect.

With that latter point in mind, the Committee is pleased to advise that the developing Human Capital Development Action Plan is aligned with the PIPR Policy Letter in that respect. Proposition 12 seeks to ensure that the two pieces of work are aligned and complementary, and that is fully supported by the Committee.

When the review began you made clear that where possible changes to support recruitment and retention in the economy would be made along the way. That has been done with some success, and the Committee welcomes the work of the review and of the Committee *for* Home Affairs in doing that, and it thanks you for the consultation that has taken place with the Committee.

The Committee agrees with the point made in the Policy Letter that it will take a States-wide approach to resolve the demographic challenge that is posed to our economic future. This Policy Letter is an important, constructive, and significant step, but there is much work for this Assembly to do in order to meet that challenge.

In conclusion, the Committee believes the review and Policy Letter is an important step forward, and one which will – along with the developing Human Capital Development Plan – assist in developing a States-wider approach to planning for the future of our economy.

Yours sincerely



Deputy Neil Inder
President

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR HOME AFFAIRS

POPULATION & IMMIGRATION POLICY REVIEW

The President
Policy & Resources Committee
Sir Charles Frossard House
La Charroterie
St Peter Port

5th September 2022

Dear Sir,

Preferred date for consideration by the States of Deliberation

In accordance with Rule 4(3) of the Rules of Procedure of the States of Deliberation and their Committees, the Committee *for* Home Affairs requests that the Policy Letter titled 'Population & Immigration Policy Review' be considered at the States' meeting to be held on 19th October, 2022.

The strategic population policy of the States is interlinked with several other strategic government workstreams, including the States' Strategic Housing Indicator, the Human Capital Development Plan, and the Review of Taxation. The Committee believes it is important for the States to determine its population policy at the next available meeting, so as to inform these other workstreams and ensure their continued progression.

Yours faithfully,

R G Prow
President

S P J Vermeulen
Vice President

A Taylor
S Aldwell
L J McKenna

P Harwood
Non-States Member