



BILLET D'ÉTAT

WEDNESDAY, 28th FEBRUARY, 2007

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**IV
2007**

B I L L E T D ' É T A T

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I have the honour to inform you that a Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE**, on **WEDNESDAY**, the, **28th FEBRUARY, 2007**, at 9.30am, to consider the items contained in this Billet d'État which have been submitted for debate by the Policy Council.

G. R. ROWLAND
Bailiff and Presiding Officer

The Royal Court House
Guernsey
12 January 2007

POLICY COUNCIL

GUERNSEY'S STRATEGIC POPULATION AND MIGRATION POLICY

EXECUTIVE SUMMARY

This Report reviews various population scenarios over the next 60 years, and recommends that the States replace their existing Population Policy with a revised Population & Migration Policy, which seeks to maintain Guernsey's population broadly around 60,000 people over the next 60 years.

The Report explains that, like most other "Developed" jurisdictions, Guernsey faces significant demographic issues with an ageing population coupled with decreased fertility rates, which gives rise to the situation where a smaller number of people in the economically active age bands will have to support an increased number of economically inactive people.

While under any of the scenarios reviewed in this report productivity of the work force must increase, the Policy Council is recommending that the States help the dependency ratio by enabling net migration into Guernsey not exceeding 200 people each year on a five-year rolling average.

Following States approval of the Future Taxation and Economic Strategy, the Chairman of the Policy Council's Strategic Population Review Group wrote to me in my capacity as Chairman of the Council's Fiscal & Economic Policy Group, to ask whether that Group considered that the proposed population and migration policy of a net inward migration of 200 per year would need revision. On behalf of the Group, I was able to confirm that there is no need to alter the proposed net inward migration figure in consequence of the Future Taxation and Economic Strategy.

This Report further recommends that the population be monitored and the results reported back to the States on a regular basis, so that the States have the opportunity to review and adjust the specific Population & Migration Policy as necessary.

1. INTRODUCTION

At the States meeting on 08 December 2004, the eight Key Themes of the States Corporate Agenda were endorsed. One of these Key Themes is "Population". The principal aim of this Key Theme is stated in the 2005 and 2006 Policy and Resources Plans as:

"To put in place a corporate policy for population management that is legally robust, ethically sound and practical to implement recognising that any potential benefits of population growth through net immigration must always be carefully weighed against the increased demand for public services and the

potentially adverse impacts on the local environment and quality of life that may result from a rise in population.”

In pursuit of this aim, the 2005 Policy and Resources Plan stated that the States will:

“Undertake a broad-based review of current population policy and control mechanisms that:-

- *Takes into account not only the overall number of people living in Guernsey but also the demographic profile of the population in terms of age and economic activity and the need to plan for the Island’s future prosperity and social well-being with this in mind.*
- *Recognises that policy for population management must be compatible with progressing the other Key Themes in the Corporate Agenda and vice versa. Ensuring a mutually supportive relationship between population policy and a business development strategy is especially important given that the prosperity of the local economy is the strongest influence on migration.”*

The current Population Policy in place states that,

- “(i) The growth in population should be limited to as low a level as possible consistent with achieving Economic, Social and Environmental objectives.*
- (ii) The main population control measures should continue to be the Housing Control Law and the Right to Work Law.*
- (iii) The States should continue to encourage the use of new technology and the provision of training in order to increase the level of skills and productivity of the resident population.*
- (iv) As far as possible, jobs should be filled by local residents. However, there continues to be a need to employ overseas labour to supplement the local labour force in specific areas.*
- (v) No members of the resident population, be they licence holders, Open Market residents or members of their households, shall be restricted from maximising their contribution to the economy through employment.”*

The underpinning Housing Department policies in conjunction with this policy are set out in Appendix 1.

As a result of these corporate responsibilities, the Policy Council agreed to establish the Strategic Population Review Group to undertake the population policy review.

The Strategic Population Review Group reported back to the Policy Council with a draft policy, which was then circulated to all States Members, States Departments and Committees and the general public for consultation. This report has been produced in light of the comments received. An analysis of the responses received can be found in section 8.

2. THE POPULATION AND MIGRATION POLICY STATEMENT

States' policies should be consistent with maintaining Guernsey's population broadly around 60,000 people over the next 60 years.

Acknowledging that Guernsey's low fertility rate will otherwise cause the population to decrease, net migration into Guernsey not exceeding 200 per annum on a five-year rolling average will be allowed in order to help the ratio of economically active to inactive people.

The Group reached the conclusion that a population of around 60,000 was the correct level to aim at over the next 60 years because of the need to maintain sufficient economically active people in order to support the increasing numbers of dependents. This is roughly the current population, which has enabled the island to develop a very high level of public services even though residents enjoy a low tax base.

Such a successful and efficient economy is highly unusual in global terms. It is known that the Island's workforce is going to have to become more productive simply to stand still. This is because of the Island's demographics that show the post-war baby boomers reaching retirement age, and having to be supported by a reduced number of economically active people. The increased longevity of the population will also add a financial burden to the economy. The rate of this increased life expectancy is currently running at an extra year every five years, resulting from better health care provision and healthier lifestyles.

Combined with these factors are the changes in the Island's tax strategies that will be introduced in 2008. This will inevitably shift some of the burden of taxation from companies to individuals, and is also likely to result in some shortfall (at least in the short term) of tax receipts.

Following States approval of the Future Taxation and Economic Strategy in June 2006, the Chairman of the Strategic Population Review Group, wrote to me in my capacity as Chairman of the Council's Fiscal & Economic Policy Group to ask whether that Group considered that the proposed population and migration policy of a net inward migration of 200 per year would need revision. On behalf of the Group, I was able to confirm that there is no need to alter the proposed net inward migration figure in consequence of the Future Taxation and Economic Strategy.

The Strategic Population Review Group believes that the above factors will provide a manageable challenge to the continuing success of the Island's economy. However, if the Island's working population was reduced, as would happen without a net

immigration policy, then the chances of maintaining the Island's high class infrastructure becomes an unrealistic ambition.

The Group therefore believes that, while in an idealistic world, it may be preferable to aim for a small reduction in the Island's population over a 60 year period, this would be a dangerous road to tread, unless Islanders are prepared to accept significantly reduced public services (such as health, education and welfare services) and also to pay much greater levels of tax (either direct and/or indirect).

For example, the level of social insurance contribution rates for the next 60 years will depend on the ratio between the number of people of working age and the number of pensioners. Actuarial projections for the scheme on a pay-as-you-go basis show that, with zero migration, social insurance contribution rates would have to increase by 110% over the 60 year period. Even with the proposed 200 net inward migration the rates are projected to be 75% higher than at present. These projections are only for the social insurance benefits such as pension, invalidity, sickness and unemployment. They do not include the further increases in contributions that will be needed for the Health Service Fund or Long-term Care Insurance.

The proposed population and migration policy walks a middle road of seeking to maintain the Island's population levels, while acknowledging that worsening and unavoidable demographic trends will mean that the island workforce must become more productive simply to maintain the status quo.

3. CONSIDERATIONS

There are key considerations that need to be acknowledged in the development of a Population and Migration Policy. These can be structured into four interconnecting strands, which reflect the Island's community, economy, environmental character and international obligations and are outlined in detail below:

3.1 Community

- It is recognised that residentially qualified individuals will continue to choose to leave Guernsey, either temporarily or permanently, to pursue economic or personal opportunities that may not be available locally.
- Individuals will continue to be able to take up residence in Guernsey and may eventually acquire residential qualification in their own right.
- The numbers of individuals leaving (emigrating) and arriving (immigrating) in Guernsey may total thousands over a year. The level of net migration (difference between the number of emigrants and immigrants), together with trends in birth and mortality rates, will determine overall changes in the size and make up of the population.

- Guernsey will benefit if measures undertaken to influence the size and make-up of the population also seek to reinforce and enhance the culture, standards and well-being of the community.

3.2 Economy

- The ratio of economically active to inactive people, referred to as the 'Dependency Ratio', heavily influences the Island's economic sustainability, which in turn affects the ability to fund public services.
- There are economic benefits in allowing a restricted number of skilled individuals to take up temporary or permanent residency in Guernsey to supplement and enhance the skills, experience, and talents available from within the residentially qualified population.
- The Dependency Ratio is an internationally recognised indicator for measuring the difference between the economically dependent part of the population and the economically productive part; defined as the ratio of the elderly (ages 65 and older) plus the young (under age 15) to the population in the working ages (ages 15-64). It is frequently used in comparing aspects of a jurisdiction's demography and economy.

3.3 Environment

- The physical size of Guernsey places limitations on the size of the population which can be supported while sustaining a good quality of life and providing affordable public services; for example, the availability of housing, infrastructure, traffic, waste management and the provision of health and education services.

3.4 International Obligations

- Measures to influence the size of the population through conditions on the acquisition of residential qualification and permissions for temporary residence must be Human Rights compliant and not conflict with Guernsey's other international obligations.

4. DEMOGRAPHIC PROJECTIONS

The UK Government Actuary's Department (GAD) publishes periodic reports on the operation of the Guernsey Insurance Fund. Within the GAD periodic report on the operation of the Fund for the period of 1999 to 2003, GAD also produced the Actuary's population projections for the next 60 years, up to 2063. These reports are regularly produced to review Social Security Schemes, but these forward projections need to also take a view on net migration.

Based on data from recent years, the GAD has used a fertility rate of 1.42 in the projections. This is because Guernsey in common with all Western European countries,

has a fertility rate that is substantially below the figure of 2.1 needed for a population to maintain its level naturally, without inward migration.

The GAD age profile for migration has been based, very loosely, on the actual experience. They have, however, very heavily smoothed the experience. This has resulted in most of the migration being assigned to economically active ages.

The GAD assumptions on the population and migration projections can be used to offer different scenarios for the level of net inward migration. This in turn provides an indication of future demographic trends for the next 60 years. These scenarios are outlined below:

- **Zero Net Migration**

If no net migration is allowed the Guernsey population will reduce from 60,382 to 57,224 (-5.2%) over the 30 years to 2033, with a further decline of nearly 13,000 to 44,451 over the following 30 years to 2063 (-26.4% over the 60 years).

On the same basis it is projected that the Dependency Ratio will deteriorate from each economically active person currently supporting 0.51 inactive persons to having to support 0.76 by the year 2033, with a further deterioration to 0.89 over the following 30 years to 2063.

- **Net Inward Migration of 100 per annum**

With net inward migration of 100 per annum the Guernsey population will increase marginally to 60,658 by 2033 (0.46%), before falling to just under 52,000 by 2063 (-14% over the 60 years).

The dependency ratio will worsen from each economically active person currently supporting 0.51 inactive persons to having to support 0.73 in 2033 and 0.83 in 2063.

- **Net Inward Migration of 200 per annum**

With net inward migration of 200 per annum the Guernsey population will increase to just over 64,000 over the 30 years to 2033 (6.1%), before declining to just under 60,000 over the following 30 years to 2063 (-1.6% over the 60 years). The Dependency Ratio would deteriorate from 0.51 in 2004 to 0.71 by 2033, and to 0.79 by 2063.

- **Net Inward Migration of 300 per annum**

Projections based on net inward migration of 300 each year result in a Guernsey population of just under 68,000 in 2033 (an increase of 11.8%) and just under 67,000 by 2063 (10.8%). The Dependency Ratio would move to 0.69 in 2033, and 0.75 in 2063.

For further analysis please see charts and tables contained in the attached Appendix 2 and Appendix 3.

5. ECONOMIC MODELLING

In the responses to the Strategic Population and Migration Policy consultation paper, several respondents questioned why there was not more socio-economic modelling, based on a variety of variables, such as different net migration figures or varying fertility rates as detailed above.

However, the Strategic Population Review Group considered that such socio-economic modelling would be very complex, and would have to be based on a wide set of assumptions which could be challenged. The benefits would not justify the considerable costs of the exercise.

6. UNDERPINNING POLICY OBJECTIVES

Aside from directly focusing on the 'Population' Key Theme, the Population and Migration Policy links closely with a number of the other Key Themes within Guernsey's Corporate Agenda.

The Policy aligns itself with the 'Business Environment' Key Theme through its intention to research incentives in training locally qualified residents and to encourage skilled individuals to remain or return to the Island. The Policy also holds close links with the 'Culture' Key Theme, through its objective to preserve the unique cultural identity of Guernsey, whilst also acknowledging that Guernsey is becoming more multi-cultural.

It is recognised that the Population and Migration Policy underlies a number of core States' policies and corporate initiatives relating to the economy, housing, health and education on the Island.

The following work streams require further policy development in meeting the policy objectives:

6.1 Maximising the Employability of Residents

- Employment candidates wishing to immigrate, with single status or with no (small) families, may be favoured over those with more dependants, so long as this is Human Rights compliant.
- Family friendly policies to encourage locally qualified parents with necessary skills and experience into the labour market.
- Removal of barriers preventing people remaining economically active through age alone.
- There is a view that the introduction of a Minimum Wage may reduce the flow of immigrant workers who can be relatively cheap to employ, thus resulting in greater job opportunities for local residents. Research into the merits and demerits of Minimum Wage legislation is currently a work stream being pursued

by the Commerce & Employment Department under the Corporate Anti-Poverty Programme.

Work Streams:

6.1.1 Research the feasibility of a policy for favouring those candidates that are not residentially qualified and apply for employment through the housing licence/residence permit system, that are either single or couples with small families.

Lead: **Strategic Population Review Group** in conjunction with Housing Department and Commerce & Employment Department

6.1.2 Investigate and develop ‘family friendly’ policies for encouraging locally qualified parents with the necessary skills and experience into the labour market. This could also include career enhancement i.e. refresher training.

Lead: **Strategic Population Review Group** in conjunction with Commerce & Employment Department

6.1.3 Research and develop policy/ies to remove those barriers that prevent locally qualified people remaining economically active through age alone.

Lead: **Strategic Population Review Group** in conjunction with Social Security Department

6.2 Encouraging Locally Qualified People to Stay in/return to Guernsey

- Where possible minimise barriers to residentially qualified people returning to the Island.
- Young people possessing the necessary skills could be encouraged to stay on, or return to, Guernsey.
- Encourage locally qualified people to train to work in the service (and other) industries (through apprenticeship schemes and education) to reduce the need for imported labour.

Work Streams:

6.2.1 Explore the development of fiscal and other policies which could minimise those barriers which restrict residentially qualified people from returning to Guernsey.

Lead: **Strategic Population Review Group** in conjunction with Commerce & Employment Department

6.2.2 Research and develop policy/ies that encourage residentially qualified young people who possess the necessary skills required by local employers to continue working in Guernsey or to return.

Lead: **Strategic Population Review Group** in conjunction with Commerce & Employment Department

6.2.3 Research and develop policy/ies that encourage locally qualified people to train to work in the service (and other) industries (through apprenticeship schemes and education) to reduce the need for imported labour.

Lead: **Strategic Population Review Group** in conjunction with Commerce & Employment Department

6.3 Assessing Possible Additional Controls on Residency

- The Housing Control Law is focused on maintaining a sufficient housing stock for the resident population.
- The Housing Control Law therefore only influences and monitors the residency of those granted licences on economic, social or other grounds and, in certain circumstances, their dependants.
- The introduction of additional universal “residency permit” legislation could monitor and control the residency of the entire population, whilst allowing for automatic granting of permits to those with residential qualifications.

Work Streams:

6.3.1 Examine the feasibility of introducing residency permits alongside the Housing Control Law, with particular consideration given to resource implications.

Lead: **Strategic Population Review Group** in conjunction with Housing Department

6.3.2 Review provisions of the Housing Control and Right to Work Laws in light of the findings of the above work streams.

Lead: **Strategic Population Review Group** in conjunction with Housing Department

7. MONITORING AND EVALUATION

An outline feasibility paper on monitoring future population was produced in October 2005. It provides the basic framework for a more thorough monitoring system for headline Population and Migration Policy.

At present there is no central population register or single point of access to population related data. However, it is feasible to monitor broad population trends in Guernsey based on ‘headcount’ estimates during inter-censal years. Due to the data being spread

across a number of Departments, and the fact that it is only partially complete, there are several gaps, which inhibit the ability to undertake detailed analysis.

It is proposed that, the best approach for accurate monitoring would be the development of a central register containing core data, such as the system proposed as part of the e-Citizen project, containing various time series datasets. This would enable the monitoring of the Island's population and demography, as well as an evaluation of whether Government policy is achieving its underpinning policy objectives, in particular in regard to the evaluation of population and migration trends. It should be noted however, that this is only likely to be feasible if there are sufficient drivers and business benefits for going ahead with the e-Citizen project.

Rather than monitoring migration levels annually, a five-year rolling average of the Island's annual migration would provide a more reliable and representative measure. The e-Borders project, looking at modernising border controls and enabling better passenger information via new technology such as biometric passports and ID cards, could also provide additional data in this area.

Work Streams:

- 7.1 Develop and implement a framework for monitoring and evaluating the Population and Migration Policy.

Lead: **Strategic Population Review Group**

8. ANALYSIS OF RESPONSES TO THE GREEN PAPER

A total of 52 written responses were received to the consultation paper from States Members, States Departments, local businesses and private individuals. The key points made in these responses have been summarised in the broad themes below.

Clarification of Information included in the consultation paper

Several respondents to the Population and Migration Policy consultation paper questioned why 60,000 (i.e. the 2004 population levels) had been chosen as an acceptable figure to maintain.

The Group acknowledges that there is a wide range of views on whether the population of Guernsey should increase, decrease or remain about the same. However, it is mindful that the Island currently enjoys a very high quality of infrastructure, far beyond that which could reasonably be aspired to by a community of just 60,000 people. The fact that we all enjoy such a high standard of services is a direct result of the Island's highly successful economy, predominantly the thriving finance industry. However, there will be major challenges in maintaining this success, given the inevitable tax restructuring that will be necessary from 2008 onwards.

Combined with this situation are the falling fertility rates on the Island and the growing dependency ratio, meaning that those in employment must by definition become more productive (in terms of economic output) if the Island is to maintain its high standards of public services. These two factors combine to lead the Group to the conclusion that the Island will be doing very well to maintain the standards of public infrastructure that it has. However, if the population falls below around 60,000 (given the island's current and projected demographics) the task of generating sufficient wealth in the economy to maintain the Island's standards of public service becomes too great to be a realistic ambition.

Some respondents asked if the net migration figure of 200 included the dependants of those workers moving to the island?

The answer is that it does, and some of this number will be returning residentially qualified local people.

The period of 60 years was also queried.

Policies which impact on the demography of a population must be considered over the long term. Changes within short periods are not going to be significant in planning terms. The GAD uses the 60-year period to plan for pension provision in Guernsey. In addition to the practical advantage of having the projections over this period, the Group believes that this is a sensible span of time to consider when planning population policy.

With regard to comparisons of Dependency ratios based on various factors, it was suggested that looking at income per capita might be a more useful comparison.

It was felt by some that more targets should be provided for population levels, population density figures and economic growth for the projected period of 60 years. It was also suggested that historic trends and the population policies of the previous 50 years be researched to look at the effectiveness of their outcomes.

However, the States have previously had a largely non-interventionist approach to population over the last 50 years, which has been controlled primarily through the Housing Control Laws. It must be remembered in this context that these controls only affect around 8% of the island's population. The remaining 92% are not within such controls.

There was a feeling expressed by some of the written respondents that issues of population control will become a more important if unemployment increases.

The Group concurs with this view.

Returning Local Students

In its response to the consultation document the Lifelong Learning Advisory Committee (LLAC) advised that 50% of local graduates currently return to the island.

However, the increasing cost of higher education discourages some local students from attending university in the UK in the first place. This results in a need to import expertise because there are no suitably qualified local people. Several people therefore called for more financial assistance for local students and the possible introduction of a student loans scheme rather than the current grants based system. Financial incentives could also be introduced to encourage students (particularly post graduate students) to return to Guernsey, for example loan repayments offset when they return to work in the island.

The value of experiencing life away from Guernsey was also generally recognised, together with the fact that it would enhance local people's suitability for more demanding local jobs, especially those that require experience. Importance was also placed on housing laws that provided local people with enough time to train and gain experience off island and still be able to move back.

In conjunction with this, the LLAC strongly advocated the development of a learning culture within Guernsey, providing education opportunities that allow people to reach their full potential and encouraging young people to train and study to fill local skills gaps.

These issues will be researched as part of the detailed work streams set out in Section 6.2.

Control of Immigration

Several people wanted to see tighter controls on migrant workers on the Island, together with closer monitoring of their employment and housing situations. Others wanted more relaxed and flexible controls.

There were calls for criminal conviction checks and closer links with foreign consuls, or verifiable references to avoid "undesirables" being allowed to move to the island. ID cards were also advocated by a number of respondents. It was suggested that these checks could then also apply to those people moving to the island and living in open market accommodation.

Population Aged 65+

A review of the retirement age, together with research into semi-retirement incentives and tax incentives for those working beyond retirement age were also suggested. It was commonly agreed that to "remove barriers that prevent people remaining economically active through age alone" would be a positive step to helping to alleviate the worsening dependency ratio.

A number of respondents requested more information on the numbers of non-local people retiring in Guernsey and the subsequent strain this puts on the economy. Work streams looking at a review of retirement age, together with the impact of non-local

retired residents, will be looked at in more detail in future.

Reduction in the Population

Whilst the majority of respondents agreed that a level of inward migration was necessary, a number of people wrote to express their concerns that the Island was already over populated and that population numbers should be encouraged to decline. There were concerns from some that there was already too much waste, traffic and buildings.

There were also fears expressed by some respondents that Guernsey's infrastructure was already creaking under the strain of current population levels and that the population should not ever be allowed to increase to 70,000.

It was also remarked that in post-war 1950s it would have been impossible to predict accurately the population in 2010, therefore trying to predict the population 60 years from now "is an exercise in futility."

While that is one view, it is generally accepted that there is a need to plan for the future, albeit that the plans should be monitored and reviewed on a regular basis in the light of experience.

Population and Island Businesses

A number of people responding to the green paper felt that local people should be encouraged to return to the island to make up the net migration numbers. As such, local people should be given an advantage in applications for local specialist jobs.

There was a view that Key Worker facilities and relocation packages should be available to locally qualified people seeking to return to the island.

A number of the Guernsey business organisations that responded to the consultation paper, were concerned that the island does not do enough to help new businesses because of tight restrictions on the availability of housing licences.

Also, in looking at increasing population numbers, there is a need to encourage a diverse industrial base to minimise reliance on one economic sector. However, with regards to the finance sector, it was suggested that seven-year licences would be preferential to five, to make Guernsey a more attractive career move.

The idea of a "Work Permit" system was also suggested by several of the respondents.

The Policy Council is reporting on the merits and demerits of Work Permits, Residence Permits and Housing Licences in a separate States Report [submitted for debate at the same States meeting as this report on the proposed Population & Migration Policy].

Several respondents called for the introduction of a minimum wage to reduce the

number of migrant workers on the island. There was also a suggestion that Work Permits (if introduced) should only be issued to businesses paying at least the minimum wage.

Several businesses responded to the consultation document with concerns over business continuity problems associated with short-term licences. In various industries on the island, particularly finance, continuity is important for developing client relationships, which help the island's businesses to stay competitive. Continuous staff turnover not only means losing this continuity, but also increased training and induction costs.

The Group acknowledges that there is a perception that recruitment and retention of the best possible staff can be hampered by housing policy. However, there is little evidence to show that this is more than a perception in the majority of cases, as the Housing Department frequently responds positively to licence requests from all sectors of the business community.

Housing Issues

There were concerns from some that a greater population will bring greater demand for housing and that the needs of the indigenous population should not be overlooked. It was felt by some that residents in open market accommodation should not be allowed to qualify for local status, and similarly that licence holders should not be able to change jobs and build up qualification years.

It should be noted that the majority of people who live in open market accommodation do not gain residential qualifications through such residence, as it is not usually qualifying residence for the purpose of the Housing Control Law.

Owing to the Housing Department's policy of restricting the majority of essential licences to 5 years' duration in support of the States' Population Objective, it is not generally possible for licence holders to accrue residential qualifications by changing jobs unless they change to a post that warrants a long-term licence.

It was suggested that Open market accommodation be controlled by a "Residence Permit" system, the details of such a scheme if one were to be proposed will be included in the workstreams in the separate States Report (referred to earlier).

Another idea proposed to the Group was that employers or staff on short term licences could be made responsible for ensuring workers leave the island once their contract is completed. It was further suggested that it might be useful to monitor how many people leave before their housing licence expires. However, there were a few concerns over any revised system encouraging excessive bureaucracy. Suggestions of charges for licences or a renewal fee for housing licences would also raise similar concerns about additional administration. Again this would be a factor for consideration as part of any future workstreams.

Concerns over house prices also appeared in several of the responses. With the number of licences issued, it was claimed by some that this has led to increased property speculation. This in turn may have priced many local people out of the housing market and led to them leaving the island. It was also suggested that many of those who do manage to buy property on the island would struggle to afford to start a family, resulting in the decreasing numbers of the local population.

If the population were to increase as suggested in the consultation document, then departments such as Health and Social Services, Social Security and Education suggested that they should be able to offer extended housing licences to their staff to cope with the increased demand on their services. It was further suggested that those staff, who the States agree should be encouraged to move to the island, such as nurses and teachers, should be given the security of a permanent and stable future through a longer term housing licence. HSSD also warned that caution should be taken in implementing incentives for different groups to move to the island, i.e. incentives for locals to return, as this might cause ill feeling in the work place.

The whole issue of the employment of Key Workers is currently being looked at by a cross-departmental work group, and a States Report on this matter is in preparation.

Population Impact on Society

Several people felt that encouraging an increase in local birth rates could combat the problem of a possible decrease in the local population. It was suggested that the States look at other jurisdictions to see how they are trying to resolve the problem of low fertility. The Group did look at places such as France (where a payment has been introduced for large families), but it does not believe this to be a viable or practical way forward for Guernsey. Any financial incentives given would be paltry compared to the costs involved in raising children. It preferred the approach being investigated by Australia, which recognised the problems of falling fertility rates and is investigating attacking the causes through the widespread encouragement of family friendly policies across the work place.

Family Friendly policies such as increased help towards the cost of childcare, improved crèche facilities, taxation breaks for having children, were suggested by some local respondents to encourage local families. Looking to the US for examples of such policies was also suggested instead of UK examples.

In terms of those people targeted to move to the island there were those who felt that single people of working age should be given priority for inward migration, but there were others who felt it would be impractical to favour small families and singles when there is already significant difficulty attracting appropriately qualified staff to posts that carry housing licences. The view was also expressed that mature candidates might also be more predictable and stable than young/single people or small families. In addition, difficult to fill vacancies frequently require more mature candidates with greater experience. Often these candidates are not single and it would be inefficient to exclude such applicants from consideration for these vacancies.

The question of Human Rights was also mentioned in several letters, and the legal position on discriminatory criteria for jobs. Clearly any Population & Migration Policy would need to be Human Rights Compliant.

Monitoring Population

In the responses to the Green Paper, there were calls for closer monitoring of those people who will actually make up the net migration numbers, for example, if they are economically active, their nationality, if they bring dependants?

The Group does believe that there is a need to collect the best data possible in order to plan for the future, but this must be balanced with the costs of acquisition, and the value of the particular data for policy making.

A central register, held by the Social Security Department's database and fed into by other departments was suggested. Similarly the E-Citizen project, the E-Borders project, the Corporate Address File and the Ex-patriot register were all mentioned as possible monitoring processes; as was the suggestion that the Home Department should take responsibility for monitoring migration. All of these projects and suggestions will be considered in more detail in the next phase of work stream development.

CONCLUSIONS

As can be seen from the above summary of responses to the consultation document, many focused on the methods of population control, or were commenting on the detailed aspects of the work that will follow once the States have agreed a strategic population and migration policy. The Group will bear the comments made in mind as it oversees work on the more detailed aspects of the policy unfolding.

The Group has also noted the comments on the strategic aspects of population and migration policy.

Having considered the Group's report, the Policy Council recommends the strategic population and migration policy put forward in this report (see Section 2).

It is intended that progress by the various lead Departments on the work streams identified in this report should be referred back to the Strategic Population Review Group, as the co-ordinating body, which will then report to the Policy Council.

RECOMMENDATIONS

The Policy Council recommends the States to:-

- 1) **endorse this report;**
- 2) **replace the existing population policy with the Population and Migration Policy Statement as set out in Section 2 of this Report;**

- 3) **direct the Policy Council's Strategic Population Review Group to work with the relevant Departments to pursue the work streams identified in Sections 6 and 7 of this report, and to develop appropriate conclusions and recommendations; and**
- 4) **to direct the Policy Council to oversee the effectiveness of the Population and Migration Policy and to report such outcome to the States within the Sustainable Guernsey Reports.**

L C Morgan
Chief Minister

11th December 2006

APPENDIX 1 **Underpinning Housing Department Policies in relation to Population Policy.**

In support of the current strategic Population Policy, the Housing Department has stated that, in administering the Housing Control and Right to Work Laws, its policies are as follows:

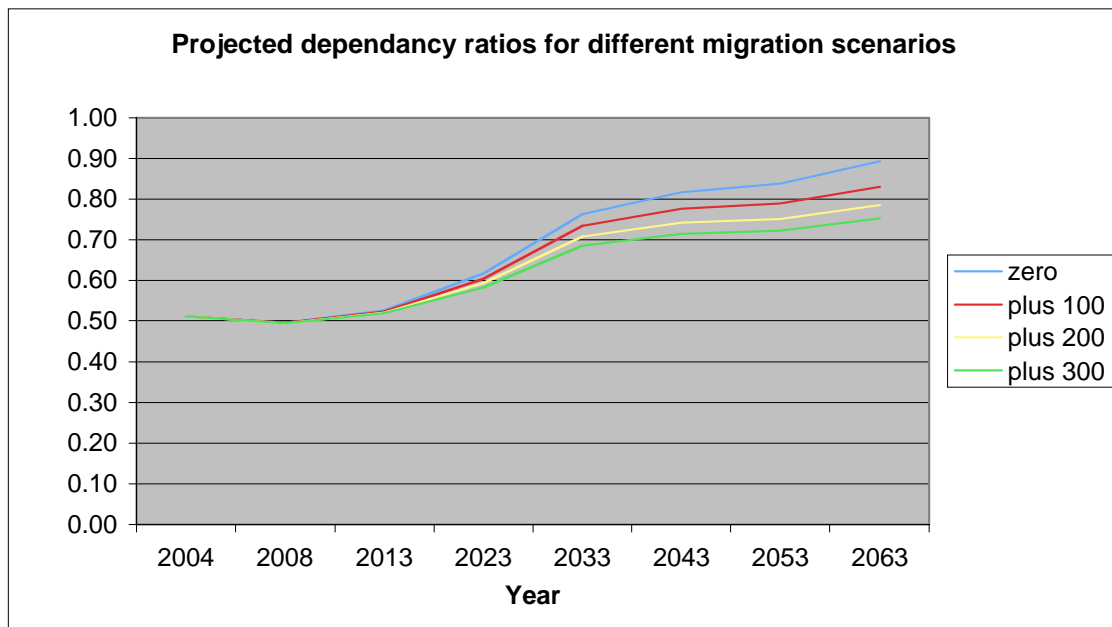
1. (a) The vast majority of those employed from overseas should continue to be on short-term housing licences (i.e. for periods up to nine months or three years)
- (b) The issue of short-term licences should be judged on the basis of no suitable local labour being available to undertake the work.
2. Wherever possible, essential licences will be limited so that such licence holders do not reside in Guernsey for more than five consecutive years. The Authority may issue licences for longer periods of residence where appropriate, for example, where (i) limitation would act to the detriment of achieving Economic, Social and Environmental objectives, or (ii) long-term continuity in the post is essential to the community; or (iii) the skills required for the post are scarce on a national or international basis so that recruiting is exceptionally difficult.
3. The Housing Department, when considering an application for an employment related licence, will take into account the extent to which the applicant is using technology and providing training.
4. With the exception of licences granted in respect of cohabitation on a one to one basis, the Housing Department will generally only grant licences, on compassionate grounds, to persons who:
 - (a) are potentially qualified residents as specified in the Law; and
 - (b) are currently resident in the Island; and
 - (c) have already completed substantial proportion of the specified qualifying period.

APPENDIX 2 DEPENDENCY RATIO PROJECTION

N.B. The dependency ratio is the number of people aged 65 and over, together with those under age 15, divided by the number of people of working age (i.e. 15 – 64) (See Section 3.2).

Table 1 Projected Dependency Ratios from GAD Projected Populations

	2004	2008	2013	2023	2033	2043	2053	2063
zero	0.51	0.50	0.53	0.62	0.76	0.82	0.84	0.89
plus 100	0.51	0.49	0.52	0.61	0.73	0.78	0.79	0.83
plus 200	0.51	0.49	0.52	0.59	0.71	0.74	0.75	0.79
plus 300	0.51	0.49	0.52	0.58	0.69	0.71	0.72	0.75



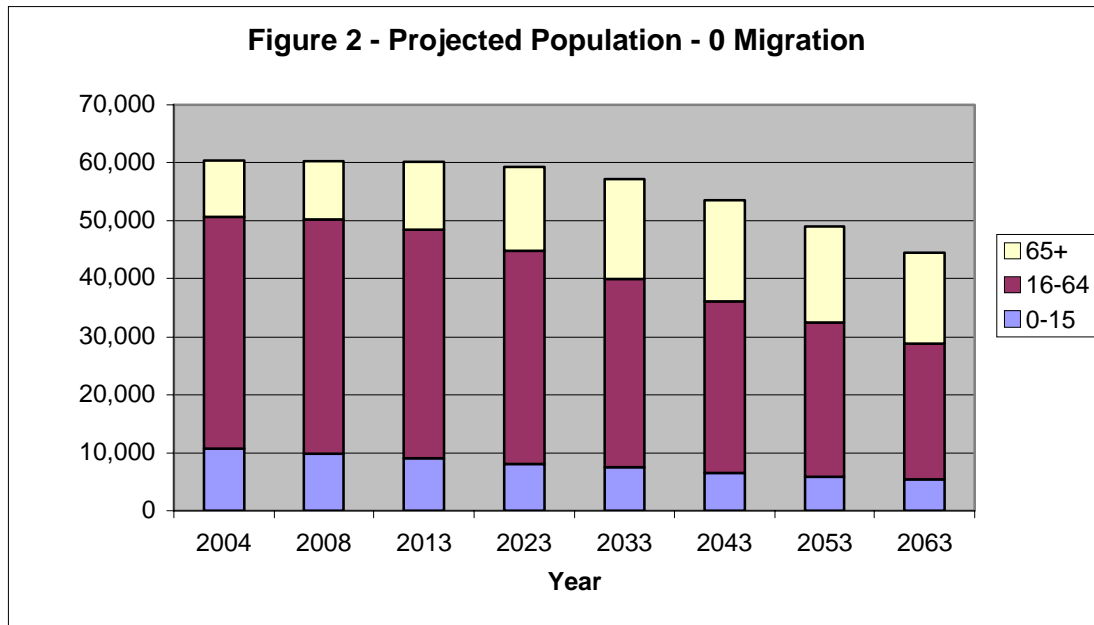
Source: UK Government Actuary's Department

Note: The projections were originally for the Social Security Department and exclude Alderney

APPENDIX 3 **GUERNSEY (EXCLUDING ALDERNEY) POPULATION PROJECTION SCENARIOS.**

Table 2 **Guernsey Population Projection Scenarios:**
NET MIGRATION 0 A YEAR

Age group	2004	2008	2013	2023	2033	2043	2053	2063
0-15	10,678	9,838	9,029	8,100	7,526	6,555	5,852	5,378
16-64	39,934	40,329	39,366	36,661	32,445	29,450	26,675	23,469
65+	9,770	10,142	11,726	14,542	17,253	17,530	16,516	15,604
Total	60,382	60,309	60,121	59,303	57,224	53,534	49,043	44,451

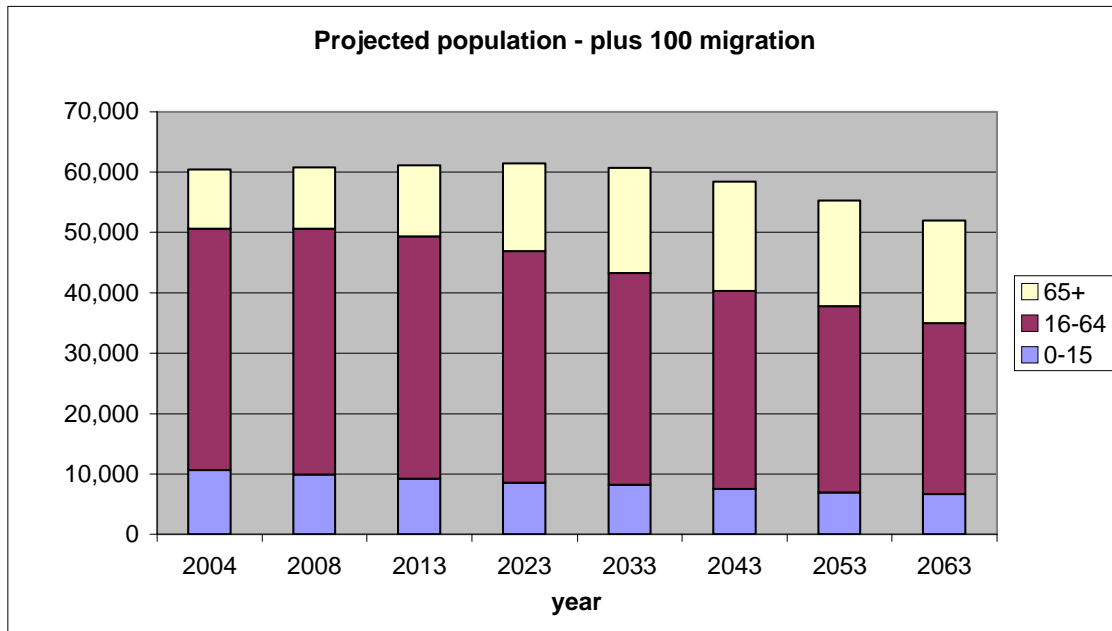


Source: UK Government Actuary's Department

Note: The projections were originally for the Social Security Department and exclude Alderney

Table 3**Guernsey Population Projection Scenarios:
NET MIGRATION 100 A YEAR**

Age Group	2004	2008	2013	2023	2033	2043	2053	2063
0-15	10,678	9,961	9,292	8,604	8,253	7,487	6,956	6,637
16-64	39,934	40,617	40,056	38,278	34,979	32,841	30,861	28,363
65+	9,770	10,142	11,726	14,557	17,426	18,011	17,401	16,927
Total	60,382	60,720	61,074	61,440	60,658	58,339	55,217	51,927

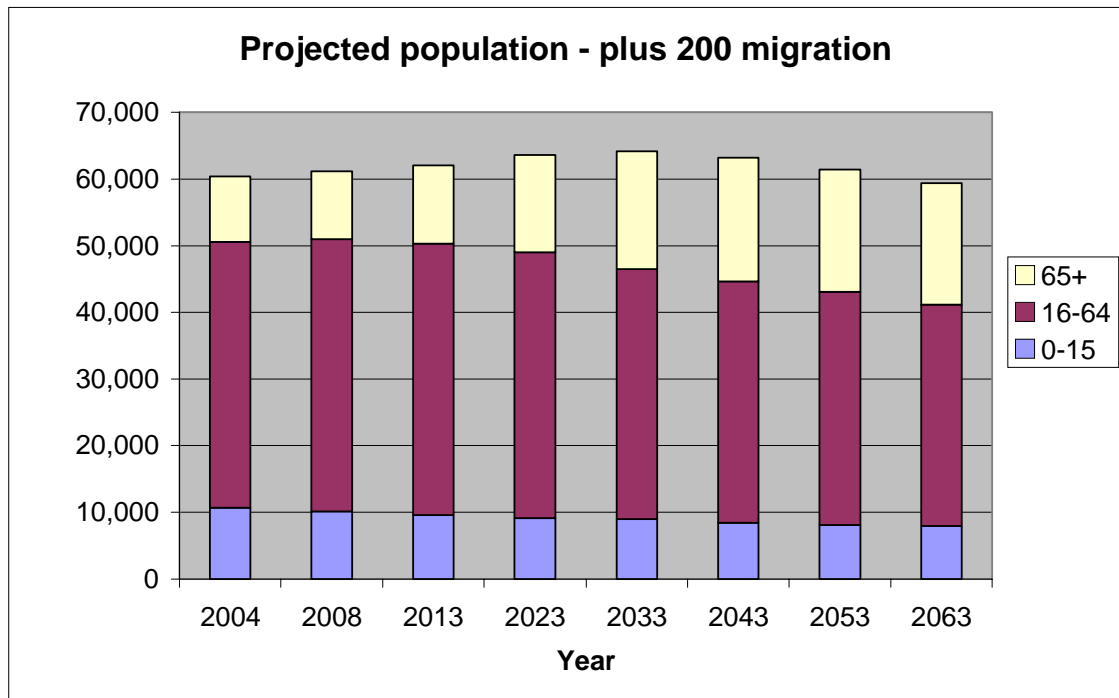


Source: UK Government Actuary's Department

Note: The projections were originally for the Social Security Department and exclude Alderney

Table 4 **Guernsey Population Projection Scenarios:**
NET MIGRATION 200 A YEAR

Age group	2004	2008	2013	2023	2033	2043	2053	2063
0-15	10,678	10,084	9,556	9,108	8,980	8,418	8,061	7,895
16-64	39,934	40,904	40,746	39,896	37,513	36,233	35,046	33,257
65+	9,770	10,142	11,726	14,572	17,600	18,493	18,285	18,250
Total	60,382	61,130	62,028	63,576	64,092	63,144	61,391	59,402

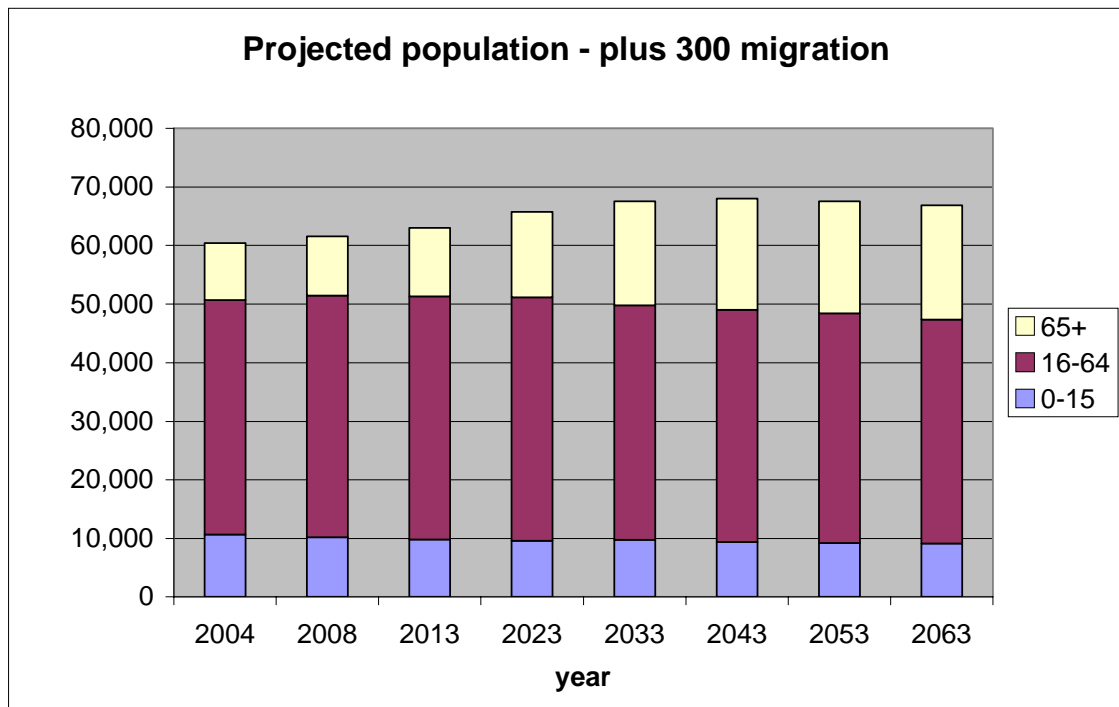


Source: UK Government Actuary's Department

Note: The projections were originally for the Social Security Department and exclude Alderney

Table 5**Guernsey Population Projection Scenarios:
NET MIGRATION 300 A YEAR**

Age Group	2004	2008	2013	2023	2033	2043	2053	2063
0-15	10,678	10,207	9,819	9,611	9,707	9,349	9,165	9,154
16-64	39,934	41,192	41,436	41,514	40,046	39,625	39,231	38,151
65+	9,770	10,142	11,726	14,586	17,773	18,975	19,170	19,573
Total	60,382	61,541	62,981	65,712	67,526	67,949	67,566	66,878



Source: UK Government Actuary's Department

Note: The projections were originally for the Social Security Department and exclude Alderney

Minority Report to the Report on “Guernsey’s Strategic Population and Migration Policy” from Deputy Peter Roffey

Introduction

As the only member of the Policy Council to dissent from elements of the proposed Population and Migration Policy I feel it is incumbent on me to explain why I disagree with the majority opinion. For that reason I have prepared this brief minority report.

I start from the position of believing that Guernsey is already overpopulated. I believe the island has a population density which militates against maximising the quality of life and which is putting considerable strain on the local infrastructure. I accept that for practical and economic reasons it may not be possible to aim for a reduction in the island’s population but I believe it is important not to encourage further population growth.

Despite the superficial impression that this is what is being proposed in the strategy it is actually quite transparent in saying that the proposed net migration policy will lead to significant population growth over the next 20 years. This is not a strategy I can support.

What is the right population for Guernsey?

Clearly this is a subjective judgement and there is no right or wrong answer. The States of Guernsey will have to make a political judgement on behalf of the island. Even then the States needs to recognise their limitations in controlling population numbers – and more of that later.

Guernsey has one of the highest population densities of any territory, and is far more densely populated than any major European Country or the other Crown Dependencies. The island is of course less densely populated than some territories which are effectively “city states” but I don’t believe most Guernsey people aspire to the sort of urban lifestyle offered by those communities.

Guernsey’s population has “ratcheted up” erratically but consistently ever since records began. That growth trend can be characterised by rapid increases during times of economic boom with slower increases, or even modest declines, during periods of lower economic buoyancy. The two wars have caused “blips” in the trend but that trend has been remorselessly upwards.

Interestingly, although the economic boom of the late 1990’s and early 2000’s has been accompanied by further population growth, the level of that population growth has been very modest compared with the economic growth over the same period. This suggests much of the recent economic growth has been achieved through greater productivity.

As well as the relentless population growth of recent years changing lifestyles have meant that the impact each person has on the island and its infrastructure has increased. For example the average household size has consistently decreased leading to a requirement for more homes per thousand people. Likewise car ownership has increased leading to pressures on the island's road system.

The "stress" which the island and its infrastructure is put under by population pressures has to be seen as a product of these two factors – growth in population numbers and changing lifestyles. As I said earlier the judgement over what level of such "stress" is acceptable is a subjective one. My judgement is that further population growth would be undesirable.

Infrastructural issues

These issues should be split into two categories. One set deals with the cost of providing services such as healthcare, education and law and order. The other set deals with finite resources such as land, road space and water.

The solution to the first set of problems requires that any population growth leads to a growth in income which well exceeds the growth in numbers of residents. Any other outcome would mean that we were simply on a treadmill of growth with no net economic gain. While this may well be possible to achieve with careful planning it must still be recognised that the extra cost of providing services to a larger population will need to be netted off against any growth in income.

The second set of pressures is even more problematical and it is this growth in requirement for such things as housing, leisure facilities, water supply, road space, waste disposal and so on which is my prime concern in questioning a strategy which will lead to significant population growth over the next 20 years.

Supporting the economy and the demographic challenges

It has been argued that a growth in the economically active population is required to support economic growth and maintain a reasonable balance between the working population and the retired population. While I don't deny that these are problems I am not convinced that the best way of solving them is by net migration.

Put simply I don't think you can "buck the demographic trends". If people are living longer then the only long term answers are either for residents to work for longer or else to save more during their working years. Any attempt to solve a demographic imbalance by bringing in more people of working age will simply lead to a "population escalator" as those immigrants of working age also enjoy the benefits of greater life expectancy and require yet more fresh workers to support their retirement.

It is true that Guernsey's unique system of short term licences does lessen this impact as it means the island can enjoy the benefit of immigrants during some of their economically active years while not being required to support them during their old age.

However if we try to increase the percentage of this “transient population” much beyond its present ratio of the overall population then I believe we are going to suffer, both socially and in terms of business continuity.

Admitting our impotence

This strategy is all about setting targets for net migration to control Guernsey’s population. While we may disagree over the ideal target I think it is just as important for the States to accept their limitations in controlling such matters. Whether we set our net migration target at zero, 200 or 500 per annum the reality is that these targets are largely aspirations and our power to make them a reality is very limited.

For instance I wish to see a stable population but I accept that the lesson from history is that if Guernsey’s economy booms, which I want to see, then the population is likely to rise somewhat. If jobs in the island outstrip the supply of labour then it is very hard to put in place any controls which effectively prevent an influx of labour.

That said if we are to set strategic targets I believe they should reflect what best suits the island even if that subsequently proves hard to achieve. I believe the island would be best served by a stable population over the next 10 – 20 years. The proposed strategy does not achieve this aim.

Conclusion and Proposals

The proposed strategy flows from the proposed Population and Migration Statement. I would propose adding the following words to the end of the first part of that statement:-

“and at each stage of that 60 year period”.

In the second part of that statement I propose that varying levels of net migration be allowed during the next 60 years consistent with maintaining the current population level {i.e. circa 60,000} throughout that period.

I would also propose that the States resolve to pursue all options to maintain an acceptable “Dependency Ratio” without the need to increase the total population. Such a strategy to include ways to encourage islanders to remain economically active for longer and to enable islanders who wish to work to be able to do so.

December 2006

The States are asked to decide:-

I.- Whether, after consideration of the Report dated 11th December, 2006 of the Policy Council, they are of the opinion:-

1. To endorse that Report.
2. To replace the existing population policy with the Population and Migration Policy Statement as set out in Section 2 of that Report.
3. To direct the Policy Council's Strategic Population Review Group to work with the relevant Departments to pursue the work streams identified in Sections 6 and 7 of that Report, and to develop appropriate conclusions and recommendations.
4. To direct the Policy Council to oversee the effectiveness of the Population and Migration Policy and to report such outcome to the States within the Sustainable Guernsey Reports.

POLICY COUNCIL

CONTROLS ON HOUSING/POPULATION

Executive Summary

The purpose of this report is to determine whether it is necessary to introduce a new system of population control, or whether the Housing Control and Right to Work Laws should continue to be used for this purpose, with modification where appropriate.

The report complements the Policy Council's report on a new strategic population and migration policy and, therefore, does not seek to concern itself with the objectives of population control but rather the means by which such objectives may be implemented. The initial thoughts of the Policy Council's Strategic Population Review Group (SPRG) were that the following needed to be addressed:

- Carrying out more checks on persons wishing to take up residence in Guernsey;
- Extending those checks to more categories of people;
- The ability to monitor population numbers more accurately;
- Preventing people in Guernsey under employment-related licences from switching jobs;
- Recognising that employment-related licences bring economic, social and other benefits to the community; and
- Streamlining the licensing process.

The report considers the potential new or additional systems of residence permits and work permits in the light of these, but concludes that not all of these implementation objectives can reasonably be addressed through legislation designed to control population numbers.

It also assesses the strengths and weaknesses of the current Housing Control regime. One of its fundamental strengths is that the principle of having Housing Control legislation has already been established as human rights compliant and there are potential difficulties with dismantling or radically altering it. Notwithstanding this, much can be achieved through the introduction of appropriate policies in support of the Law, which would inform and guide the decision making.

The report concludes that the best way forward would be to retain the existing legislation with some amendments and to develop policies that will ensure that it can be used in support of the Strategic Population and Migration Policy adopted by the States.

In addition, the report recommends that the establishment of a Population Office should be investigated with a view to all matters pertaining to residence in Guernsey being dealt with under one roof by a single body on a “one-stop shop” basis.

It also seeks permission to extend the Housing Control Law by a further two years – i.e. to 30 June 2009 – in order to allow time for a full review in light of the outcome of the States’ debate on Guernsey’s Population and Migration policy.

1. Introduction

1.1 The current Housing Control Law is due to expire on 30 June 2007. The then Housing Authority commenced a review of the Law prior to its original expiry date of 30 June 2004 but this review has been delayed owing first to concerns about criminal conviction checks and, latterly, because of the setting up of a body, the Strategic Population Review Group (SPRG), to draft a Population and Migration Policy for Guernsey. As the Housing Control Law is currently one of the prime measures of population control, alongside the Island’s Immigration Laws, it follows that the review of the Law should take place only in the context of that Group’s recommendations.

1.2 The purpose of this report is to examine the current system and to explore and evaluate different options for the future.

1.3 Establishing what core policy objectives are to be achieved is fundamental to determining what system of controls should be in place, and how best they should be implemented and administered. It is necessary for such policy objectives to be defined but this report does not seek to do so. Rather it seeks to demonstrate that it is vital that, whatever control system is selected, it must be supported and underpinned by robust strategic objectives. Such policy objectives are to be determined by the States after consideration of the Policy Council’s report concerning a future strategic population and migration policy for Guernsey. This report therefore concerns itself with implementation objectives for any future mechanism of population control. It is more about the policing mechanisms than the reasons why controls are necessary. Discussions have centred on the following:

- Carrying out more checks on persons wishing to take up residence in Guernsey;
- Extending those checks to more categories of people;
- The ability to monitor population numbers more accurately;
- Preventing people in Guernsey under employment-related licences from switching jobs;
- Recognising that employment-related licences bring economic, social and other benefits to the community; and

- Streamlining the licensing process.
- 1.4 For the sake of clarification in respect of the fourth point listed above, it is worth mentioning that, at present, every employment-related licence is tied to the holder's specific post of employment and he/she is not at liberty to switch jobs after arrival in Guernsey without the express permission of the Housing Department.
 - 1.5 However, the above are primarily *implementation* objectives, which do not address the core objectives of any system of population control.

2. Background to Current Controls

- 2.1 Controls on population and housing are currently achieved through Immigration Controls (population) and the Housing Control and Right to Work Laws.

2 a Immigration Laws

- 2.a.1 The entry and stay of foreign and Commonwealth nationals is regulated by various United Kingdom Immigration Acts extended to the Bailiwick of Guernsey by Orders in Council, the main Act being the Immigration Act 1971. The extended Acts are, to a large degree, integrated with and run parallel to Immigration Acts in force in the United Kingdom, Jersey and the Isle of Man and, to a lesser degree, the Republic of Ireland, in other words the Common Travel Area (CTA). The Acts contain provision for pre-entry, on-entry and after entry controls, giving powers to the Lieutenant Governor and immigration officers as regards the entry and stay of persons subject to control and to the Home Department, by the enactment of Rules by Statutory Instrument, as regards prohibitions and restrictions on matters such as employment (for instance the power to control by work permit). Visas are required prior to entry for all Nationals where there is a mandatory visa requirement and Entry Certificates for non-visa Nationals other than for visitors (maximum six months). Permission to be in one part of the CTA allows lawful entry to another part but any stay restriction or employment restriction will continue to apply.
- 2.a.2 The Acts divide people into three categories: those who are not subject to control in any way, i.e. British citizens and certain limited Commonwealth citizens (with UK ancestral connections), European Economic Area (EEA) nationals who enjoy freedom of movement but are liable to deportation and those who are subject to control (i.e. everyone else).
- 2.a.3 An important part of the Act makes provision for the exclusion (including refusal on entry), and if necessary, the physical removal of serious criminals, terrorists, persons intending to or who have become dependent on public funds, to which they have not contributed, and persons who enter or stay illegally under the Immigration Acts. Administrative powers of arrest and detention are provided for in the 1971 Act for this purpose.

2b Housing Control Laws

- 2.b.1 The Housing Control Laws date back to the period shortly after World War II (1948), a time of acute housing shortage, when it was felt necessary to reserve accommodation for those persons who had been in Guernsey at the outbreak of the hostilities.
- 2.b.2 At that time, the controls were regarded as temporary. However, continued pressure on the housing stock, coupled with the limitations of the Island's finite land resources, have given them a more permanent role, with amendments being introduced over the years to reflect changing circumstances.
- 2.b.3 As a result, a piece of legislation that was originally designed exclusively for the purposes of preserving a stock of local market housing for the residentially qualified has evolved so as also to regulate population numbers, length of residence and length of employment.
- 2.b.4 Essentiality of employment and length of residence are very much the focus in administering the Law and it is from these that controls are applied on the occupation of dwellings.
- 2.b.5 This then begs the question as to whether the existing Law, which arose from post-World War II housing concerns, and not concerns about population numbers, can be further modified to progress its evolution into a population and employment control measure, or whether it needs to be replaced or supplemented by other control mechanisms that relate more directly to these purposes.
- 2.b.6 The major developments in the evolution of the Law include the formal setting up of an Open Market Register in 1969 and the introduction of short-term housing licences, designed to recognise shortages of unskilled labour, in 1990.
- 2.b.7 Perhaps the most significant development in relatively recent times was the introduction of the Right to Work Law in 1990.
- 2.b.8 The Right to Work Law considerably extended the then Housing Authority's powers in policing the Housing Control Law by requiring that every person who has commenced or changed employment since 1 December 1989 (with very few exceptions) must hold an official document confirming that he/she is lawfully housed. Such documents are issued by the Housing Department. It is an offence to employ someone or to be employed without a valid Right to Work document.

2c Scope of the Housing Control Laws

- 2.c.1 The current Housing Control Laws are complicated but can be divided into three broad sections as follows:

- i. Residential Qualifications – i.e. the different ways in which a person may become a Qualified Resident;
 - ii. Housing Licences – i.e. various provisions relating to the granting of licences to persons who are not residentially qualified; and
 - iii. The Open Market Register – i.e. provisions relating to the four different parts of the Housing Register and who may occupy such properties in what circumstances.
- 2.c.2 This report does not seek to touch on i) and iii) above, but will concentrate on ii) because of the way in which controls on occupation are used to control population growth.

3. Population

- 3.1 The current States' population objective is set out in Appendix 1 of the 2003 Policy and Resource Plan as follows:-

“The growth in population should be limited to as low a level as possible consistent with achieving Economic, Social and Environmental objectives”.

- 3.2 In support of this objective it is the Housing Department's policy, endorsed by the States, that wherever possible the period of validity of essential licences is limited so that the majority of such licence holders do not reside in Guernsey for more than five consecutive years.
- 3.3 Generally the Department will only grant a licence which enables an essential licence holder to live in Guernsey for more than five consecutive years if it is satisfied that long-term continuity in the post is essential to the community or where the qualifications or skills required are in short supply on a national basis so that recruiting is exceptionally difficult.
- 3.4 Therefore, the length of time that a person may remain in Guernsey is not specified in the Housing Control Law, but is a matter of policy.
- 3.5 What the Law does is set out the consequences of granting licences of various durations in terms of acquiring residential qualifications, which then provides freedom from employment and housing restrictions. The Law also specifies the factors that the Housing Department must take into account in determining: (i) whether to grant a licence; (ii) setting its duration; and (iii) attaching the conditions to it, e.g. restricting it to employment with a specified employer, setting the accommodation options available, etc.
- 3.6 It follows that it is not necessary to change the existing legislation in order to influence population numbers. This can be achieved by changes in policy

concerning the length of licences offered for specific jobs, while still retaining the core provisions of the Law.

- 3.7 This is significant, given the new Population and Migration Policy being proposed, which promotes limited population growth of net migration of 200 per annum. The achievement of that Policy is dependent on what other supporting policies are put in place: (i) to promote population growth; or (ii) to restrict it.
- 3.8 It will be the interplay between these various policies that will determine the actual outcome: in this regard, there would appear to be an inherent conflict between policies that seek to grow the economy and those that seek to restrict the growth in population. The policies that underpin whatever system of controls that is put in place must therefore strike a balance between these conflicting objectives: too permissive and population numbers will increase too much; too restrictive and the population will not be able to grow to support the economy and to fund public services.

4 Criminal Convictions Checks

- 4.1 Much of the current discussion about alternative or supplementary control mechanisms – in particular, residence permits - has arisen from concerns not about the numbers of people entering the Island, but *who* is entering the Island. That is to say, there have been calls for new control mechanisms not on population or housing grounds, but on law and order grounds.
- 4.2 The matter of criminal conviction checks has been the subject of much debate, which means it warrants separate consideration ahead of any detailed discussion about specific control mechanisms that arise from population and housing concerns.
- 4.3 The current Housing Control Law requires applicants for employment-related housing licences to make full declarations of their criminal convictions. The Housing Department may refuse to issue such a licence if a person has a serious criminal conviction record.
- 4.4 The former Housing Authority, in its initial review of the 1994 Law, had expressed the opinion that it was not appropriate for the provisions relating to criminal convictions checks to be retained in the Housing Control Law. In the first place, such provisions were not in accordance with the primary aim of the Law, which is to preserve a pool of local market housing for residentially qualified individuals. Secondly, the Authority did not consider it had sufficient expertise in such matters to make judgments of this nature.
- 4.5 The Housing Authority gave a commitment that the matter of criminal convictions checks would be dealt with as a separate issue to the remainder of the review of the Law. Accordingly, the Criminal Convictions Working Party was formed. This was a staff-level group chaired by HM Procureur comprising

representatives from the Housing Authority, Committee for Home Affairs, Board of Administration (Immigration) and Advisory & Finance Committee.

- 4.6 After the Machinery of Government changes had been implemented and the SPRG had been set up, it was decided to disband the Criminal Convictions Working Party and to pass responsibility for this matter to the SPRG.
- 4.7 The Group has considered the matter in considerable detail but, like the Criminal Convictions Working Party before it, has been unable to formulate recommendations for dealing with criminal convictions within the framework of housing/population controls. A tension inevitably exists because the desire to exclude persons not considered conducive to the public good has its roots in law and order concerns and cannot legitimately be addressed through controls on housing or population numbers.
- 4.8 Consequently, it has been concluded that if any measures are to be introduced to protect Guernsey from persons seeking to enter who are not conducive to the public good, then such measures should be formulated and implemented by the Home Department, which is mandated to deal with law and order issues. Such matters are not within the remit of the SPRG.

5. **Current Controls**

- 5.1 There have been suggestions that the Housing Control Law should be replaced by a different system of control. It is therefore appropriate to review the current population control measures, and assess their strengths and weaknesses against the possible alternatives that have been suggested of Work Permits and Residence Permits.
- 5.2 The main **strengths** of the current controls (i.e. the Housing Control and Right to Work Laws) are as follows:
- The Housing Control Law has been confirmed as being human rights compliant.
- 5.3 The control of occupation of dwellings has already been accepted as a principle by the European Court of Human Rights in the Gillow case and it could therefore prove dangerous to try to dismantle housing control completely and replace it with an unknown quantity. If the Law will not adequately serve the purpose identified for the future then it can be modified but any modification will take place on the basis of a principle already established as human rights compliant.
- The current system is tried and tested.
- 5.4 Again, the existing controls have withstood a number of challenges and, whilst it is accepted that some revision would prove useful, they are felt to be basically

sound and therefore it needs to be demonstrated that there is something to be gained in introducing an additional or new system.

- 5.5 Furthermore, they are supplemented by an extensive range of policies that have been developed over nearly half a century to address all manner of circumstances in a consistent and well-established manner, which has been found to be sound and well-argued. While some of those policies could be applied in a different control system, it is inevitable that new policies would need to be developed to support any new system, and this could be destabilising in the short- to medium-term.
- Population levels have remained fairly stable, which can be taken as an indication of the effectiveness of existing population control measures.
- 5.6 Although the Housing Control Law was not designed to facilitate population control and there are problems inherent with using it as such, it is nevertheless a fact that Guernsey's population levels have remained relatively stable in recent years, whilst relying on the Housing Control and Right to Work Laws as the basis of population control.
- 5.7 Such control is largely brought about not directly through the Law, but through a limitation on the length of licence as described above. This is illustrated by the figures for licences issued during the year ended 31 March 2006, which can be found in Appendix One. Figures for 15-year licences issued during that same period are attached as Appendix Two and "live" essential licence figures as at 31 March 2006 are at Appendix Four.
- 5.8 During the period 1 April 2005 – 31 March 2006, 341 essential licences were issued. Of the 341 licences issued, 304 (89%) were for 5 years or a shorter period. In addition, although 341 essential licences were issued, "live" essential licences rose by only 166, which indicates that 175 people were no longer on the Island under essential licence. Inevitably, not all of these will have left the Island, as their circumstances may have changed, meaning that licences are no longer required, but the majority will have done so, thus ensuring that long-term population growth is kept to a minimum.
- 5.9 There have been calls for the limitation on licence duration to be abolished because of the difficulties it creates for the community but it must be borne in mind that the 5-year limitation is, as stated above, the result of a policy endorsed by the States rather than anything set out in the legislation. If strategic direction is given that means that the policy is no longer appropriate, then there is no reason, in principle, why the policy cannot be altered but it does not necessarily follow that a new system of controls is needed.

- The local housing market has been protected from excessive demands.
- 5.10 The distinction that the Law allows the Department to draw between essential and short-term housing licences has proved invaluable in ensuring that immigrant workers do not flood the local housing market, while at the same time allowing employers to import additional manpower when needed.
- 5.11 The Department typically issues over 2,500 short-term housing licences in a 12-month period. At any given time, over 1,000 of these will be “live” – i.e. the holder will be physically present on the Island. (See Appendices Three and Four for detailed licence figures.) If each person were able to occupy a separate unit of accommodation, this would result in unsustainable pressure on the housing market. As they are restricted to shared accommodation, this is not an issue.
- 5.12 Similarly, the restrictions on length of residence permitted under short-term licence ensures that persons who come to the Island to take up such licences are not able to build up strong connections with Guernsey to the point where they can make a strong case to be allowed to stay permanently.
- 5.13 The perceived **weaknesses** of the current controls are as follows:
- They were not drafted with population control in mind and are therefore something of a “blunt instrument” in controlling population levels.
- 5.14 Whilst population levels have remained fairly stable over a sustained period, it remains the case that the Law was not designed with population control in mind and therefore the only reference to population is at section 6(5)(b) of the Law, which enables the Department to take account of any population objective in the most recently published policy planning report. As explained above, the Department’s policy of limiting the term of most essential licences to not more than 5 years has, to date, been successful in limiting long-term population growth but it would be preferable to strengthen the reference to population in the Law to make it clear that this is now one of its primary roles.
- Not everyone is subject to control.
- 5.15 There are a number of people who do not need any documentation from the Housing Department unless they wish to take up employment in Guernsey. Such categories of person include occupants of Part A Open Market properties and spouses of Qualified Residents and essential licence holders. Concerns have been expressed that it is possible for such persons to take up residence without being subject to any checks. If tighter controls and monitoring are sought then it would be necessary for such persons to hold some sort of document in order to alert the relevant authorities to their presence on the Island.
- 5.16 However, it must first be established what policy objectives would be achieved by additional controls and monitoring. For example, there is no point in

introducing controls to require dependants of essential licence holders to be checked as a population control measure, unless the system of control will permit a restriction on the numbers of people who may live in the Island.

- Only about 7% of the current population is subject to direct control under the existing Laws.

5.17 Approximately 7% of the population are licence holders and thereby subject to direct control. Other people, such as their dependants, will be subject to indirect control but are not included in the 7% figure as their numbers are difficult to verify because, unless they are working, the Housing Department does not need to be notified of their presence in Guernsey. Other people are uncontrolled under the current regime because they live in Part A Open Market accommodation. Many people will always remain largely uncontrolled because they are residentially qualified and the scope for introducing additional controls is therefore somewhat limited.

- They are complicated and difficult to understand.

5.18 There is much misunderstanding and misconceptions in the community about the Housing Control Laws and how they apply to individuals. The Housing Department relies on the co-operation of employers to help to police the Laws but many are largely ignorant of the requirements of the Laws. Indeed, it is not an exaggeration to say that the majority of the resident population has virtually no understanding of the Laws, despite the Department's efforts to educate through its website, leaflets and presentations.

- They are labour-intensive to administer.

5.19 The Laws are very labour-intensive and time consuming to administer and if they are to be retained, careful consideration needs to be given to how they should be operated in order to ensure that States' resources used in the administration of the Laws are kept to a minimum. Rather than increasing the level of controls, there are arguments for reducing the amount of checking and monitoring in order to reduce the costs of their administration and to speed up the process of decision-making.

- They do not provide for sufficient weight to be given to the economic and other benefits of granting employment-related licences.

5.20 The current Law requires the Housing Department to determine whether or not a particular post of employment is essential to the community but there is no definition in Law of the term "essential". Consequently, the Department is constantly faced with the challenge of deciding whether the benefits to the community of a person's presence on the Island are outweighed by the inevitable strain on the infrastructure of the Island that any increase in population – even in the short term - will bring.

- 5.21 In many instances it is easy to see the benefits to the community that ensue from the grant of licences to key professionals such as doctors and teachers. Many other applications are much harder to determine, not least because while some posts bring obvious benefits, often termed primary benefits, others do not make a direct contribution to the economy but may bring about other benefits (secondary benefits) such as diversifying employment opportunities for locals. In order to enable a decision on essentiality to be made, policies used in administering the Law could set out how the measurement of primary and secondary benefits can be used to achieve a balance between population, economic and social objectives.
- 5.22 Again, this is an issue that could be addressed without the need to adopt a new system of controls.

5a Evaluation

- 5.a.1 It is accepted that the current system of controlling the population through the Housing Control Law is not meeting all of the implementation objectives identified at the beginning of this report. However, as has been demonstrated, not all of these objectives are related to population control. They are more to do with population *monitoring* and *law and order* considerations rather controlling the *numbers* of people who can take up residence in the Island. It has already been established that law and order concerns will not be addressed through any new system of population control, which means that any changes to the current regime must focus on population monitoring/measuring and any other objectives identified in the course of determining Guernsey's future Population and Migration Policy.
- 5.a.2 Rather than introducing a new system of controls, it is suggested that much of what is desired could be achieved through modification of the existing Laws and policies.
- 5.a.3 Whilst the exact amendments are matters for the Housing Department to consider if it is decided that the Housing Control Law should be retained, some possible amendments are listed below in an attempt to show what could potentially be achieved through the amendment of the Law and how it might meet some of the implementation objectives stated at the beginning of this report.
- 5.a.4 In order to achieve greater control in certain areas, it is suggested that the following amendments could be made to the Housing Control and Right to Work Laws and the Department's policies that fall under them:
- The exemptions for Part B properties could be amended so that staff occupying would need licences – thus the short-term licence limitations could be applied, thereby limiting potential population growth.

- 5.a.5 This would need careful consideration because of its implications for the tourist industry. At present, full-time staff of a hotel are permitted to live on the premises for so long as that employment continues. They are entitled to Right to Work documents through such residence and do not require housing licences. The Law was changed to enable this to happen in order to assist the tourist industry.
- 5.a.6 If the provisions of the Law in this respect were amended then many hotels would find themselves faced with a much higher turnover of staff than they experience at present because most would no longer be able to stay beyond 3-5 years. The potential benefits of limiting population growth would therefore have to be weighed against the difficulties that would be likely to be experienced by the tourist industry.
- 5.a.7 In 2005, 797 Declarations of Lawful Residence were issued to hotel employees in the circumstances outlined above. Therefore introducing controls would mean that, in 2005, it would have been possible potentially to control an additional 797 people in terms of limiting their period of residence on the Island. In reality, many of these people will leave the Island through choice after a relatively short period of residence.
- The exemptions for States-owned property could be removed. This would allow greater control over their occupants in terms of length of residence, again limiting potential population growth.
- 5.a.8 This would result in licences having to be held by all employees in States-owned accommodation and consequently restrictions on the length of residence permitted would apply. Whilst allowing a greater degree of control than at present, this would have serious implications for the Health and Social Services Department (HSSD) in particular, as it houses many of its staff who would not be eligible for housing licences in its own accommodation, which has been purpose built from public funds. Other States Departments, such as Education, would also be affected but to a lesser degree.
- 5.a.9 The occupation of States Houses would be largely unaffected because virtually everyone who is offered the tenancy of a States house has residential qualifications. Anyone wishing to live in the household who is not a qualified resident would need to apply for a licence in the same way as they would need to in respect of private accommodation at present.
- More stringent controls could be introduced to ensure that employers had to make a case for a licence – including short-term licences – before a potential licensee comes to the Island. This would help with the policing of the Laws and would also help to ensure that every effort has been made to find local labour, by making it more difficult for employers to source non-local casual labour.

- 5.a.10 At present, administration of the Law is hampered by the fact that many applicants for short-term housing licences make no contact with the Department until after a job has been secured. This means that the Department is always behind in its administration and makes it more difficult to keep track of individuals, who tend to move accommodation and employment frequently.
- 5.a.11 It is understandable that employers would not want to miss the opportunity to hire additional labour if a suitable person presents him/herself. However, if administration of the Law is to be streamlined, it would be preferable if an employer had to make a case for importing staff before any such staff take up residence and employment on the Island.
- 5.a.12 If employers were required to present a business case in advance to the Department to demonstrate what labour was needed plus a time scale for employment of licence holders, the Department could determine in advance what posts warranted licences and the employer could then make arrangements to source non-local labour if needed. In practice, the majority of large employers adopt this approach when recruiting skilled labour under essential licence and it would assist the administration of any control system if the same procedures were followed in respect of all employment-related licence applications.
- The Right to Work and Housing Control Laws could be amalgamated into one to minimise confusion.
- 5.a.13 It would be more straightforward to administer one Law that dealt with the matter of housing and employment. This would help to minimise confusion among employers and members of the public.
- Provisions could be introduced into the Law to make it an offence for an employer not to notify the Housing Department when a person whose Right to Work is dependent on that specific employment leaves. This would help with policing the Laws and would reduce the amount of time currently spent in administering the Law. It would also help in terms of population monitoring, as it would be easier to find out when guest workers left the Island.
- 5.a.14 This should help the Department to maintain a clearer picture of where people are working and living. At present, employers and employees are requested to tell the Department of such changes and many co-operate fully but equally many do not. Such persons will show as anomalies on the quarterly reports that are run off for checking purposes but it would be more efficient to update the system at the time the changes occur.
- 5.a.15 This list is not intended to be exhaustive and it is a matter for the Housing Department to determine precisely what amendments to the Law should be recommended. Nevertheless, the above list gives an idea of what might be

achieved through modification of the existing Law if the policy objectives are first clearly defined in order to give the Housing Department a degree of guidance in its review of the Law.

6 Other Options

- 6.1 It has been suggested that in order to achieve a greater degree of population (i.e. not housing) control a different mechanism should be introduced. The chief proposals in this respect have been the introduction of work permits or residence permits.
- 6.2 It has been mooted that such systems could co-exist with the Housing Control Law. However, it would be preferable for any new arrangements to replace the existing regimes, as to try to administer the Housing Control Laws plus another set of controls in parallel would prove very burdensome, would undoubtedly cause confusion amongst the public and would require more resources at a time when the public sector is looking to cut staff numbers and expenditure.
- 6.3 It is envisaged that such a system would include components of immigration control, work permits and housing licences, but with less emphasis than at present on employment as the main category for selection.

These options are evaluated below.

6a Residence Permits

- 6.a.1 It has been suggested that the introduction of a residence permit system might prove a viable solution. The main reasons put forward for its introduction have been in terms of preventing persons with serious criminal convictions from taking up residence in Guernsey and to assist with population monitoring. It has already been established that preventing persons with serious criminal records from entering Guernsey is not a matter that can be addressed through a system of population control. Therefore it would not be appropriate to seek to introduce such a system for the former reason. Notwithstanding that, residence permits could be used to enable residents to be counted, but they would not have any effect on *how many* people enter. They would not, therefore, be a population control measure.
- 6.a.2 This becomes clearer through an analysis of how they could be introduced.
- 6.a.3 In considering this matter, the following assumptions have been made, based on suggestions put forward during the course of discussion:
- I. Residence permits will be required by persons who do not hold residential qualifications before they can take up residence on the Island, whether or not they intend to take up employment on arrival.

- II. Persons lawfully resident on the Island at the introduction of residence permits would be exempt – i.e. residence permit legislation would not be retrospective.
- III. Non-qualified residents who do not currently require housing licences would be required to hold residence permits. This would include, for example, open market residents, spouses and children of lawful residents, persons living in States-owned accommodation and occupants of Part B premises working in hotels.
- IV. Qualified Residents would automatically be entitled to a residence permit.

6b Evaluation

6.b.1 There are several reasons why it might be considered that residence permits could prove a better system than the Housing Control Laws. The main perceived **strengths** of a residence permit system are as follows:

- If everyone were required to hold a document, it would help with population monitoring/measuring.

6.b.2 As outlined earlier in this report, at present, there are a number of categories of person who do not need any documentation from the Housing Department unless they wish to take up employment, in which case they will need a Right to Work document.

6.b.3 If a residence permit were a pre-requisite before they could live in Guernsey, all these people, including children, would need to hold a document.

6.b.4 This would have the potential advantage of making a “head count” easier, particularly if it were a requirement that holders advised the issuing department of their departure from the Island. There would, however, be likely to be difficulties with policing such a system and the head count would not be any easier in respect of Qualified Residents, unless they were required to hold residence permits and to relinquish them if they left to take up permanent residence elsewhere. In addition, unless the legislation were made retrospective, those who were resident at the introduction of the new regime would not be counted.

- If it was necessary to obtain a document before taking up residence, the authorities would have greater influence over the number of people coming to live in Guernsey.

6.b.5 If the issuing authority were able to refuse to grant a residence permit before a person came to Guernsey then there would potentially be more control over the number of people coming to the Island. However, it has to be recognised that there would be many people who could not be refused a permit, including

returning Qualified Residents and their families and the immediate families of essential employees. Thus any control that could be exerted would have limitations.

6.b.6 However, there are a number of potential **problems** associated with the introduction of such a system, as follows:

- The Island's position as part of the Common Travel Area (CTA) could be affected.

6.b.7 The CTA provides Islanders with the ability to travel to the UK, Ireland and other Crown Dependencies without the need for on-entry Immigration controls (passport control). This means that any controls, other than those under the Immigration Acts, would need to be after-entry (although application could be made prior to entry).

- Very little control could be exerted over the number of new entrants to the Island.

6.b.8 As stated earlier, under the current regime only 7% of the entire population is under direct control – i.e. because they hold housing licences. Many of these licences are held by individuals because of their particular circumstances and it would be unreasonable to deny them a residence permit if such a system were introduced. Similarly, Qualified Residents and their dependants would be entitled to permits. Therefore, in terms of population **numbers** residence permits would be unlikely to have a significant impact. Whilst they might allow a contemporary record to be kept of the number of immigrants, they would not have any influence on the size or make-up of that number.

6c Work Permits

6.c.1 The possible introduction of work permits was debated by the States in 1990, at which time it was decided that it would be preferable to achieve the desired aims through the Right to Work Law rather than through work permits. Notwithstanding that decision, many members of the public and States Members have continued to support the concept of work permits as a replacement for the existing regime.

6.c.2 There have been suggestions that work permits might be a stronger method of population control, but it is unclear how they could be more effective in this respect than housing licences. It is assumed that work permit legislation would apply to a wider range of people than currently need housing licences but it is unclear which categories of people would be controlled by work permits that are not currently controlled by the Housing Control Law.

6.c.3 In considering the merits of a work permit system the following assumptions have been made:

1. Work permits will be required by persons who do not hold residential qualifications before they can take up employment in the Island;
2. Persons currently resident in the Island and lawfully entitled to work would be exempt – i.e. work permit legislation would not be retrospective;
3. Persons coming to the Island who do not intend to work would not require a work permit. (This could include non-working open market residents and spouses / partners of lawful residents.);
4. The work permit would specify the post of employment and the employer for whom the person was authorised to work;
5. A new work permit would be required for any change of employment;
6. Persons who would not require housing licences could be required to hold a work permit. For example, open market residents, spouses and children of lawful residents, occupants of Part B premises working in hotels;
7. One to one licence holders would require work permits;
8. Persons currently holding employment related licences would require a work permit;
9. Compassionate licence holders could require work permits;
10. Qualified Residents would not be required to hold a work permit.

6d Evaluation

6.d.1 The perceived advantages of a work permit system are as follows:

- A greater number of people than at present would be subject to controls.

6.d.2 It is unlikely that greater control could be exerted than at present. For example, it would be very difficult to introduce legislation which provided that a person whose connections with the Island were strong enough to justify a housing licence on compassionate grounds could be refused the right to work. However, if it was not a requirement that work permits be held by additional categories of persons, it is difficult to see what is achieved by introducing them, as they could then achieve nothing more than housing licences already do.

6.d.3 Additional controls would only be justified if the denial of a right to work could guarantee that the person would leave the Island. It would not be in the interests of the economy to deny a person who can lawfully reside in the Island the right to work. There is a clause in the Policy and Resource Planning Report which states that no resident should be restricted from maximising their contribution to

the economy through employment. Furthermore, at times when unemployment is low, if some lawful residents were excluded from employment, it is possible that a new person would have to be brought to the Island to fill the vacancy, which potentially results in a population increase.

- They would facilitate better population monitoring and control.
- 6.d.4 It seems unlikely that the introduction of work permits would achieve any more in terms of the control of the growth in population than can be achieved through the Housing Control Law.
- 6.d.5 If the current Law and the Housing Department's policies are not effective, there are changes that could be made to address some of the perceived shortcomings in the existing controls, as outlined earlier in this report.
- 6.d.6 The perceived **problems** with a work permit system are as follows:
- They would represent another layer of bureaucracy.
- 6.d.7 These comments apply equally to residence permits. It does not seem possible that work permits (or residence permits) could replace the Housing Control Law because without some form of control similar to the current Law anyone who qualified for a work/residence permit would have free access to the whole housing market and anyone who did not need to work could occupy any dwelling in the Island, whereas at present such a person would be restricted to dwellings inscribed on Part A of the Open Market Housing Register, which are relatively scarce and not generally an affordable option.
- 6.d.8 Even before possible additional categories of applicant who might need work/residence permits are taken into account, when short-term licence applications are included, the number of employment-related licence applications approaches 3,500 per annum.
- 6.d.9 If a work/residence permit completely replaced the housing licence then over 3,000 persons per annum would have freedom in the housing market to occupy any dwelling they chose, even though under the housing licence system 90% of them would be restricted to lodgings accommodation. The potential pressure on the housing market could be huge and unsustainable.
- 6.d.10 If control over the occupation of local market housing was to be retained, the only alternative would be for the permit also to specify where the holder can live and in what circumstances – but such a document would then be the same as a housing licence, and would have to be issued under legislation akin to the Housing Control Law.
- 6.d.11 It is therefore suggested that, if the existing controls, even after modification, are not considered sufficient, rather than introducing *additional* mechanisms, it

would be preferable to draw up a whole new system designed to meet all the objectives identified at the beginning of this report with the exception of those relating to law and order, which are a matter for the Home Department to address separately.

6e Population Office

- 6.e.1 Possibly the best administrative solution in terms of population control and monitoring would be the establishment of a Population Office to deal with the registration of all new entrants into the Island and also the recording of leavers.
- 6.e.2 This would entail the creation of a central office where all newcomers to the Island would apply to all the necessary authorities – i.e. Immigration, Social Security, Income Tax and Housing Control (or any other system of control in its stead) – and could be issued with all the necessary documentation from a “one-stop shop”. It could also carry out any criminal convictions or other checks required from a law and order perspective. Persons would also be required to inform the Population Office if they left the Island.
- 6.e.3 A Population Office could work with whatever method of control is selected and it is therefore recommended that this should be investigated in parallel with the introduction of new controls or the modification of the existing system, whichever is the preferred option.

6f Housing Control Law

- 6.f.1 As stated earlier, the current Housing Control Law is due to expire on 30 June 2007. When the Law was extended until 2007 it was anticipated that a new population policy would be in place in time for the review of the Law to take account of it.
- 6.f.2 Whatever the outcome of the debate on population policy and control mechanisms, it will not be possible for the existing Law to be reviewed and replaced by June 2007. Even if it is decided that the Housing Control Law should be abolished, there will be a need for legislation to be in place until a new system of controls can be implemented.
- 6.f.3 Consequently, there is a need for the Housing Control Law to be extended again. Given the time that will be needed to review or replace the existing legislation, it would be prudent to extend the Law for a further two years – i.e. until 30 June 2009.

7 Conclusions

- 7.1 If the Island is to continue to be prosperous it is inevitable that it will have to rely to some extent on imported labour because it is not possible to source from within the existing population all the skills needed to operate the businesses that

contribute so much to the community in a variety of ways. However, it is important to strike a balance between overburdening the Island's infrastructure on the one hand and preventing businesses from thriving on the other.

7.2 In order to do this, it is important to introduce policies that ensure that licences or any other document introduced in their stead are targeted carefully at the right areas to ensure maximum benefit to the community. The strategic direction that will inform these policies will be evident from the States' decision concerning the Policy Council's other report concerning strategic population issues that is being considered at the same meeting of the States as this report. This report, however, is concerned primarily with how to control, monitor and measure the population, regardless of whatever strategic objectives are set.

7.3 It is clear that no system of controls is without its drawbacks and other constraints mean that it is often not possible to achieve the level of control that may be desired. However, it would appear that, provided it is suitably modified, there is no compelling reason to abandon the Housing Control Law in favour of a new system. With some amendments to the Law and also to the policies that determine how the Law is administered, it will be possible to meet whatever strategic objectives are desired, in addition to the following implementation objectives:

- monitoring population numbers more accurately; and
- streamlining the licensing process.

7.4 The other implementation objectives identified are either not appropriate to be addressed through population control measures (i.e. extending checks); are dealt with in the existing legislation (i.e. changing employment); or can be dealt with as a matter of policy (i.e. recognising and promoting the benefits that employment-related licences bring to the community).

8 Recommendations

8.1 The Policy Council recommends the States to agree:

- i. that the Housing Control and Right to Work Laws should remain the principal tools for controlling population, and that the Housing Department should be directed, when formulating recommendations for the amendment of the Laws, to take into account, as far as possible, the implementation objectives identified in this report, together with any policy objectives identified through the debate on Guernsey's future Strategic Population and Migration Policy, and to bring a report on this matter back to the States no later than December 2007;
- ii. that the Policy Council be directed to investigate the feasibility of setting up a Population Office and to report the results back to the States in due course; and

- iii. that an Ordinance be prepared to enable the Housing (Control of Occupation) (Guernsey) Laws 1994 to 2001 to remain in force until 30 June 2009.

L C Morgan
Chief Minister

11th December 2006

Appendix One**All Essential Licences Issued 2001-2006**

Essential Licences	2001	2002	2003	2004	2005	2006
Finance	46	54	55	53	67	105
Tourism	56	42	45	23	37	63
General Industry	33	43	46	45	67	46
Sub-total private sector (a)	135	139	146	121	171	214
Education	25	27	33	36	51	67
Health	22	36	41	25	51	38
General Public Sector	11	28	6	11	24	22
Sub-total public sector (b)*	58	91	80	72	126	127
Total (a) + (b)	193	230	226	193	297	341

This table shows the total number of essential licences issued each year by industry. The period in question is not a calendar year in each instance but the period 1 April – 31 March. Thus the 2001 figures relate to the period 1 April 2000 to 31 March 2001. The above figures include all essential licences, regardless of duration, which means that they may have been issued for as short a period as one year or for as long as fifteen years. The majority will be 5-year licences.

- * Although the majority of licences issued for Health and Education posts relate to the public sector, it must be borne in mind that these figures also include licences issued to private providers of such services.

Appendix Two**15-year Licences Issued 1 April 2005 – 31 March 2006**

2005 by Sector	Licences Issued	Issued for 15 years	Extended to 15 years	Total 15 years
Finance	105	10	8	18
Tourism	63	0	0	0
General Industry	46	3	1	4
Sub-total private sector (a)	214	13	9	22
Education	67	11	0	11
Health	38	4	1	5
General Public Sector	22	9	0	9
Sub-total public sector (b)*	127	24	1	25
Total (a) + (b)	341	37	10	47

This table shows the number of essential licences issued for, or extended to, fifteen years' duration in 2006. The holders of such licences will attain residential status at the end of the licence term. For the avoidance of doubt, the figures in Appendix One include the above figures – ie of the 105 licences issued to the finance industry, 10 were issued for 15 years. They do not, however, include those extended to 15 years, as the figures for licences issued relate only to new licences.

- * Although the majority of licences issued for Health and Education posts relate to the public sector, it must be borne in mind that these figures also include licences issued to private providers of such services.

Appendix Three**All Employment-related Licences issued 2001-2006**

	2001	2002	2003	2004	2005	2006
Essential Licences						
Finance	46	54	55	53	67	105
Tourism	56	42	45	23	37	63
General Industry	33	43	46	45	67	46
Sub-total private sector (a)	135	139	146	121	171	214
Education	25	27	33	36	51	67
Health	22	36	41	25	51	38
General Public Sector	11	28	6	11	24	22
Sub-total public sector (b)*	58	91	80	72	126	127
Total (a) + (b)	193	230	226	193	297	341
Short-term licences	2634	2823	3131	3203	2504	3389
Total Employment Licences	2827	3053	3357	3396	2801	3730

This table shows all employment-related licences – ie essential and non-essential (short-term) - issued each year from 2001-2006. It must be borne in mind that only the essential licences enable the holders to live in a separate, self-contained dwelling or to accommodate dependants. In this way, the effect of non-essential (short-term) licences on the housing market and the pressure put on the infrastructure of the Island by their holders is minimised.

- * Although the majority of licences issued for Health and Education posts relate to the public sector, it must be borne in mind that these figures also include licences issued to private providers of such services.

Appendix Four**“Live” Licences as at 31 March each year (2001-2006)**

	2001	2002	2003	2004	2005	2006
Essential Employment						
Finance Sector	321	318	339	384	367	406
Tourism	148	155	163	181	155	153
General Industry	180	188	200	187	232	221
Education	133	144	159	190	204	230
Health	162	187	213	213	231	238
General Public Sector	62	87	88	86	92	93
Total Essential (a)	1006	1079	1162	1241	1281	1341
Short Term Licences						
Tourism	503	551	510	429	426	533
Horticulture	269	272	259	133	141	161
Other Industries	445	609	750	546	496	491
Total Short-term (b)	1217	1432	1519	1108	1063	1185
TOTAL (a) + (b)	2223	2511	2681	2349	2344	2526

The “live” licence figures show how many people were actually on the Island under licence on the day on which the “snapshot” was taken – which is on 31 March each year. These figures, read in conjunction with those at Appendix One, serve to illustrate that long-term population growth is being kept to a minimum. For example, in the Finance Sector 105 licences were issued during the period in question. However, the “live” licences rose by only 39 during the same period, which indicates that 66 people no longer hold essential licences tied to employment in the Finance Sector. It is not suggested that every one of these will have left the Island but the majority will have done so.

See also the comments at Appendix Three explaining the impact of essential and non-essential (short-term) housing licences on the housing market and the island in general.

The States are asked to decide:-

II.- Whether, after consideration of the Report dated 11th December, 2006, of the Policy Council, they are of the opinion:-

1. That the Housing Control and Right to Work Laws should remain the principal tools for controlling population, and that the Housing Department should be directed, when formulating recommendations for the amendment of the Laws, to take into account, as far as possible, the implementation objectives identified in that Report, together with any policy objectives identified through the debate on Guernsey's future Strategic Population and Migration Policy, and to bring a report on this matter back to the States no later than December 2007.
2. That the Policy Council be directed to investigate the feasibility of setting up a Population Office and to report the results back to the States in due course.
3. That an Ordinance be prepared to enable the Housing (Control of Occupation) (Guernsey) Laws 1994 to 2001 to remain in force until 30 June 2009.
4. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 1ST DAY OF MARCH 2007**

(Meeting adjourned from 28th February 2007)

**The States resolved as follows concerning Billet d'Etat No IV
dated 12th January 2007**

POLICY COUNCIL

GUERNSEY'S STRATEGIC POPULATION AND MIGRATION POLICY

I.- TO POSTPONE consideration of this Article until a later meeting of the States.

POLICY COUNCIL

CONTROLS ON HOUSING/POPULATION

II.- TO POSTPONE consideration of this Article until a later meeting of the States.

K.H. TOUGH
HER MAJESTY'S GREFFIER

**IN THE STATES IN THE ISLAND OF GUERNSEY
ON THE 28TH DAY OF MARCH 2007**

**The States further resolved as follows concerning Billet d'Etat No IV
dated 12th January 2007**

POLICY COUNCIL

GUERNSEY'S STRATEGIC POPULATION AND MIGRATION POLICY

- I.- TO FURTHER POSTPONE consideration of this Article, until the April meeting of the States.

POLICY COUNCIL

CONTROLS ON HOUSING/POPULATION

- II.- After consideration of the Report dated 11th December, 2006, of the Policy Council:-
1. TO FURTHER POSTPONE consideration of this Proposition to the April meeting of the States.
 2. TO FURTHER POSTPONE consideration of this Proposition to the April meeting of the States.
 3. That an Ordinance be prepared to enable the Housing (Control of Occupation) (Guernsey) Laws 1994 to 2001 to remain in force until 30 June 2009.
 4. To direct the preparation of such legislation as may be necessary to give effect to their above decision.

**S.M.D. ROSS
HER MAJESTY'S DEPUTY GREFFIER**

**IN THE STATES OF THE ISLAND OF GUERNSEY
ON THE 25TH APRIL, 2007**

(Meeting adjourned from 28th March 2007)

**The States resolved as follows concerning Billet d'État No IV
dated 12th January 2007**

POLICY COUNCIL

CONTROLS ON HOUSING/POPULATION

II.- At the Instance of the Chief Minister, TO GRANT LEAVE TO WITHDRAW the remaining Propositions 1. and 2. of this Article.

**K H TOUGH
HER MAJESTY'S GREFFIER**

IN THE STATES OF THE ISLAND OF GUERNSEY ON THE 26TH APRIL, 2007

(Meeting adjourned from 28th March 2007)

**The States resolved as follows concerning Billet d'État No IV
dated 12th January 2007**

POLICY COUNCIL

GUERNSEY'S STRATEGIC POPULATION AND MIGRATION POLICY

I.- After consideration of the Report dated 11th December, 2006 of the Policy Council:-

1. To note that Report.
2. To replace the existing population policy with the following Population and Migration Policy Statement:

“States policies should be consistent with maintaining Guernsey's population at approximately its current level.”

3. To direct the Policy Council's Strategic Population Review Group to work with the relevant Departments to pursue the work streams identified in Sections 6 and 7 of that Report, and to develop appropriate conclusions and recommendations.
4. To direct the Policy Council to oversee the effectiveness of the Population and Migration Policy and to report such outcome to the States within the Sustainable Guernsey Reports.

S M D ROSS
HER MAJESTY'S DEPUTY GREFFIER