



BARRIERS TO BUSINESS REPORT

JERSEY BUSINESS

SEPTEMBER 2023

Ministerial Foreword

The Government of Jersey's Future Economy Programme is a fundamental long-term strategy which lays out the framework upon which the Island will deliver a high-performing, technologically advanced sustainable economy that provides exciting careers opportunities for young Islanders so they can see their futures in Jersey. At the same time, it is the platform upon which we will be able to rekindle Jersey's entrepreneurial spirit and shape our economy to make it even more attractive to international investment and innovators.

Key to unlocking potential in the Island is to ensure that Government interactions are simple and efficient for new and existing businesses, entrepreneurs and social enterprises by removing or reducing barriers to doing business, across Government and related entities.

I know that members of the business community are often frustrated by what is seen as 'red tape' and I made a commitment in my 2023 Ministerial Delivery Plan to identify and begin to remove that 'red-tape' and lower barriers across government.

This report, undertaken on my behalf by Jersey Business Ltd, has come about by listening to the business community and hearing what they have to say. The report makes recommendations, including identifying short, medium and long term items and prioritising them on their impact.

I would personally like to thank all those from our Island's businesses and industries who gave their time freely to support this work. I appreciate your openness, honesty and desire to see Jersey improve and prosper as a place to do business.

I am pleased to say that some recommendations are already being addressed, however we cannot rest on our laurels and in 2024 I will be working with other Ministers to take forward the recommendations to remove or reduce barriers, enabling Jersey businesses to start, to grow and to flourish.



A handwritten signature in black ink, appearing to read 'K Morel', written in a cursive style.

Deputy Kirsten Morel

Minister for Sustainable Economic Development

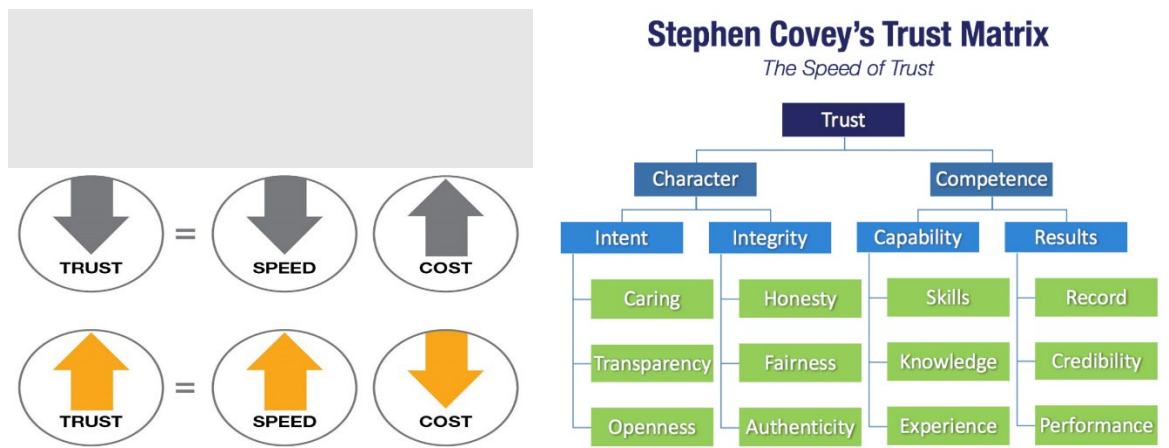
Contents

Ministerial Foreword.....	2
Executive Summary.....	4
Introduction	5
Purpose	5
Objectives.....	5
Methodology.....	6
Report structure.....	7
Background	7
The global economy	7
Jersey economy.....	7
Interrelationship of industries within Jersey.....	9
Responsibility for productivity growth.....	11
Do nothing option	12
Overview of the key issues.....	12
Key issues	13
Detailed findings and recommendations	14
1) Availability of skills and people	15
2) Interactions with Government.....	22
3) Government administrative processes	23
4) Logistics & Customs.....	25
5) Legislation and Regulation	28
6) Taxes.....	33
7) Vibrant St Helier Town Centre.....	35
8) Small businesses and start ups	37
Positive business attributes.....	41
Summary of recommendations – Short/Medium/Long-term	42

Executive Summary

Jersey needs to address the interconnected challenges of demographic change and stagnant productivity in order to secure a vibrant economic future. This report concludes that the key inhibitor to addressing those challenges is the erosion of trust. This, together with a lack of collaboration, complex bureaucracy, and unclear strategies are hindering Jersey's competitiveness.

In the presence of trust speed goes up and costs come down, in the absence of trust the speed slows and costs increase. The engagement from the Jersey business community frequently showed that all parties wish for two key outcomes 1) speed to increase 2) costs to reduce. Rebuilding trust and enabling a thriving, productive economy will require taking bold steps and alignment throughout to deliver the outcomes required to truly support the change outlined in this report.



The Trust Matrix above, can be used as a lens to review the content and outcomes of the report. It forms a positive way in which all parties can use a common framework in which to deliver improvements in both a macro and micro method and used consistently over time this can support development of trust when focussed on the components.

The biggest impact on productivity is an open and competitive economic environment built on trust which encourages businesses to thrive. The report recommends three pillars to achieve this:

1. Enablement

Provision of a clear long term road map focusing on the economy, with enabling legislation and regulation tailored to provide a fair and competitive environment with clear accountability, integrity, priorities and understanding.

2. Two-way Collaboration

Effective collaboration between and within Government, businesses and industries where all understand their roles, responsibilities, commitment and purpose:

- a. Ensure the scope is revised and clear for all
- b. Who does what, when and how often

3. Simplicity and simplification

Processes, regulation, legislation and communication should be simple and concise and fully understanding the “why,” and “why is it needed”.

- a. Simplify and stop
- b. Proportional to business size, sector can be a consideration and risk level rather than a blanket one size fits all

Introduction

Purpose

This report has been commissioned by the Minister of Economic Development, Tourism, Sport and Culture as part of his commitment to ‘Working with stakeholders to ensure that Government interactions are simple and efficient for new and existing businesses, entrepreneurs and social enterprises’ as stated in the 2023 Ministerial Plan.

The purpose of the report is to gain an understanding of the current constraints and challenges affecting businesses in Jersey. By gaining an understanding of these issues and the possible options to address them, the Minister will be better able to implement changes that will create a thriving ecosystem where all industries can prosper.

The recommendations in this report will also feed into the work of the Future Economy Programme as it sets out Jersey’s economic ambitions for the future.

Objectives

The key objective is to understand the challenges and barriers affecting organisations in Jersey, and to propose and help prioritise possible solutions. The full objectives as set out in the project plan are as follows:

Project objectives are to:

- Gain an understanding of the key areas that are issues for businesses, including the sectors or business types that are disproportionately affected.
- Identify where there are more efficient processes or systems that may address these issues and which are working well elsewhere.
- Engage in the process across all key stakeholders, to identify and establish common themes and workable solutions.
- Prioritise specific interventions and suggested action plans.
- Identify short term, medium term and longer-term strategic projects with supporting information to allow appropriate prioritisation.

Scope

The following are specifically included and excluded from the scope:

Included (In Scope)	Excluded (Out of Scope)
Review and consult on perceived barriers to business.	No testing of whether barriers actually exist.
Policy, regulations, access to finance, export, taxation, resources.	Inward investment (light touch only).
Retail, hospitality & tourism; agriculture and aquaculture; construction; care; digital; professional services.	Financial services (wider set of considerations which would widen scope prohibitively for timescale).

It is important to note that the report reflects the views of industry. We have not sought to validate these views or to quantify the effects of the issues raised.

Methodology

This is not the first piece of work the Government has undertaken in relation to establishing business challenges, and this project has built on previous work rather than repeating it. Previous reports include:

- Regulatory Reform review by the Policy and Resources Committee September 2005.
- Economic Council “New Perspectives” report published in December 2020.
- Fiscal Policy Panel Annual Report issued in November 2022.
- Island Identity project.

As a result, the main focus of this project has been direct consultation with business leaders by listening to them and understanding the challenges they encounter doing business in Jersey. Secondary to this, has been a review of best practice around the world to generate possible solutions tackling some of the issues raised.

428 individual responses were recorded throughout the project which involved a number of stages and different methods of engagement as follows:

Phase 1	Focus Groups	7 industry specific and 1 cross industry focus groups were convened, attracting 123 business representatives. Participants were from all sizes of businesses from sole traders to large multi-jurisdictional organisations. Focus groups were held for retail; hospitality & tourism; agriculture; marine and rural; professional services, technology & other services; health & care; construction. Digital Jersey provided a summary of the issues from their industry. Small business issues were provided through the coordinator of the ‘Small Business in Jersey’ Facebook group.
	Questionnaire	A smaller questionnaire was made available for those businesses who wanted to be involved but did not have the time to attend the focus group sessions. 31 completed questionnaires were received from sole traders and start-up businesses.
Phase 2	1:1 meetings and deep dive sessions	A mixture of small, focussed working groups and one to one meetings were undertaken to get a greater in-depth understanding of the challenges being experienced. 39 business leaders were involved in deep dive sessions.
Phase 3	Independently commissioned survey	4Insight was commissioned to run an independent and anonymised survey with a question set that was designed to verify the results obtained from the face-to-face consultations and to extend the reach of the project. 235 responses were received.
Phase 4	Government engagement	We engaged with 16 Government departments to understand the programmes of work in place that related to this project.
	Marketing campaign	An extensive marketing campaign was delivered on social media and radio to ensure that anyone who wanted to had the opportunity to contribute.

The responses received throughout all this engagement have been summarised and anonymised in the following sections.

Report structure

Structure

This report has been structured in order to:

- Provide some context on the business environment in Jersey.
- Represent the views of business leaders as they have expressed them.
- Illustrate some examples of global best practice.
- Offer thoughtful and practical recommendations that take into account all of the above.

The body of the report is included in the 'Detailed Finding and Recommendations' section which summarises the feedback provided by businesses on each issue. Each issue topic is structured in the following way:

1. Background data relating to Jersey to provide context.
2. An overview of the key issues identified in the words used by participants.
3. Summary of the impact these issues are having on business.
4. Examples of global best practice identified by Jersey Business.
5. Recommendations divided into short, medium, and long term.

Appendices and endnotes include:

- Verbatim solutions identified by consultation participants.
- Detail that is useful in understanding the practicalities of an issue.

Terminology

Specific terminology has been used when writing this report in order to be clear as to the source of the fact or opinion being stated.

Businesses refers to the feedback received from the people taking part:

- whether in the face-to-face sessions or through the survey.
- within organisations of every size, from sole traders to larger multi-national operations.
- from any type of organisations, be it a Limited Company, sole trader or not-for-profit organisation.

Industries refers to the feedback received by people from within individual industries where there is a particular issue that affects a particular industry.

Background

The global economy

The global economy is presently facing significant challenges following multiple complex and interconnected crises: climate change; the aftermath of the Covid-19 pandemic; months of high inflation and interest rate rises; disruption to the world's supply chains and the ongoing conflict in Europe has contributed to what experts now refer to as 'polycrisis'. Governments and populations are still dealing with the effects of these multiple challenges which are not showing signs of easing. They have, however, changed the current economic environment.

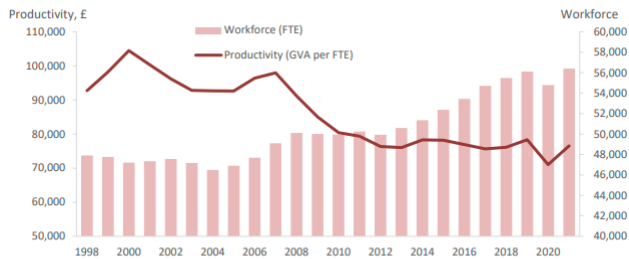
Jersey economy

Against the backdrop of this global situation, Jersey has declining productivity; minimal growth and the population overall as well as the working age population is getting older.

Minimal growth and declining productivity

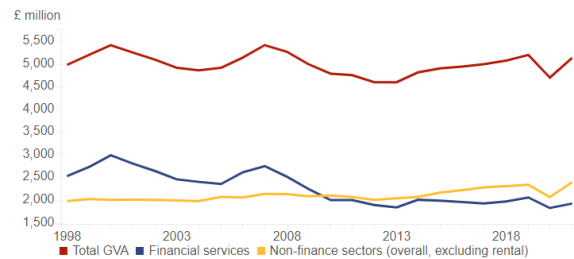
Over the past 20 years, Jersey’s economy has grown by just 0.1% a year on average. Jersey’s productivity, including financial services, has, at best, flat lined whilst the EU has seen productivity grow at an average of 2.1% per year. Had Jersey’s productivity grown at the EU average, Jersey economy would be £200m bigger.

Figure 6 – Productivity (GVA per FTE) of Jersey’s economy in real terms and total employment, 1998-2021



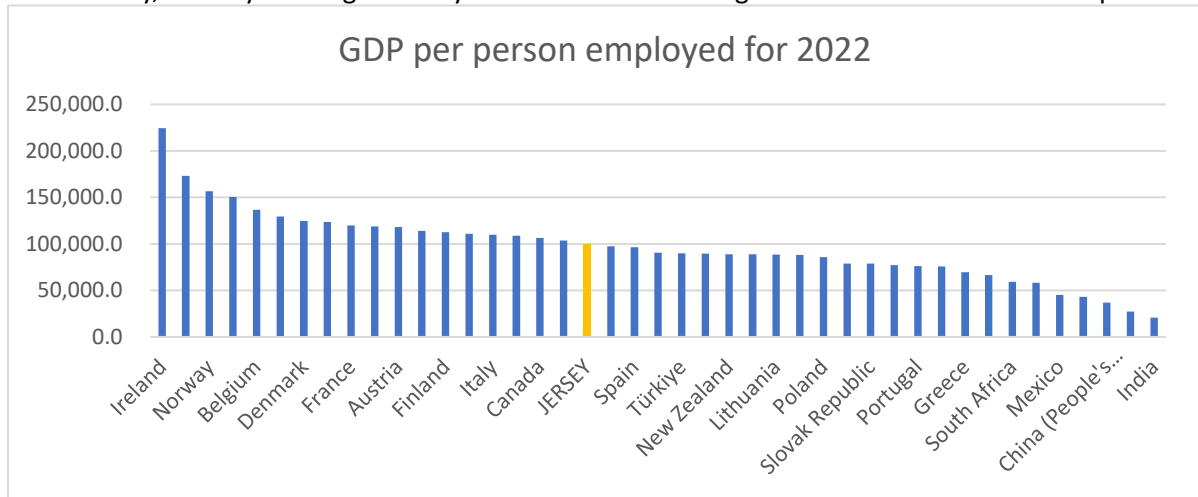
The long-term decline in productivity has occurred particularly since 2007. Between 2007 and 2021 the productivity of the island’s economy fell by over a fifth (22%) in real terms.

Gross Value Added by major sector (constant 2021 values)



Source: Statistics Jersey, [download the chart data](#)

Traditionally, Jersey is significantly behind the leading countries in terms of productivity¹



Ageing population

Proper and logical use of the abilities and talents of human resources in any society is one of the main sources of economic development and improves the living standards of a nation. Therefore, evaluating the role and impact of economic policies on labour productivity is of great importance.²

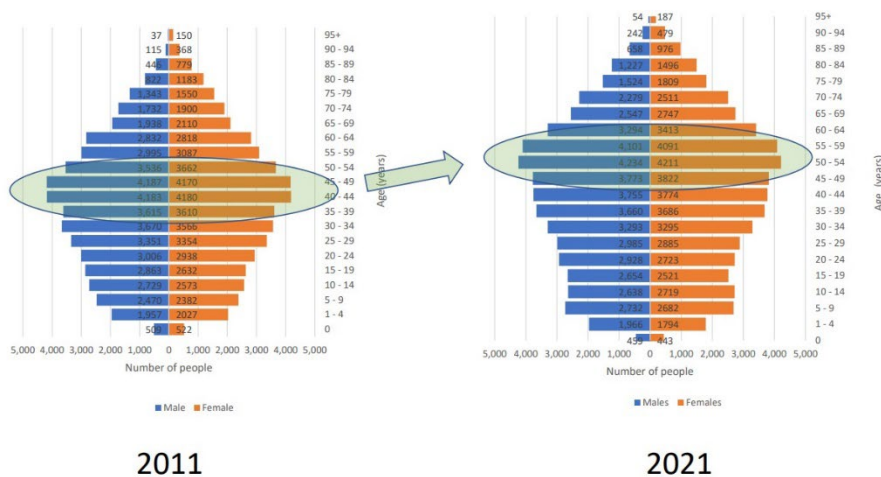
Jersey, like many other jurisdictions, is facing a demographic challenge. The graph below shows the shift in the age profile of working people between 2011 and 2021. The 50–64 age group who are closest to retirement, now accounts for 34% of the workforce.

Jersey currently has just over 1.9 working people for every non-working person and it is estimated that by 2040, that will fall by half a person to 1.4 working people. Without migration, the number of over-65’s will increase by 50%, while the working-age population will fall by 10% by 2040. This will have a significant impact on the economy.

¹Level of GDP per capita and productivity [Home page - OECD](#)

²www.researchgate.net/publication/331275850 The Impact of Government Economic Policies on Labour Productivity in Selected Countries of OECD

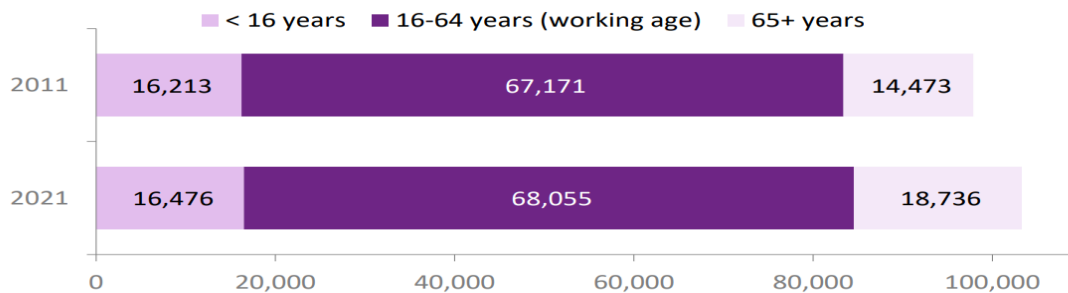
Working age population is getting older



Source: Statistics Jersey census 2021 [R CensusBulletin1 20220413 SJ.pdf \(gov.je\)](https://www.gov.je/censusbulletin120220413)

The graph below shows that although the working population has remained relatively constant over the last 10 years, the number of people aged 65 and over has increased by over a quarter. This has a potential twofold impact: increased pressure on working population to maintain the economy and increased pressure on the care and other industries to support the aging population.

Figure 4: Working age population, 2011 and 2021 compared



As a result, the time is right to review current legislation, processes and practices that affect the economic environment to ensure that they reflect the changing landscape and are agile enough to respond to future opportunities and challenges.

Interrelationship of industries within Jersey

The Island Identity project³ noted the growing academic evidence that small jurisdictions with strong identities are more economically successful. A jurisdiction's image is increasingly shaping people's decisions about where to live and the products and services they buy. It is important, therefore, to maintain a strong and distinctive national personality and protect our culture, history and values, and the commonality we feel as a society.⁴

³ : <https://Islandidentity.je/report/Island-identity-project>

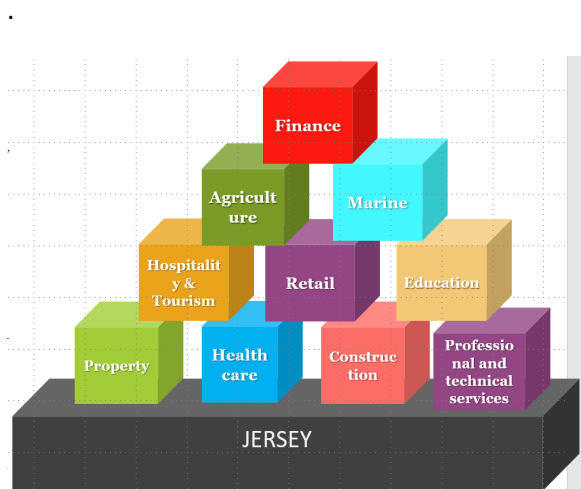
⁴ <https://Islandidentity.je/report/Island-identity-project>

Jersey has an international reputation as a centre of excellence in financial services. The Island is heavily dependent on the financial services industry, accounting for 37.5% of GVA in 2021, more than three times the contribution from any other industry.

However, in order to maintain the success of the financial services industry it is essential for the Island to have a diverse economy that supports the needs and lifestyle of this dominant sector.

Consequently, there is a strong interconnectivity between the industries on the Island. If one is damaged or removed there are knock-on effects on the others:

Retail, tourism, and hospitality	Vital to provide leisure activities and essential services to all Islanders to provide a high quality of life and a vibrant environment.
Construction and property	Essential to provide accommodation for Islanders, without which they would be unable to live and work.
Farming and Fishing	Jersey's traditional industries not only provide fresh food they protect the environment, form a vital part of our heritage and the image of Jersey as seen by the rest of the world. The Jersey Royal potato and Jersey Milk are international brands in both developed and developing countries. The fishing industry has been exporting produce to the Continent since the 12th century.
Education	Fundamental to ensure that the necessary skills are available on Island to fulfil the variety of roles that all the industries require.
Health and Care	Paramount to ensure Islanders lead a healthy life and are able to perform at their best and cared for as required.
Professional, technical and digital services	Support to all the other industries to ensure that they are efficient, effective and legally compliant.

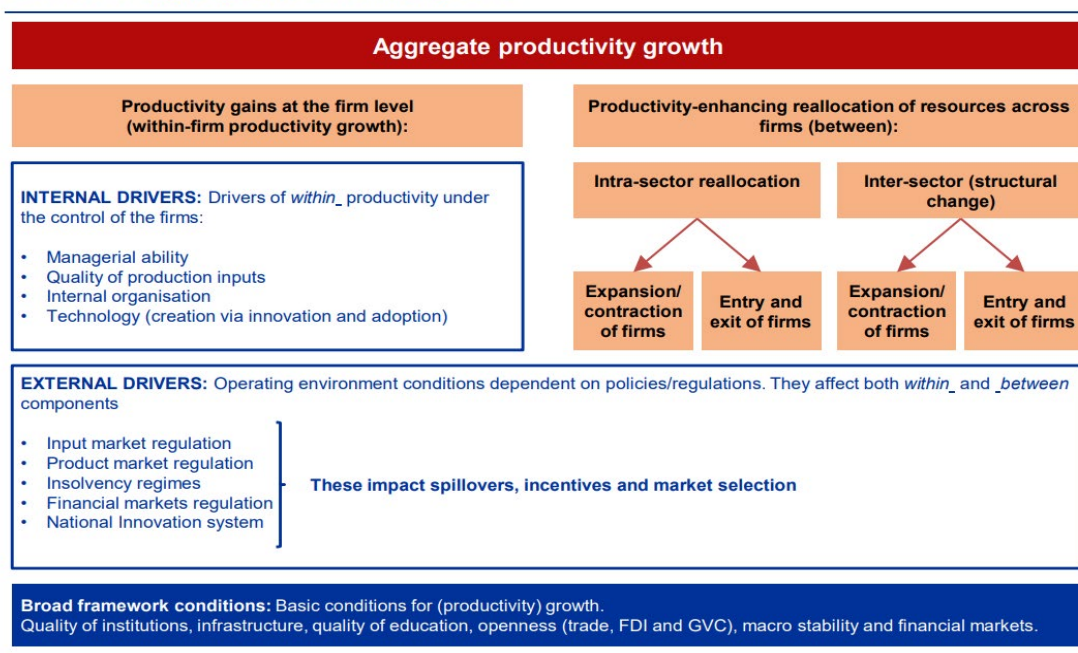


This interconnectivity along with Jersey’s scale and independence creates many features that enable it to maintain its global competitive advantage and stimulate the economy to grow. It already has an excellent international reputation and global relationships; products that are recognised across the world; self-regulation that can enable a testbed and Sandbox environment; separation from but proximity to the UK and Europe with the ability to follow global best practice.

Opportunities are also opening up to harness the unique physical features of the Island, for example tide, solar, and wind power, and biodiversity.

Responsibility for productivity growth

Drivers of aggregate productivity growth



Sources: ECB based on Syverson (2011)

The European Central Bank has developed a model that illustrates the drivers of productivity growth ⁵. This model shows that whilst it is important for all businesses to monitor and improve their individual productivity, each individual increase can be cancelled by other individual failing organisations.

The model also shows that the biggest impact on productivity is an open and competitive economic environment which encourages businesses to thrive or die. And, that the primary responsibility for enhancing productivity growth lies with national policies.

National fiscal and structural policies can strengthen productivity growth by fostering greater efficiency in product, labour and financial markets, thereby providing the means and incentives for productive firms to thrive. High-quality education, efficient and high-quality public administration and the rule of law are also important institutional prerequisites for a competitive business environment, which in turn facilitates technological progress and increases incentives to invent and innovate.

National Governments, including Jersey, have ample scope to set the right framework conditions and incentives for productive investment and innovation decisions that determine long-term productivity growth.

⁵ [Key factors behind productivity trends in euro area countries \(europa.eu\)](https://www.europa.eu)

There is ample evidence that significantly stronger productivity growth can be achieved by implementing policies:

- That enhance labour mobility across and within firms, sectors and regions.
- That support the diffusion of technology and the growth of more innovative and productive firms.
- That create a more competitive environment in product markets.
- That strengthens the contribution of finance to a more efficient allocation of savings and discourage the excessive accumulation of corporate debt.
- And that strengthen insolvency frameworks to facilitate the exit of less productive firms.

Do nothing option

As an independent jurisdiction Jersey has the ability to achieve strong productive growth because it can use the levers identified by the European Central bank as described above.

Of course, the Assembly and the Government of Jersey could also choose not to use their powers nor adopt any of the recommendations described in this report.

If this were to be the case, the Government would face two major challenges:

1. Reputational damage and further alienation and loss of trust in its relationship with the business community.
2. A continuing downward economic trajectory.

Reputational damage and loss of trust

In commissioning this project, the Minister for Economic Development and his department actioned a promise to make doing business in Jersey simpler and listening to the local business community to understand the barriers they faced in starting and growing their business in Jersey.

Businesses volunteered their time to take part in the consultation on the understanding that their voice would be heard. Their expectation is that this report will represent their concerns fairly and that the Government will take their view seriously, making changes that are achievable in the short, medium and long term.

The expectation is that the Government of Jersey will also listen and act, failure to do so will reinforce business opinion that the Government cannot be trusted

A continuing downward economic trajectory

Statistics Jersey data shows clearly that Jersey needs to address the interconnected challenges of demographic change and stagnant productivity in order to secure a vibrant economic future. The issues described in this report are some of the inhibitors to addressing those challenges.

However, by addressing these issues the processes of doing business in Jersey could become more efficient and effective. People, across the private and public sectors, will be freed up to do more value-adding work and productivity, profitability and economic growth should result.

If the challenges presented in this report are not addressed, the outcomes the Minister described in his address to the Chamber of Commerce in June 2023 will manifest themselves. Each working resident will need to deliver more output by 2040 and the population will need to rise to 150,000.

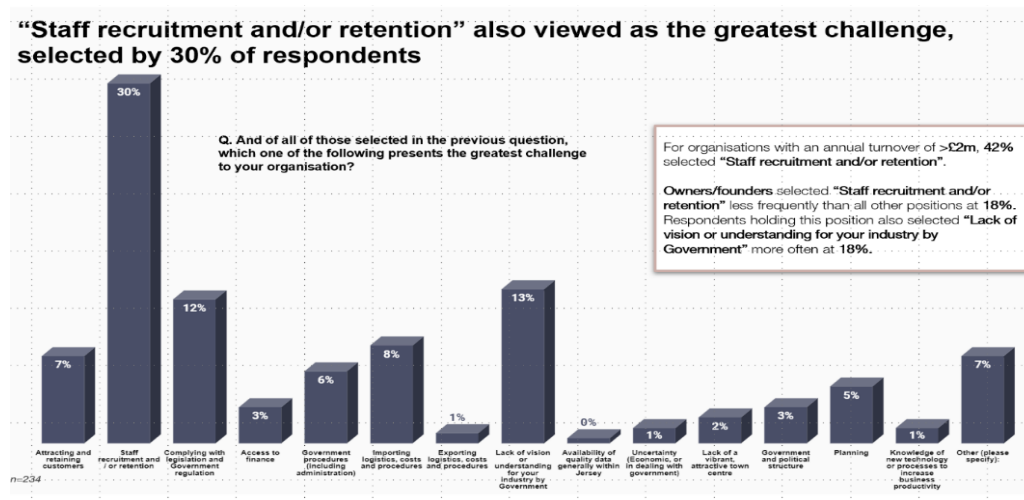
Overview of the key issues

A considerable amount of data was collected during the research phases, with many business leaders expressing views that were sometimes conflicting. In preparing this research results section care has been taken to organise the feedback into key themes without changing the essence of the message being expressed by participants.

There is no mistaking that skills and recruitment is currently the biggest challenge facing businesses in Jersey. A further and consistent message from all phases of the research is that interaction with Government and the volume and appropriateness of regulation and legislation is a considerable inhibitor to doing business.

To investigate further, businesses were asked to identify the single biggest challenge which confirmed:

1. Staff Recruitment is the greatest challenge.
2. Followed by 'Lack of vision or understanding in Government'.
3. Complying with legislation and regulation had a notable response.
4. Importing issues came next.
5. Level of subsidies and funding were cited as key issues for both the agriculture and care industries.
6. Tourism, hospitality and retail reported the need for a vibrant and exciting St Helier.
7. A necessity for succession planning and the future economy also attracted a response.



Detailed findings and recommendations

The sections below describe the research findings. They offer some background to give context to the points made and detail the specific feedback given by businesses. This feedback, along with additional research and knowledge of the local business environment has been used to assess the impact of the challenges identified. This, and a review of global best practice, has been used to make recommendations.

The sections are broken down by the 8 main ‘barriers’ identified and supported by the research;

- 1) Availability of skills and people
- 2) Interactions with Government
- 3) Government administrative processes
- 4) Logistics and Customs
- 5) Legislation and Regulation
- 6) Taxes
- 7) Lack of vibrancy in St Helier Town Centre
- 8) Issues which specifically affect small businesses and start ups

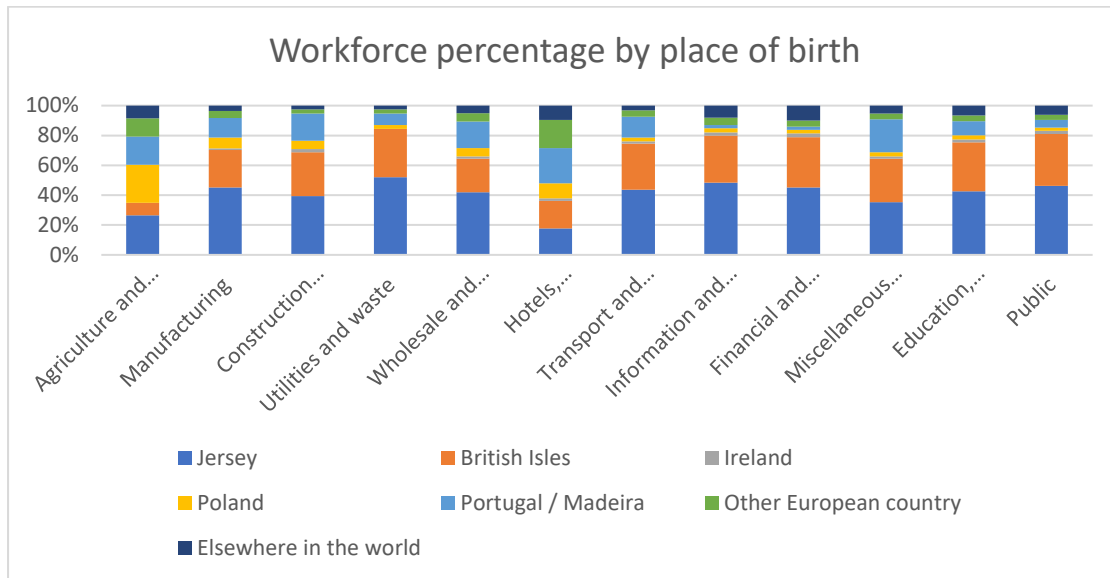
1) Availability of skills and people

Background

The 2021 Jersey census recorded that 59,400 economically active adults (aged 16 and over) were employed. 7.6% (4,390) were self-employed but not employing others and 3,000 (5%) were self-employed employing others. The Census showed 2,060 (3.5%) unemployed looking or waiting for work whereas those registered as actively seeking work (ASW) were 914. This number had fallen to 810 by 30 September 2022.

In December 2022 the total number of jobs was 63,760, an increase of 1,600 since December 2021 and the census. The number of jobs is higher than economically active adults as some people have more than one job.

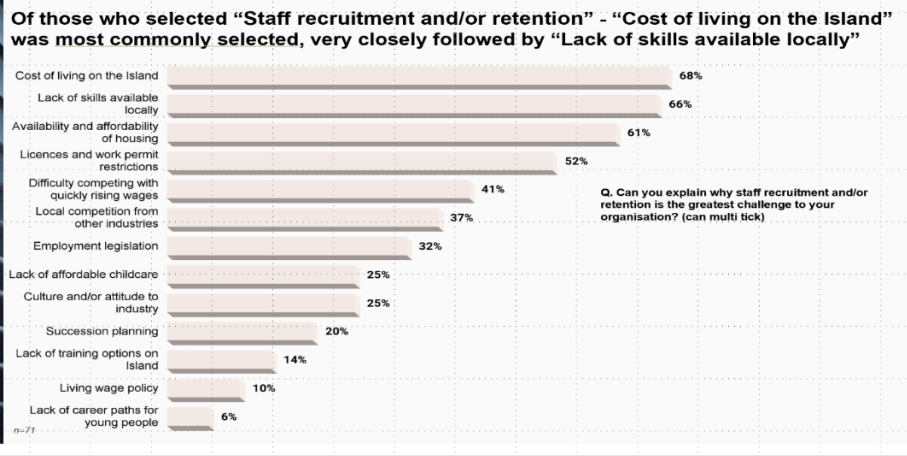
The period December 2017 to December 2022 saw an increase of 1,290 (17%) jobs in the public sector. The chart below shows that for all industries, including the public sector, over half of the workforce are not born in Jersey.



Retention & recruitment issues

Finding, recruiting, and retaining staff with the right skills was the biggest issue mentioned by every business. When asked to identify the barriers that made this issue so challenging (figure 1 below), over 50% of businesses said it was:

- High cost of living.
- Lack of skills available locally.
- Lack of affordable accommodation.
- Restrictive work permits.



Lack of skills available locally

Verbatim comments:

“Retail is thought poorly of in Jersey – why is there no focus on vocational training in core industries at schools – parents only seem focused on finance as a good future career” (Retail)

“1000 more staff in Gov plus 667 vacancies taking 2.6% working population out of offering for Jersey and making it harder for others to employ” (Retail)

Businesses said that a combination of people leaving the Island (particularly young people), early retirement and the increase in public sector jobs, has resulted in a lack of availability of people with the right skills required for private sector positions. They said the situation is compounded by the large financial services and public sector organisations offering more attractive packages, leaving other industries struggling to find appropriately qualified staff. As these industries then increase their packages to attract staff, so the financial services follow suit which results in wage inflation. With wage inflation comes either reduced margins or higher prices which impacts cost of living and so the circle continues. Businesses have seen a marked movement of people out of their industries into higher paid financial services and public sector out of necessity as the cost of living has increased.

Another factor, expressed by businesses is the perceived attractiveness of their industries. Financial services has dominated the Island for so long that it is often seen to be the only viable career for young people with opportunities in retail, hospitality, tourism, and agriculture being overlooked.

This, they believe, is compounded by the view that vocational education and occupations are not perceived to be as good as the more academic ones.

In addition, businesses cited high social security payments as being a barrier to returning to work in a temporary or part time role.

Verbatim comments:

“Skills gap or missing qualifications for certain roles eg beauty therapists” (Retail)

“Staffing - major issue for one man band - need number 2 to be there and have the skills, not a trade but a skill but there is no training for it on Jersey.” (Construction)

“Funding - For training not sufficient” (Construction)

There was a general consensus amongst businesses that the lack of skills available on Island was in both general management and industry specific roles such as bakers, chefs, farmers, fishermen, engineers, beauty therapists. One reason offered was that the qualifications are not available locally, for example, Quantity Surveyor and Construction Management degrees.

The cost of training is also a factor, with businesses quoting inconsistencies between the courses that Government does or does not fund. For example, civil engineering is funded but construction management is not. Businesses cannot see a visible strategy to ensure the Island has a sustainable plan to develop the skills and resources future industries will require.

Businesses do not expect Government to fund all training, they see it as a business investment. But, at the moment it is a risky investment as many organisations invest in high quality training only for employees to be poached by the public or finance sector.

The lack of clear access to apprenticeships for each industry and a perception that vocational training is not valued is seen as a barrier. One of the issues raised by businesses was the time and effort required to recruit 'back to work' people, many of whom do not actually want to work, but are required to seek work to get benefits. This time could be spent on more productive work.

Lack of affordable housing / cost of living

Verbatim comments:

"High cost and lack of availability means people don't see themselves as being able to settle here" (Hospitality)

"Cost of housing and regulations discourages workers from coming to the Island" (Retail)

"Access to affordable housing is critical for attracting talent (Professional services & technical services)

Businesses said employees were citing the high cost of living and accommodation as reasons for leaving the Island. The same issue is heard from people not coming to the Island to take up essential roles, particularly from the UK where the cost of living and accommodation is more affordable. Many employees have to take on multiple jobs in order to make ends meet which affects both quality of life and productivity.

In order to attract employees, some industries, for example agriculture, provide accommodation for workers. However, they say this is hampered by legislation and planning controls which can limit the ability to build and convert outbuildings for worker accommodation and lodging houses. In addition, recent legislation increased the minimum size of accommodation for new builds which does raise the standard of living by providing more space but isn't necessarily what everyone wants and at the cost of increased prices and rent potentially rendering them unaffordable.

Business licencing and work permits

Verbatim comments:

"Staffing - work permits; timing - visa applications; 9 month restrictions" (Marine & Aquaculture)

"Work permits and business licencing - expand season and put into winter - need to keep people on - but can't do that." (Hospitality)

"Immigration and housing policies make attracting talent nearly impossible. (Cross industry)

To address the recruitment challenge, businesses said that one of the solutions they currently adopt is to encourage workers from overseas to come to the Island. This is easier for those industries that provide accommodation, for example, hospitality and agriculture, which are reliant on overseas workers to fulfil the job roles.

Businesses have seen that with the high cost of living in Jersey, the ability to recruit from the UK has significantly declined. As a result, they are now having to look further afield, resulting in the more arduous process of registered and work permits.

In order to recruit from outside the Island, the Control of Housing and Work Order 2013 requires a job to have a licence and The Jersey Immigration Rules require work permits some of which are only granted for short periods of time and for a specific job only. Businesses say these are hard to apply for and take a lot of time and money and estimate that each form can take a minimum of 4–5 hours to complete. Some businesses have outsourced the completion of these applications at a cost as they feel they do not have the time and skills to complete the paperwork.

Businesses say that the timeframe granted for these permissions creates a challenge for them in training staff in their policies and procedures only for them to leave within a year and then having to train new recruits. The timeframe is also a challenge for individuals who are skilled and would like to work a second job. In addition, some jurisdictions from which people are recruited, such as the Philippines, specify conditions that must be met before their citizens are allowed to work overseas.

Businesses also stated that organisations are often penalised if they try to recruit locally as the number of licences they are able to hold are then reduced and difficult to reobtain when needed. There was a perception of inequality as older established business are seen to have licences whilst new businesses struggle to get them.

However, there was recognition that there have been significant changes and review of the system by Government in recent months and that licences are now more freely available.

We understand that Government is currently reviewing the migration policy.

Succession planning

Some businesses have a concern that there are limited options for succession planning. Family businesses are finding that their younger generations no longer want to enter the business and, particularly for agriculture and marine industries, entry costs are too high to attract new entrants. Small businesses expressed similar problems in finding ways to pass on their operation.

Businesses also cited a lack of support and advice for succession planning when trying to exit and pass a business on to family or staff.

Employment legislation and minimum wage

Verbatim comments:

"Employment law, one size does not fit all" (Retail)

"Minimum wage - finding staff - willing to do jobs and stay in them. One of biggest problems" (Agriculture)

Businesses said employment laws are inflexible, a one size fits all. They say this has significant detrimental consequences, particularly for smaller organisations where the rules are seen to be disproportionate to the size of the organisation. For example, the impact of paternity leave on a business with one employee means the loss of half its staff without the resources to provide cover.

In addition, small businesses said the requirements for employee handbooks and other employment law protections for employees who are not meeting the job requirements are significantly decreasing their desire to expand. Redundancy provisions pose challenges to small businesses because notification and approval requirements, retaining obligations and rules for dismissal and reemployment can be impossible for them to meet.

Businesses in some industries that provide food and accommodation, said that the methodology for calculating the minimum wage and the living wage, which only included hourly basic pay, created an unlevel playing field with no allowance for the additional cost and value they provide in their packages⁶.

Impact

The combination of skills shortages, staffing challenges, inflexible employment laws, increasing minimum wage costs and the movement of people out of Jersey, are negatively impacting business profitability, service levels and ability to meet demand across all sectors. This is manifesting itself in reduced opening hours, for example, restaurants closing on several days during the week and long lead times in some industries such as the trades. For critical sectors like agriculture, staff shortages could jeopardize food security and the long-term viability of the remaining farms if not addressed.

Covering staff shortages leads to existing employees being overworked and suffering burnout, further employee turnover and ongoing recruitment issues. Productivity falls. Work-life balance and quality of life suffers.

Lack of structured training programs and career pathways exacerbates skills shortages and fails to build a sustainable local talent pipeline. Upskilling existing staff is also becoming more challenging without funding support because of the business's diminishing margins, the risk of people leaving for roles elsewhere and consequently not seeing a return on investment.

Reliance on temporary staff creates uncertainty and hampers business planning and investment, disrupts operations and leads to loss of knowledge. The additional costs of frequent recruitment and training of new employees reduces competitiveness.

Inflexible and complex employment regulations and complex Government processes adds to workload which could be more productively invested.

Global best practices

Below are some examples of best practice from around the world that have been successfully adopted to solve skills challenges.

Europe recognised that generous unemployment benefits can deter people from working but that countries can encourage people to move into or return to the workforce without removing the social safety net. Introducing a Government funded wage subsidy scheme that allows employers to pay a lower salary which is then topped up by the scheme encourages people to move off welfare into work. This form

of benefit provides an incentive for people with low incomes to seek, rather than to avoid work and helps protect their income. Denmark has proved that Government can provide income support to the unemployed while encouraging them to find new jobs.⁷

The 'Doing Business 2020 World Bank Group' report concludes employment laws are vital to worker wellbeing but that at the same time firms should be free to conduct their business in the most efficient way possible recognising that Governments face the challenge of striking a balance between worker protection and labour market flexibility. Flexible working regulation increases labour force participation and enables organisations to be more responsive to changing business environment and ultimately more productive. Other jurisdictions have found that alternative unemployment protection systems, including unemployment benefits and/or insurance can be more effective at mitigating the effects of an unanticipated worker dismissal.

The report also says that when set above market equilibrium salary, minimum wages raise unemployment in competitive markets and the welfare gain resulting from raising the minimum wage is negligible. Further, the report has evidence that minimum wage is responsible for slowdown in productivity. Increased labour market flexibility in Sweden is associated with higher labour productivity. Restrictive labour regulation in India is associated with a 35% increase in firm's unit labour costs. Job stability boosts employee innovation so limited labour market rigidity is positively correlated with firm innovation. Giving companies the freedom to hire and fire employees and negotiate salaries will actually boost job creation overall in Europe economy.⁸

Specific initiatives in this area include:

1. The UK has introduced exemptions to many legislation requirements for small businesses.
2. Canada's Global Skills Strategy offers fast-track 2-week visas for high-skilled workers and work permit exemptions. This helps companies recruit and retain global talent.⁹
3. The UK provides apprenticeship levy funds to employers to promote skills training and development. This helps retain staff through upskilling.¹⁰
4. Singapore's SkillsFuture program gives citizens aged 25 and above S\$500 credit to pay for approved skills courses, aimed at building an adaptable workforce.¹¹
5. Google provides employee housing and subsidized accommodation for new hires to attract talent.
6. In Switzerland around two thirds of young people pursue a vocational education apprenticeship route at 15 which commonly involves 3-4 days a week on the job training and 1-2 days of classroom education.¹²
7. Germany's apprenticeship program provides vocational skills to over 50% of school leavers while meeting industry demand.¹³
8. Singapore's Workforce Singapore agency partners with industries to address skills gaps and create job transition pathways.¹⁴
9. Switzerland does not have a national minimum wage but their wages are high relative to other nations. Some sectors use minimum wages negotiated between unions and employers associations.¹⁵

⁷ A road Map for European Economic Reform October 2005 McKinsey Global Institute.

⁸ A road Map for European Economic Reform October 2005 McKinsey Global Institute

⁹ [Global Skills Strategy: About the process - Canada.ca](#)

¹⁰ <https://www.gov.uk/Government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>

¹¹ [Home \(skillsfuture.gov.sg\)](#)

¹² [Apprenticeships in Switzerland - SWI swissinfo.ch](#)

¹³ <https://www.bibb.de/en/78521.php>

¹⁴ <https://www.wsg.gov.sg/programmes-and-initiatives/skills-development-for-employers/company-training-committee.html>

¹⁵ [Salaries in Switzerland \(ch.ch\).](#)

Addressing the recruitment and retention challenges requires a holistic strategy tackling skills, productivity, infrastructure, regulations, and costs. Closer collaboration between Government, education sector and businesses is needed to address root causes and build sustainable solutions. Structural shifts in housing, regulation and work permits will improve access to global talent.

Case Study:

The annual productivity survey commissioned by Jersey Business stated that *over 30% of people surveyed felt that more than 25% of their day was unproductive*. Extrapolating this across the active population of 59,400 equates to more than 7 million hours or 4450 people. A 1% reduction in this inefficiency would equate to the equivalent of 44 people. The growing resilience and accuracy of AI, brings a great opportunity to automate some of the more repetitive functions traditionally delivered by employees, allowing them to focus on more meaningful tasks, and retrain to fill other vacancies.

Recommendations

Allowing easier more sustained access to the skills currently missing in Jersey and increasing the productivity of the existing workforce so that fewer people are needed would go a long way to reducing the challenges currently being experienced.

Short Term

1. Promote and increase productivity within both Industry and Government. This could include awareness and training seminars, incentivising automation, innovation and process efficiency.
2. Provision of a simple customer focussed website, with training sessions for industry on the processes and permissions required, explaining why and how it is done, with templates and clear rules on decisions. This will build on the work recently undertaken by Customer and Local Services in the creation of the Business Hub.
3. Adjust the calculation of the minimum wage to include basic benefits such as food and accommodation and consider removing the legislation entirely, bearing in mind that there is a longer-term ambition to bring the minimum wage up to the standard of the living wage

Medium Term

1. Review, simplify and automate the policies and processes in relation to recruitment from outside Jersey. This may include: removal of the requirement for businesses to apply for licences to recruit off Island following post Brexit immigration requirements, combined simple automated business licence and work permit process (known to be under way), work permit durations and conditions; revision of housing policies to allow for shared accommodation and lodging housing; leveraging overseas recruitment agents and negotiation of MOU with key jurisdictions to satisfy the right to leave requirements, eg. Philippines and Middle East.
2. Adoption of a scheme to encourage unemployed people into the workforce: this could include a Government funded wage subsidy scheme, reduced social security requirements for part time work, encouragement of flexible working hours, support for childcare provision outside or on top of existing hours and funded skills training.
3. We understand that a skills review is already in progress and recommend that it is completed in partnership with industry, and includes Government funding for training to narrow the skills gap, provide job transition and career pathways. This could be funded through an apprenticeship levy.
4. We understand that there is an industry workforce considering accommodation options including temporary solutions such as repurposing office accommodation or utilising a decommissioned cruise ship and endorse this and recommend that any actions are published.
5. Introduce tailored employment laws and compliance for SMEs, which includes exemptions.

Long Term

1. Develop a holistic strategic plan for skills on the Island. This could include curriculum review to combine vocational and academic courses and focus on Jersey skill requirements; joint skills academies with industries (eg. hospitality); expanding the apprenticeship programmes, promoting vocational careers as being equal to academic careers; increasing access to degree level education; establishing an attractive 'young person product'.
2. Undertake a complete and thorough review of the employment law to provide legislation which supports flexible working and gives businesses the freedom to hire and fire employees and negotiate salaries whilst still providing some protection for employees but is reflective of the reality and risks on the Island.
3. Develop housing strategy, building on the assessment of requirements to improve affordability, accessibility and availability of affordable accommodation options giving flexibility and choice to individuals.

2) Interactions with Government

This section includes all the feedback provided by businesses about their interactions with the Government of Jersey. The feedback has been collated into overarching themes which are:

1. Government strategy and support for industry.
2. The political system.
3. Long term vision.
4. Leadership, culture and accountability.

Background data

Jersey has been a dependency of the English Crown for many centuries and the Island is self-governing in all domestic matters, and, increasingly in many international matters as well. The States Assembly (States of Jersey) is the parliament of Jersey and is responsible for:

- Making new laws and regulations.
- Approving the amount of public money to be spent by the States every year.
- Approving the amount of tax to be raised.
- Holding Ministers to account.

The Government of Jersey is the civil service, responsible for enacting the policies of the Assembly and for providing services to Island residents.

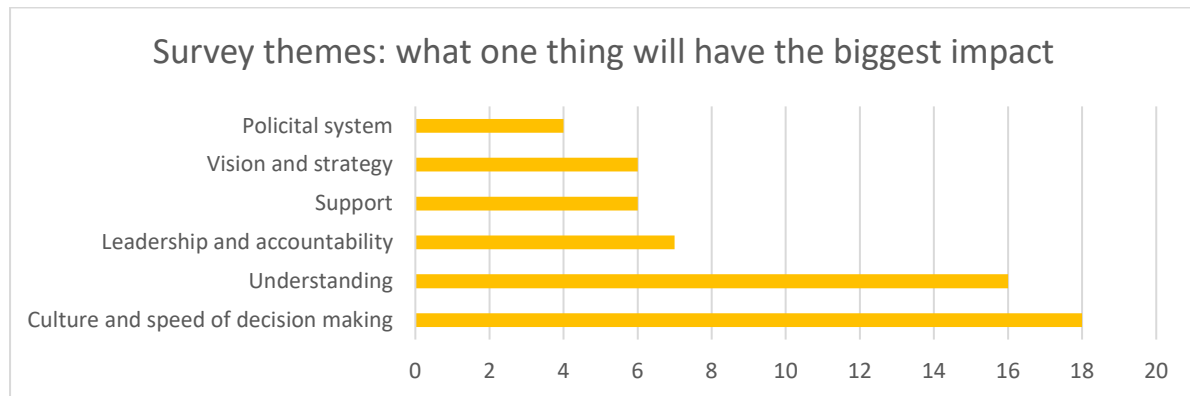
Government policies play a critical role in promoting economic growth, establishing an enabling environment upon which businesses and the economy can thrive. This can only be fully achieved through longer term policy interventions, with long lasting impact and step changes where clear targets are set and performance is monitored.

Feedback on Government strategy and support

58% of survey respondents said 'Lack of vision or understanding of your industry by Government' was the second biggest barrier after skills availability.¹⁶ When these respondents were asked "What one thing will

¹⁶ Barriers to Business survey

have the biggest impact on your organisation?” over 25% of the responses related to Government, the same level as recruitment. The graph below shows the breakdown of the themes that were the biggest impact.



The following is one individual's comment on what would have the biggest impact to their organisation:

"A joined up approach between organisations, Ministers and industry needs to establish a vision for the Economic growth of the Island. This coupled with timely decision making within Government on its Strategic Objectives to keep the economy going. Government indecision, lack of cohesive planning and appetite or ability to make things happen and the decision makers getting too wrapped up in report, studies, data and procrastination is killing the progress and the economy as a whole. Make a decision and stick to your guns, stop being frightened by public opinion, the Island needs to keep evolving and move forward."

3) Government administrative processes

Verbatim comments:

"Everything takes ages" (Hospitality)

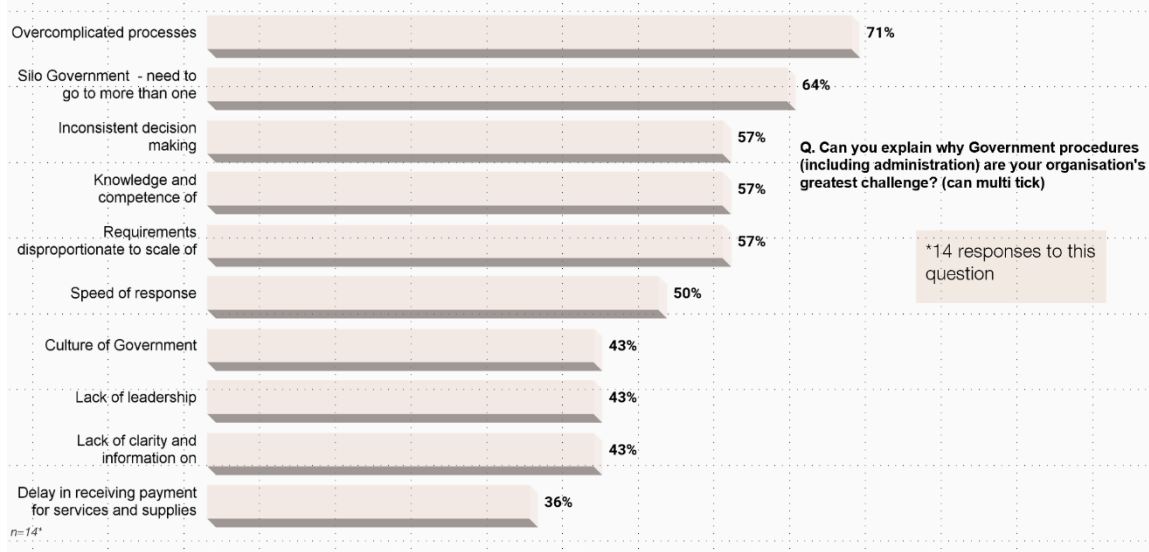
"Protracted unresponsive interaction with Government dont understand that time is money." (Cross industry focus group)

"Government tendering process is hugely bureaucratic" (Construction)

The following sections addresses issues with the processes within Government, focussing on the two main systems raised by businesses that have not already been mentioned, namely the Government procurement and payment system called Ariba, and the tendering system. Any comments made regarding the Customs, business licencing and work permit systems have been covered in the respective sections of this report.

The survey results below show that the biggest concern with Government processes is the overcomplicated and onerous nature of the processes, closely followed by the requirement to go to multiple departments to complete tasks.

Of those who selected “Government procedures (including administration)” - “Over Complicated processes” was most commonly selected



In particular, businesses raised concerns about the Government’s new payment platform Ariba, stating that it is a long slow process which is difficult to use. One organisation said that administering the system takes 5–6 extra hours per week, and they sent 6 emails before getting paid for one order. This equates to 16% of an employee’s time which is unproductive.

Further there were significant delays in payments being received for services provided, some quoting over 3 months, which is particularly acute for the smaller businesses who require prompt payment to manage their cashflows. Another organisation said that they have 3.5 staff in finance focussed on chasing Government for payments. It was stated that the new remittance system does not give a breakdown of the remittance, and thus needs the recipient to work out what the payment was for.

The tendering system was also considered long, arduous and biased towards larger companies because of the complexity of requirements, time taken to complete the requirements and the level of insurance required to win a tender, effectively making it prohibitive for smaller companies. Another comment was that as a business a lot of time had been invested in completing tenders which were then stopped or did not happen.

Impact

The complexity and time spent navigating Government systems cost businesses time and money. Staff could be better employed doing more productive work that could address some of the skills and recruitment challenge which the Island has. Conversely, as a result of these barriers, many smaller businesses do not see any advantage in becoming a supplier to the Government.

Global Best Practices

Many of the solutions adopted elsewhere involved the use of technology that enables a single point of entry into Government systems. Examples include:

1. Australia's Service NSW provides a single point of contact for business transactions with Government. It has reduced processing times.¹⁷
2. The UK's Gov.uk provides a centralized portal for Government services aimed at simplifying interactions.¹⁸ The 'One Login' lets users sign in and prove their identity and then access any Government service.
3. New Zealand streamlined business registrations by creating the New Zealand Business Number.¹⁹ This makes doing business faster and easier because it links to your core business information. That means anyone you do business or interact with (such as suppliers or customers) can easily, quickly and digitally access all the details they need about your business in order to work with you.
4. Estonia digitized Government services and citizens can access them online seamlessly. Over 99% of public services are online.²⁰

Recommendations

Short Term

1. Review the implementation of the new Ariba system from a supplier perspective and ensure that it is simply and easy to navigate. Provide additional training to businesses.
2. Following the creation of the Channel Islands portal, review the tendering requirements and procedures, simplify particularly for smaller jobs, and provide training and support so that they are accessible to all organisations. Ensure that the default is Jersey based companies as opposed to large UK organisations with more administrative resources available.

Medium Term

1. Undertake a thorough review of all Government processes to ensure that they are customer focussed, automated, simple and accessed through one central portal.

Long term

None

4) Logistics & Customs

Verbatim comments:

- *"Cost of freight in and out of Island" (Retail)*
- *"Access to market - whether local or international" (Marine & Aquaculture)*

The logistics of importing was one of the areas that was raised by all industries but in particular retail, marine and agriculture. The graph below shows that freight costs pose the highest challenge in this area.

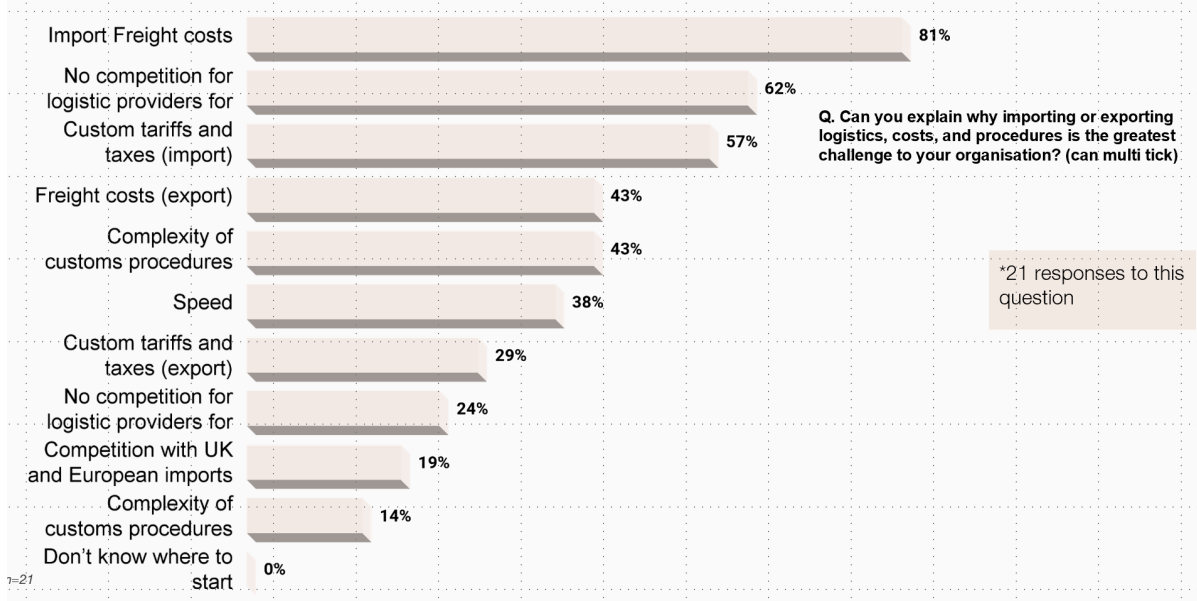
¹⁷ [Service NSW for Business | Service NSW](#)

¹⁸ [About - GOV.UK One Login \(sign-in.service.gov.uk\)](#)

¹⁹ [About the NZBN | New Zealand Business Number](#)

²⁰ [Government Cloud - e-Estonia](#)

Of those who selected “importing or exporting logistics...” - “Import Freight costs” was most commonly selected



Businesses said that the main barriers to importing relate to cost, time and processes. The cost of shipping is high, harbour dues are payable and freight costs are often disproportionate to the value of the goods being moved. For example, farmers need to import a specialist compost module mix from the UK which costs £335 per pallet plus an additional £135 in freight and GST to bring to the Island. This adds an additional 45% to the cost, which then increases the cost of the end product making it less competitive than imported UK alternatives. It was stated that Jersey imports 96% of food consumed but higher reliance could be placed on local producers who currently export instead.

Exporting suffer the same high costs. One trader explained that it costs £1,000 to export one load from Jersey to St Malo, whereas their UK competitors pay only £800 return to Portsmouth which has larger tanks and thus can transport more for that cost. This then makes the Jersey product uncompetitive in the global market where the top price being paid for customers for the product is the same now as it was 20 years ago. The business said margins are eroding to the point that the viability of the business is at risk.

In addition, businesses have experienced that Brexit has resulted in additional paperwork and costs with a new requirement for commodity codes and origin of every product. This has created a repetitive and lengthy process, with no apparent way to make it faster. Businesses commented on a lack of information and assistance on what was required with one retailer saying it takes a day and a half to process one import invoice.

Another frustration raised was the custom processes and delays in releasing goods, stating that the CAESAR (importing database) was old, clunky, not intuitive and very slow. Further, there was limited help available from the customs team. It was stated that there were inconsistencies in the processes followed across the supply chain, with a lack of assistance when things go wrong. One business stated that stock was “held in customs” for four months.

Finally, the limited availability of shipping routes from Jersey restricts access to international markets. St Malo is the only international border inspection point into Europe. Often the boat arrives in St Malo outside normal operating hours, which then requires special arrangements and overtime to be paid for some exports that are time critical.

Impact

The World Bank Doing Business indicators on trading across borders measure the time to clear official procedures including custom controls. A 10% increase in customs delays results in a 4% decline in reports.²¹ 50% reduction in per shipment costs is equivalent to a 9% reduction in tariffs.

In practice, the high costs of import are either passed onto consumers (which has an impact on inflation) or reduce profit margins and therefore investment in businesses. As prices increase, products become less competitive and so online purchasing grows, which takes income off Island. There is reduced consumption on Island which leaves increased waste, particularly for short life products. This adds costs to the supply chain through increased cost and results in more costs through capital deployed and time.

The lengthy processes to import and export lead to decisions not to proceed, as the time and cost no longer exceed the benefits achieved. This can mean that some crops are not grown here because it is not cost effective to export and there is no local market. However, the Island is in need of a more diverse cropping system to overcome some of the pressures on the ecological system.

Overall it negatively impacts on productivity and diversification.

Global best practices

1. The Netherlands recognised the need for balance between supervision and trade facilitation so aims to perform proper checks with as little administrative burden as possible for the business community and with minimal disruption to the logistics flow. Examples include automation of the regular customs declaration process, a system of layered enforcement and Coordinated Border Management. Dutch Customs selects a sample of the cargo to be checked via data management, before a ship or aircraft arrives in the Netherlands. This can already be considered when unloading the goods. Goods that do not need to be checked can then continue in the logistics process immediately after unloading without delay. In this way, Dutch Customs plays an important role in maintaining the competitive position of the Netherlands and the EU.²²
2. The UK's HMRC Joint Customs Consultative Committee meets quarterly to discuss simplified procedures and resolving customs issues. The committee considers representations from more than 40 member organisations and the purpose is to:
 - act as a consultative group for customs policy and process development, providing a key point for industry views to be considered by HMRC
 - understand industry and regulatory impacts of any changes
 - provide a forum for horizon scanning and escalation of industry issues
 - review progress against agreed aims and objectives, and to suggest remedial action for objectives that are not being achieved²³

Recommendations

The Government has several initiatives underway to improve the process and support for importing and exporting, including the recently launched Export Strategy; Ports of Jersey Masterplan and Jersey Business's online 10 steps to export process.

²¹ [Doing Business 2020 \(worldbank.org\)](https://www.worldbank.org)

²² [Balance between supervision and trade facilitation \(belastingdienst.nl\)](https://belastingdienst.nl)

²³ [Joint Customs Consultative Committee \(JCCC\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Short Term

1. Publish simple process guidelines, tariff cards incorporating harbour fees and hold training sessions for industry, through a custom advice service with account managers.
2. Critically review the current custom declarations requirements to ensure that all information requested is actually needed. Utilise AI to help automate the current system in the short term, such as providing a look up for product codes.
3. (Note that Export Strategy will align with this)

Medium Term

1. Form a consultative committee with members from industry, ports, logistics and Government to meet quarterly to discuss simplifying procedures, resolving customs issues, reducing freight costs, understand industry and regulatory impacts of any changes and provide a forum for horizon scanning.
2. Review, standardise and simplify the system for customs declaration following Brexit, focussing on the customer journey, in particular speed and automation. This could include authorized trader programs for trusted companies.
3. Assess the feasibility of collaboration with Guernsey to produce a channel Island trade zone with no charges levied for locally produced goods between the Islands.
4. Explore alternative options to the more unionised St Malo, recognising that this is not something within our control, and is only likely to be of interest to French counterparts if it benefits them.

Long term

1. Enable a more competitive and faster supply chain. This could include increasing the number or competitiveness of shipping routes, encouraging more operators, or other options, including air freight and improve the export processes through negotiation of more EU agreements.

5) Legislation and Regulation

Verbatim comments:

"Legislation outdated and copious." (Hospitality)

"Planning dept and law relating to agricultural land which makes it illegal to put up anything except a small fence or shed. Almost totally restrictive." (Agriculture)

"Increasing regulations which have unintended detrimental consequences; sledgehammer to crack a nut" (Agriculture)

"Cost of conformity for micro businesses is restrictive" (Cross)

"It's not so much the Act or Statue but the policies which come off that and the interpretation" (Hospitality)

"Removing unnecessary and disproportionate red tape designed and monitored by inept and inefficient bureaucrats." (one thing survey)

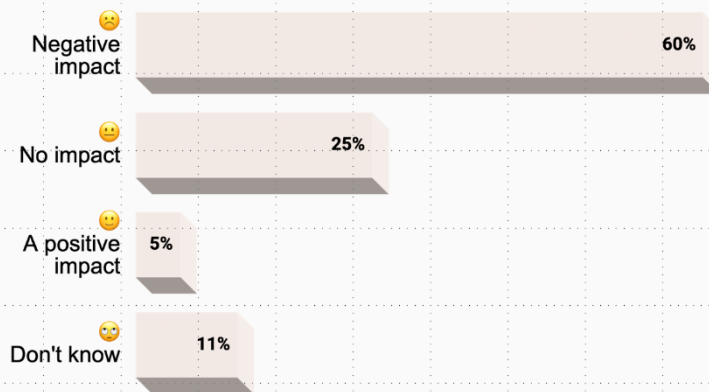
"Support the 99% not create legislation for the 1%." (Hospitality)

Whilst businesses recognise that legislation has a key role to play in providing a regulatory structure within which a society can function, Jersey currently has 1,368 active laws dating back to 1771. 60% of survey respondents stated that regulation has had a negative impact on their business. The main reasons are:

- Inflexible legislation that restricts business, for example, trading hours and employment law.
- Onerous regulations that are not fair and proportionate, for example in planning and housing.
- The complexity and cost of compliance.

Jersey's level of regulation has had a negative impact for the majority of respondents

Q. Overall, what impact has the level of regulation in Jersey had on your organisation's success?

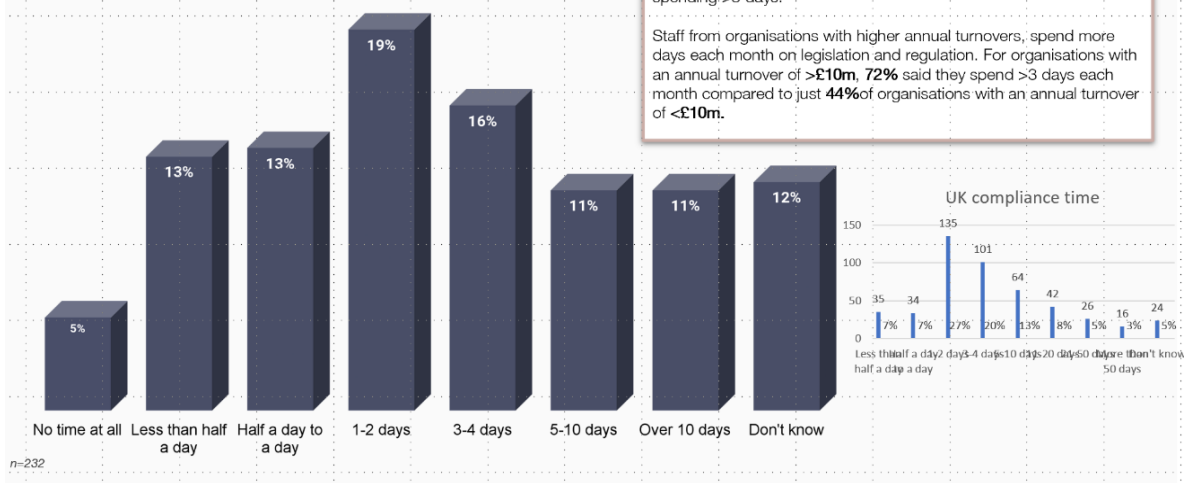


There was a general consensus across all industries that the volume of legislation is increasing and is designed for either the finance industry or the general citizen without consideration of the economic impact and proportionality for all the other industries. Participants noted that past legislation is not reviewed, is outdated and no longer fit for purpose which has led to inconsistencies between different legislative requirements.

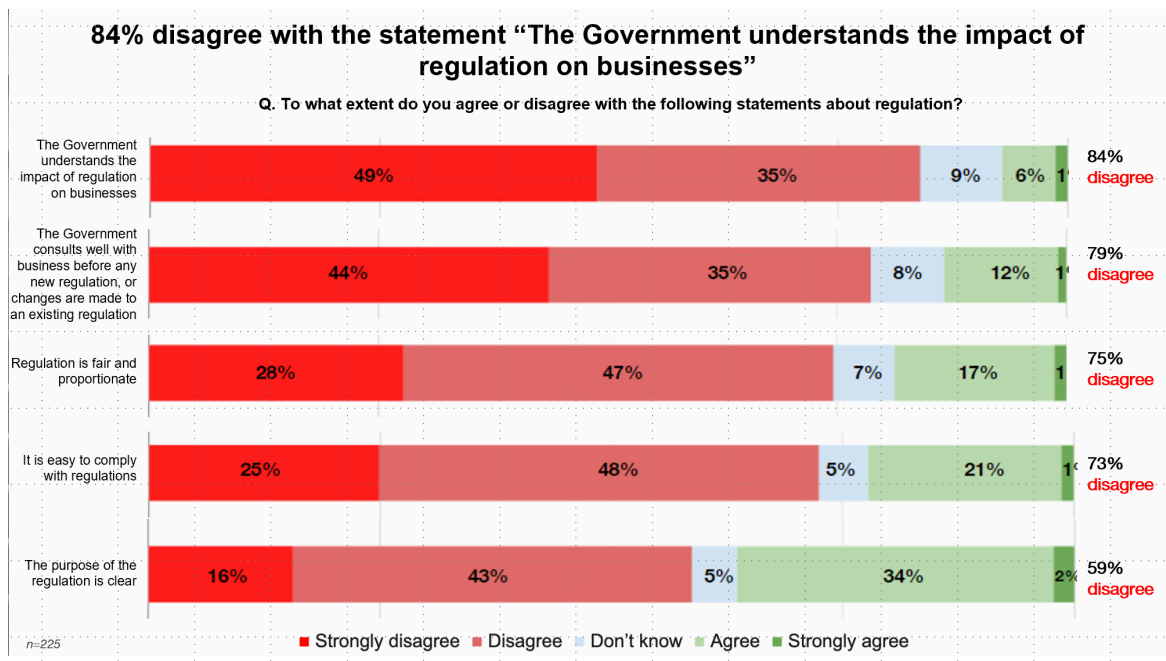
69% of survey respondents said their staff spent a day or more a month dealing with, or learning to comply with legislation and Government regulation. 50% spent more than 3 days a month.

Most staff spend a day or more each month dealing with, or learning to comply with legislation and Government regulation

Q. On average, how many days in total do your staff spend per month dealing with, or learning to comply with, all legislation and Government regulation?



84% of respondents stated the Government does not understand the impact of regulation on businesses and 79% stated that the Government does not consult well with businesses before creating any new regulation or making changes to existing regulation.



While businesses agree with the need to regulate, they stated that the resulting policies are often ambiguous, confusing and inconsistently applied. They said the cost of compliance with policies and legislation has become prohibitive, particularly for the smaller businesses. 73% of survey respondents said the cost of complying with regulation has increased over the last 12 months, 0% said the cost had decreased.

The rural economy reported that there are at least 73 pieces of legislation that they need to comply with, all of which take time and resources. They stated that some of the application forms are unnecessarily complex, and often information is required for which there seems to be no need or use.

The Care and Health industry requested better regulation. Although the Jersey Care Commission (JCC) is set up to regulate the industry, currently care is not regulated by the competition authority in Jersey or under the JCRA so new providers can just open which results in a lack of standardisation of care in the community.

Planning Legislation

Verbatim comment:

“Planning is broken, there is no way for business to even receive advice on the likelihood of being accepted as preplanning is useless and planning is needed for the smallest things.”

Whilst it was understood that there is a need to maintain the environment and heritage of the Island a lot of concern was raised over the difficulties experienced in dealing with the planning legislation and department. The consensus across all industries was that there was inconsistent advice depending on who in the department you spoke to; pre-planning application advice was not available and as a result organisations spent a significant amount of time and money on applications without any certainty of approval.

Time alone is a problem. It can take months or years to get planning approval by which time the external market conditions have often changed. When costs have significantly increased the business often decides

to abandon projects. These issues have led to reluctance to make some applications, therefore reducing the pipeline of both accommodation and appropriate business premises.

The requirement to obtain planning approval for every small change including fences, signs etc. results in a plethora of applications which can block the system and increase the time taken overall to determine every application.

Impact

The Road Map for European Economic Reform²⁴ undertook a study of 6 major European economies and concluded that *there is no full employment economy in the world that is innovative, dynamic, and growing and that also maintains rigid regulations and restrictions on competition*. Boosting competition, often through regulatory reform, is the impetus that Europe needs to improve its productivity. Deregulation or regulatory reform improves productivity. Regulations on produce markets and policies governing labour and the use of land have the effect of protecting incumbents, limiting new entrants, preventing companies from achieving economics of scale and restricting the way business operate.

Administrative regulations that are outdated or poorly designed could impede innovation and establish barriers to entry, creating unnecessary barriers to trade, investment and economic efficiency. The regulatory barriers divert focus to compliance and limit flexibility for businesses reducing productivity further. Navigating bureaucracy also wastes significant time for companies. Strict constraints make attracting talent difficult.

Global best practices

Doing Business 2020 World Bank Group reports high scoring economies have a widespread use of electronic systems and online platforms to comply with regulatory requirements including for business incorporation processes, electronic tax filing and online procedures related to property transfers and construction permitting. Sound business regulation with high degree of transparency²⁵ eased regulation in Vietnam and increased firms added value by 20%.

A 2006 OECD report endorses this viewpoint stating: *There is a risk that administrative regulations that are outdated or poorly designed could impede innovation and establish barriers to entry, creating unnecessary barriers to trade, investment and economic efficiency. Administrative burdens refer to regulatory costs in the form of asking for permits, filling out forms and reporting and notification requirements for the Government.*²⁶

The report goes on to state that a whole Government approach to reducing administrative burdens is needed rather than ad hoc. Simplification should be embedded in the policy making process through the regulatory impact assessment (RIA) process which ensures that regulatory proposals or existing regulatory arrangements are subject to a transparent, publicly accountable and rigorous analysis to determine if they are proportional means of meeting regulatory objectives. This should be completed for all new and existing regulations.

However, prior estimates of the potential burden of regulation sometimes differ from the actual burdens experienced in practice so there should be an automatic review process whereby regulations are reviewed after they are implemented to ensure that they are having the intended effect. Finally, the impact of the regulation should be measured.

²⁴ [050810 Euro Economic Reform WP.qxp \(mckinsey.com\)](#)

²⁵ [Doing Business 2020 \(worldbank.org\)](#)

²⁶ [Cutting Red Tape \(oecd.org\)](#)

Some countries have introduced special measures to assess the impact of regulation on SMEs in particular. These include the assessment of alternatives that might accomplish the stated objectives whilst minimising the impact on small businesses.

Facilitating compliance is another important tool. Innovations in this area include:

- Adopting risk-based approaches to reduce unnecessary inspections or data requirements.
- Modifying thresholds to reduce the burdens on small and medium sized businesses.
- Providing more advice to firms on how to minimise burden.
- Ensuring that there is adequate notice before new legal and regulatory measures come into effect.

Some specific examples are:

1. The Canadian province Ontario cut red tape in 2018 by reducing regulatory requirements, simplifying forms and moving services online. Every year the [Ministry of Red Tape reduction](#) reports on the Government's progress on reducing red tape in the annual Burden report.²⁷ They have made progress in four key areas: reducing the annual cost of complying with regulations; working across Government to achieve sustained reductions in regulatory burdens; passing two red tape reduction bills and improving people's everyday lives by making it simpler to interact with the Government. They have published their "Less red tape, stronger economy" plan²⁸ which seeks to reduce compliance requirements and help businesses grow. Plans include less onerous compliance requirements for small businesses; digital services; reduce unnecessary reporting; clear communication of requirements and timelines and a single point of contact.
2. The UK has a [better regulation framework](#) which all Government officials need to follow in developing policies that will regulate or reregulate businesses. It requirements include regulators to understand the costs, benefits and risks of any new measure; assess the impact using the regulatory impact assessment tool (RIA); undergo independent scrutiny; provide comprehensive guidance and evaluate compliance costs; and post implementation review²⁹.
3. The UK Government also operates a 'one in, two out' rule which requires that when introducing new regulation, departments have to remove or modify existing regulations to the value of £2 of savings for every pound of cost imposed. Twice a year they publish a list of regulations which will be introduced or changed in the next 6 months, together with an account of how departments are performing against the rule.³⁰
4. In addition, the UK has exempted small businesses with under 50 employees from certain regulations. The Prime Minister has announced plans to widen these exemptions to businesses with fewer than 500 employees for future and reviewed regulations, meaning an additional 40,000 businesses will be freed from future bureaucracy and the accompanying paperwork that is expensive and burdensome for all but the largest firms.³¹
5. The OECD set out a list of best practice tools which have been used in their 2006 Cutting red tape report³² as follows:
 - Ex ante measurement of burdens and using this information to trace burdens to their source

²⁷ [Ministry of Red Tape Reduction | ontario.ca](#)

²⁸ [Less Red Tape, Stronger Economy \(ontario.ca\)](#)

²⁹ [Better regulation framework - GOV.UK \(www.gov.uk\)](#)

³⁰ [One-in, two-out: statement of new regulation - GOV.UK \(www.gov.uk\)](#)

³¹ [Red tape cut for thousands of growing businesses - GOV.UK \(www.gov.uk\)](#)

³² [Cutting Red Tape \(oecd.org\)](#)

- Assessing the extent of estimated administrative burdens via Regulatory Impact Analysis prior to the introduction of new regulations.
- Targets for burden reduction are being set and used to promote simplification in the first place and to monitor progress and maintain the momentum for further simplification and burden reduction.
- Political oversight of very burdensome measures.
- Information technology is an important tool for reducing burdens, for example, through data sharing, and simplifying licence procedures; and
- Results must be communicated. Measurement can help show that progress has been made.

Recommendations

Short Term

1. Make a Government commitment to review legislative requirements with the aim of reducing the regulatory burden on businesses, which includes a target and annual report on progress.
2. Produce a comprehensive cross departmental list of current regulatory requirements which businesses need to comply with, together with advice and at least 6 months' notice of all planned legislation and regulatory requirements.
3. Introduce exemptions to certain legislations for smaller companies (defined in UK through companies Act 2006 as under 50 employees).
4. Carry out a risk based independent assessment of the requirements under the planning law with the view to increase the exemptions to reduce the volume of applications and therefore the time to determination.

Medium Term

1. Adoption of a better regulation framework which requires a risk based approach to legislation and includes; a thorough assessment of the impact on the economy for all new regulation and policies (RIA); 'one in two out rule'; full industry consultation through an established body; independent scrutiny; post implementation review after 6 months and an annually reported measure of impact.
2. Introduce simplification tools and technology to implement compliance and improve transparency and accountability of administrative regulations. These could include one stop shops with a single point of contact, process re-engineering, use of technology to facilitate this process and electronic or web-based platforms rather than creation of physical facilities.

Long term

1. Creation of an independent body to oversee regulation practices and compliance costs, with the aim to pave the way for better services, help businesses grow and save people time and money. It should modernise legislation, regulation and policies that can be burdensome, inefficient and inflexible, work across Government to reduce red tape and measure and report publicly annually on how this has been achieved.

6) Taxes

Verbatim comments:

"Repeal the Retail tax legislation. Will encourage investment in retail. Encourage us of large retail units" (retail)

"Remove GST from local produce to give advantage against imported". (Agriculture)

"Less social security payments and tax on part time employees" (Survey one thing)

"Reduce duty on alcohol, make it cheaper for venues to run" (Hospitality)

The main issues raised by businesses in relation to tax were:

Complexity of compliance: Businesses reported that it is often difficult to speak to Government officials for advice, instead they were referred back to the legislation with no training available. For example, the 'How to register for GST' on the Government's website is complicated and unhelpful. The requirement to submit monthly returns as opposed to quarterly has increased the workload, although businesses reported that it does help to keep up-to-date with payments.

Equality: Retailers said that the retail tax is inequitable because retail is the only business type that is taxed at 20% in Jersey resulting in some retailers structuring their business so that they do not have to pay it. Some businesses reported that their raw materials were VAT free in the UK but subject to GST. Some businesses reported that migrant workers have been placed on different IT IS rates, however, we understand that this is being resolved through the one IT IS rate for migrant workers.

Cost: GST slows down the delivery of goods which has a time cost; GST has to be paid on stock and is not recovered until the stock is sold and therefore is an upfront cost. GST on food is a cost which is not borne in other jurisdictions. Stamp duty was seen as a stealth tax rather than preventing more people buying a second home. Finally, the impact of tax errors which then have to be repaid by employees through increased IT IS rates has resulted in one organisation losing 6 staff in a week.

Industry is conscious of the need for taxes to fund the Government services and recognise that some form of tax reform is required to ensure that the burden is proportionately and equitably spread.

Impact

The Doing Business 2020 World Bank group report³³ states that the number of payments and time to comply with tax obligations have significant negative effects on whether foreign investment flows are present. A 10% reduction in tax complexity is comparable to a 1% reduction in the effective corporate tax rate.

The tax barriers divert significant time and resources away from focus areas for businesses. Inconsistencies and frequent changes also lead to errors and rework. This hinders productivity and efficiency. High compliance workload discourages business activity and new establishment.

Recommendations

Short Term

1. Provide education and training on tax compliance

Medium Term

1. Introduce automated notifications and reminders for deadlines together with an annual calendar of filing dates for the year.

Long term

1. Undertake a thorough analysis of the complete tax restructure and reform to be simpler, and equitable.
2. Critically review the services offered by Government to see what reductions could be made thereby reducing the level of taxation required.

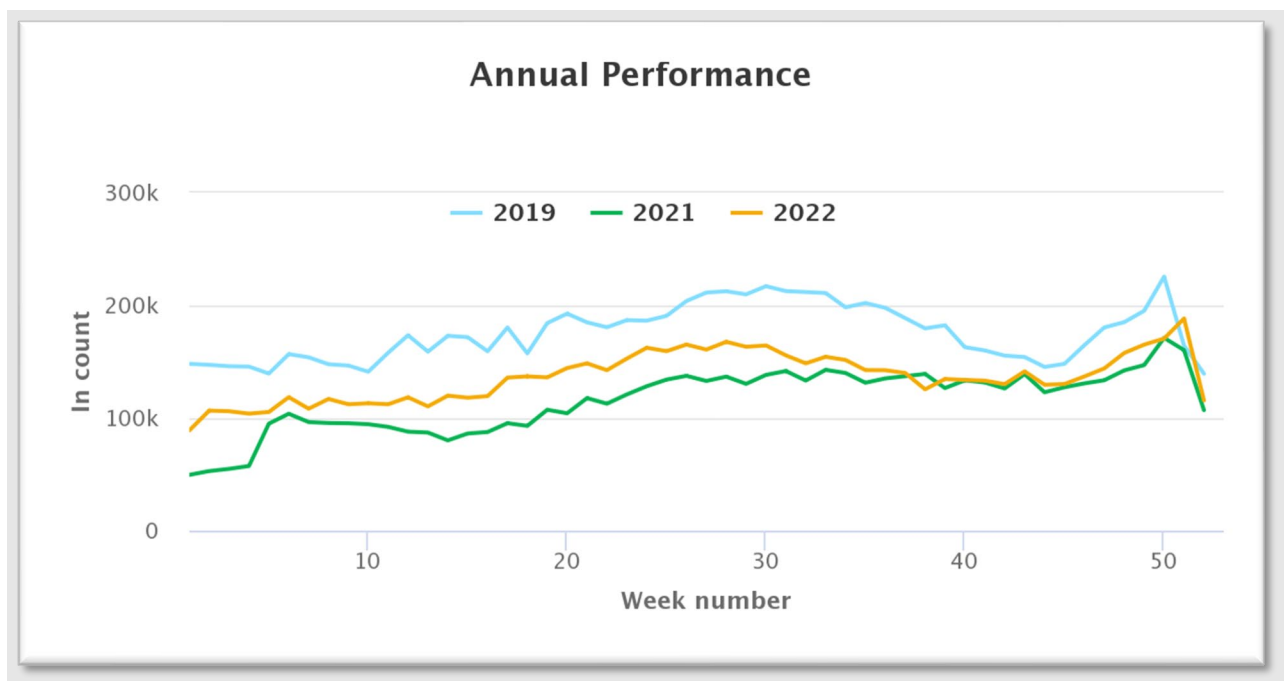
³³ [Doing Business 2020](#)

7) Vibrant St Helier Town Centre

Background data

A thriving and lively town centre is key to the health of any community, providing a central hub for commercial and social activity. The unprecedented challenges of the Covid-19 restrictions and their aftermath and the higher costs of living have been a challenge for St Helier. Whilst people have returned to visiting the town centre, more people are now permanently adopting hybrid working which continues to have a direct impact on the footfall within St Helier.

The graph below shows footfall in St Helier by week comparing 2022 with the pre-pandemic year 2019. This shows a 22.3% decrease in footfall in 2022 compared to 2019 which translates to over 2 million fewer visits to King Street.



Detailed Feedback on having a vibrant town centre

Verbatim comments:

"We all boast the Island being beautiful but St Helier Town is a dump and unloved" (Survey biggest impact one thing)

"Parking - lack of parking around town. Nowhere to go anymore." (Retail)

"Access around town and into restaurants - old age population and disability and not clear accessible info about how the journey into shop or restaurant is" (Retail)

Concerns over the lack of vibrancy; attractiveness; accessibility and parking were the main barriers raised by the retail and hospitality industries. Specifically businesses said empty units; building work; lack of coordinated design in town with shop fronts often not in keeping with the architecture of the buildings

and tatty shopfronts as reasons why the town was not attractive. They felt that St Helier had “no identity as a place to go to”.

The lack of shopper parking, including the removal of disabled spaces from Broad Street, was also commonly cited as a barrier to attracting custom. Additionally, businesses stated that knowledge of how to address issues of accessibility is poor. Nearly 15,000 Islanders have a disability but there is no single place to find out where in town is accessible.

Others commented on the lack of a central tourist information centre and said that the route from the harbour to town is ugly, badly signposted and not aspirational. The lack of data such as who visits town, local or tourists for example, does not help inform industry decisions.

Finally, businesses explained that restrictions over trading and operating hours has had a detrimental effect on trade, particularly in relation to Sunday trading. Businesses who wish to trade on Sundays are required to submit an annual application at a cost of £120 for a restricted hours permit and £60 for a general or single permit. If all retail businesses were to apply, this would be an annual cost of £60,000 plus the time spend in completing the applications. It was also noted that the applications are always granted and that no compliance checks are undertaken.

It was recognised and appreciated that the Parish of St Helier, in conjunction with other organisations, provide an annual programme of events in St Helier, such as the French markets and Fete de Noir, which help attract visitors to town.

Impact

Maintaining an attractive and vibrant town centre with diverse retail, entertainment and other amenities is vital to attract visitors and shoppers but also to attract investment. If visiting and shopping in town is inconvenient and unappealing, footfall and time spent in town is likely to remain subdued, limiting business for retailers and hospitality firms. A declining high street hampers the visitor economy and impacts surrounding property values, whereas, a vibrant community centre is key to increased trade, attracting potential employees and encouraging young people back to the Island.

Global best practices

The following provides some best practice cities that have rejuvenated their centres:

1. Birmingham, UK revitalized its city centre through the Big City Plan involving 20 years of transformation and extensive redevelopment of public spaces and infrastructure.³⁴ The plan includes creating a well-connected, efficient, and walkable city centre; enhanced walking and cycling routes; valuing the heritage and cultural assets and supporting growth of the City Core.
2. Melbourne, Australia encourages street art, festivals and niche retail to create vibrant lanes and pedestrian areas.³⁵ Melbourne’s street art is internationally renowned and has become an attraction for local and overseas visitors experiencing Melbourne’s creative ambience.

Recommendations

Short Term

1. Establish an annual programme of activities within St Helier town centre to include weekly markets in St Helier with music for local produce, this could be combination of a farmers market and craft market which would both increase the vibrancy of St Helier and educate the public on local produce.

³⁴ [Big City Plan | Birmingham City Council](#)

³⁵ [Street art - City of Melbourne](#)

2. Introduce a scheme which encourages pop up stores to utilise empty shops in the short term. These could be charity or activity based but would give a focus or reason to come into town – for example, live music, craft shops, genuine Jersey, children’s activities, talks
3. Simplifying the events approval process.
4. Commission an app which has all the information about St Helier in one place and easy to navigate. This would include accessibility access, shops, hospitality outlets, entertainment and what’s on section.
5. Removal of Sunday trading permissions for all businesses as long as they follow set guidelines, eg noise levels as a first step towards the vision to allow market forces to dictate the actual hours open with no applications required but policed by exception.

Medium Term

1. Undertake a review of the attraction of the town, and introduce a plan with deliverables in partnership with industry to make the town centre more attractive by maintaining buildings effectively, embracing art, music and festivals, creation of a town trail (eg sculpture, history, ghost). This would include support for upgrading shop fronts to a common standard which can be maintained.
2. Review parking infrastructure with demand analysis and consider introduction of an incentivised park and ride scheme and discounts for shoppers.
3. As part of the Tourism strategy, consider how to better market and transport tourists into town.

Long term

1. Major redevelopment of outdated areas and infrastructure in line with a 20 year plan for the whole of St Helier. There is a North of Town masterplan issued in 2011 which has yet to be fully implemented.

8) Small businesses and start ups

Verbatim comments:

"Can't get business bank account as too small so can't pay anyone." (Retail)

"Cost of starting up here compared to UK - have to pay for a lot of consultancy to navigate the over complex process of incorporating and starting a business." (Professional Services)

"7000 micro business - fundamental lack of understanding in Government of trial and tribulations of micro businesses." (Professional Services)

"There is a lot of additional risk in coming to Jersey which is not needed" (Professional Services)

Background

In December 2022 there were 8,230 private sector undertakings in Jersey of which 4,680 were single person operations,³⁶ concentrated in health and education, construction and miscellaneous. The table below shows that 89% of businesses in Jersey have less than 10 employees.

³⁶ Table 8 – [R Jersey Labour Market Dec 22 20230427 SJ.pdf \(gov.je\)](#)

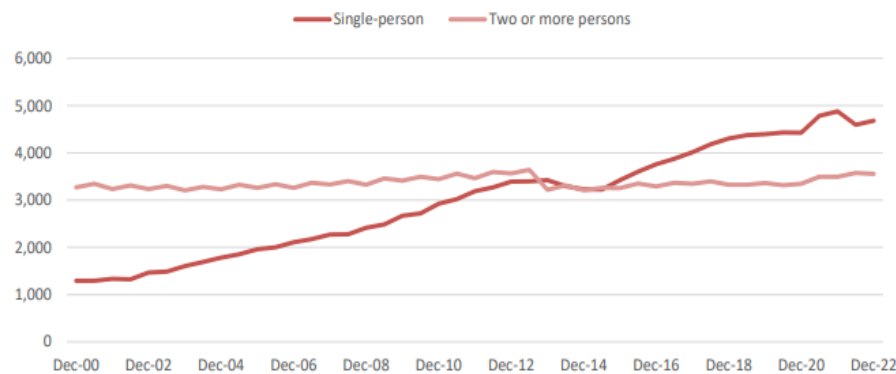
Table 7 – Private sector undertakings by number of employees (headcount), December 2022

Sector	1	2–5	6–9	10–19	20–49	50+	Total
Agriculture and fishing	80	50	10	20	10	+	170
Manufacturing; utilities and waste	200	60	30	20	10	10	320
Construction and quarrying	780	450	110	70	50	10	1,470
Wholesale and retail	410	290	90	50	40	20	890
Hotels, restaurants and bars	130	200	80	60	40	20	520
Transport and storage	230	30	10	10	10	10	290
Information and communication	250	80	10	10	10	10	380
Financial and legal activities	280	180	60	50	50	60	670
Miscellaneous business activities	1,100	410	80	70	40	10	1,710
Private education, health and other services	1,220	330	100	70	50	40	1,810
Total private sector undertakings	4,680	2,080	570	420	300	180	8,230

+: non-zero less than 5

There has been a gradual rise in the number of single person operations in the last twenty years.

Figure 7 – Number of private sector undertakings, single-person vs. two or more persons 2000 to 2022⁸



The graph shows that there was a decline of 150 in the total number of private sector undertakings from December 2021 to December 2022. During the same period 981 New Business Licence applications were received, of which only 28% indicated on their application form that they believe their business will be employing staff in addition to the owners.³⁷

New applications are for:

- 60-65% sole traders
- 30-35% limited companies
- 0-10% partnerships
- 0-1% other (e.g. incorporated or unincorporated association)

Detailed feedback from small businesses

The feedback from small businesses falls into three themes:

- Complexity, cost and time required to start a business.
- Difficulties opening business bank accounts and obtaining payment solutions.
- Innovation and level playing field for small businesses.

³⁷ [wq.289-2023.pdf \(gov.ie\)](#). Written question to the Chief Minister by Deputy Kovacs of St Saviour June 2023

Incorporation process and costs

There was recognition from businesses that, following the introduction of the Online Business Hub, the process to set up as a sole trader and obtaining the business license is much more straight forward. However, the complexity comes from both the numerous additional licenses required for specific industries together with the onerous requirements of the JSFC to set up as a limited company.

The digital industry reported that people also find that tax registration takes a lot of time. A comparison was made between registering with the JSFC, which takes approximately 5 days and £165 for the standard process compared to 20 minutes and £30 to complete the Companies House application which is then received in 2 hours.

The level and mechanism for paying Class 2 social security payments have also been raised as a real barrier by businesses transitioning from employment to self-employed. It was understood that there was a start-up rate, but not everyone is eligible, and the process effectively defers the payments potentially building up a problem for later. One individual explained that there was a 14-month lag before class 2 payments are adjusted to reflect new earning levels because they can only be evidenced through a tax return.

Once set up, there new businesses also had difficulty with the high cost of obtaining premises or workspace. Respondents commented that, with the exception of digital companies, there was no provision for small business clusters, shared resources or premises, and that there was a lack of incubator opportunities in Jersey for small businesses.

Marketing, promotion and access to work was another issue raised. Small businesses usually operate on a tight budget and struggle to get noticed. They often cannot afford the cost or time for the traditional networking activities or association memberships. Often small businesses work long hours and tend to complete administrative and compliance tasks out of trading hours which is not at times when help is available. Respondents would like to feel a little more nurtured and supported when setting up their own businesses with help to accelerate their growth in the first couple of years.

Bank accounts and payment solutions

Many businesses said that setting up a bank account takes much longer than in UK and there are fewer options. For one respondent it took 4 months to open a bank account, during which time they were unable to trade. Other respondents said they were considered “too small” to see client relationship manager to organize an agreed overdraft.

Access to finance was also an issue raised by businesses. Banks tend to require security and there is no Government financial support for start-ups. Consequently, the only other options are personal finance or external investors which are hard to find. There is no access to investment schemes such as those in UK which incentivise investors through tax relief.

In addition, payment solutions for businesses are limited. Stripe does not work in Jersey, Shopify Go Cardless also seem to be stopping new customers from signing up in Jersey and some Google services are not available. The lack of access to Stripe is particularly problematic for the health industry as the main practice management software links to Stripe for payments. As a result, the medical industry runs two systems, one for booking clients and the other to receive payments. This increases administrative time, can increase errors and bad debts and incurs additional costs.

Impact

These barriers deter entrepreneurship and increase failure rates for small businesses. One respondent said that due to the high set up costs in Jersey, they may look to set up elsewhere. Navigating the setup processes and licensing requirements diverts focus from core business planning and lack of specialist start-up spaces and access to funding also hampers growth for startups with potential. This restricts innovation, competition and diversification in the economy.

Global Best Practices

The doing Business 2020 World Bank group concluded that improvement in firm entry regulation are associated with higher productivity.³⁸ The report stated that Start up regulation does not improve the sales or profits of the average firm but can give access to credit. The legal protection that comes with a formal structure should compensate for the additional costs of additional administration.

Examples from jurisdictions that have eased the start-up process are:

1. Business.govt.nz is part of the Ministry of Business, Innovation and Employment (MBIE) and makes it easier for small businesses in New Zealand to understand and comply with Government regulation and succeed. They do this by packaging content and advice from across Government into tools and resources designed with small business in mind.³⁹
2. New Zealand makes it easier to do business with Government by offering an online one-stop shop for business. This digital platform allows businesses to apply for licences and permits from different Government agencies in one place.
3. New Zealand and the UK delivers a Small Business Digital Boost initiative which supports small business owners to realise the benefits of digitising their business.⁴⁰
4. The UK offers Government backed Start Up loans of up to £25,000 to start or grow a business with free support and guidance to help write a business plan. Successful applicants get up to 12 months of free mentoring.⁴¹ They also have a small profits rate of corporation tax and offer other allowances and reliefs.
5. Singapore provides grants, incubation spaces and advisory services to assist new start-ups. They offer incentive schemes to develop high- value and substantive economic activities in Singapore.⁴²

Recommendations

Short Term

1. Continue to streamline the start-up process to incorporate all the different licence requirements by linking with other departments into a one stop shop.
2. Create a stakeholder voice for small business and provide a forum whereby small business can promote their services at a minimal cost.
3. Review of social security, reduction in contributions.

Medium Term

4. Provision of a small business and innovation hub providing more shared collaborative and networking spaces for small businesses which could include access to shared resources and expertise.
5. Introduction of Government low interest loans, grants and incentives schemes for small business growth and investment.

Long term

6. Create one-stop digital portal for all business establishment and transactions with Government with a single log on.
7. We understand that the Future Economy Team is working to review and improve the access to finance and fully endorse this and recommend that it includes recognition of Jersey as a Jurisdiction so that payment solutions can be used, availability of open banking and quicker access to new bank accounts.

³⁸ P29 [Doing Business 2020](#)

³⁹ [Business NZ | New Zealand Government \(www.govt.nz\)](#)

⁴⁰ [Support for business | Ministry of Business, Innovation & Employment \(mbie.govt.nz\)](#)

⁴¹ [Apply for a Start Up Loan for your business - GOV.UK \(www.gov.uk\)](#)

⁴² [Incentives & Schemes | Business Grants | Singapore EDB](#)

Positive business attributes

Throughout the research, businesses were asked to identify the positive experiences that have of doing business in Jersey. The main themes that were clearly expressed were:

- Jersey is an amazing, safe place in which to live and work.
- It has relatively easy access to the world.
- Jersey has a strong balance sheet and the fiscal outcome looks good.
- Jersey has a great fibre communications infrastructure
- There is a strong community spirit and within the business community there are strong networks and people are willing to help each other.

Summary of recommendations – Short/Medium/Long-term

Recommendations (20 in total)		Time-frame	Type of Approach
1	Incentivise automation; innovation & process efficiency within industry	Short term	Enablement
2	Incentivise automation; innovation & process efficiency within government processes	Short term	Enablement
3	Enable shared accommodation; overseas recruitment	Short term	Enablement
4	Consider opportunities to automate current processes as much as possible	Short term	Simplicity
5	Equity of minimum wage requirements	Short term	Enablement
6	Simple, customer focused: - website with templates, - training - processes - published rate cards	Short term	Simplicity
7	Introduce automated notification and reminders for deadlines together with an annual calendar of filing dates for the year	Short term	Simplicity
8	Provide certainty over level of subsidies and support for industry	Short term	Enablement
9	Improve vibrancy of St Helier: - Markets - Street events - Pop up shops - Promoting eg app - Festivals and events	Short term	Collaboration
10	All party collaboration to improve productivity eg forum to promote services	Short term	Collaboration
11	Clarity on role of Government, Politicians and Industry for the Economy	Short term	Collaboration
12	Legislation exemptions for small businesses	Short term	Enablement

13	Industry consultation on all new legislation and policies	Short term	Collaboration
14	Prepopulate monthly returns as much as possible	Short term	Simplicity
15	Single coherent list of all compliance requirements for business	Short term	Simplicity
16	Reduction/removal of harbour dues	Short term	Enablement
17	Reduce legislative burden, and report annually on progress	Short term	Enablement
18	No restriction on opening hours of business	Short term	Enablement
19	Industry open days for Govt and public, importance of each industry, local produce	Short term	Collaboration
20	Create stakeholder voice for small business for each industry	Short term	Collaboration

Recommendation (9 in total)		Time-frame	Type of Approach
1	Promote productivity within the Government to eliminate waste, thereby releasing time for other tasks	Medium-term	Simplicity
2	Introduce the requirement for a risk based approach to new legislation and regulation, a thorough assessment for the impact on the economy, independent scrutiny, post implementation review with a removal of 2 legislations for each new one introduced	Medium-term	Simplicity
3	Consider alternative temporary sources of accommodation such as decommissioned cruise ship, or office space	Medium-term	Enablement
4	Introduction of low interest loans, grants and incentive schemes for small business growth and investment, and succession planning for agriculture	Medium-term	Enablement

5	Provision of a small business and innovation hub providing more collaborative and networking spaces and access to shared resources and expertise	Medium-term	Enablement
6	Introduction of an apprenticeship levy to fund incentive training to move current skillset to that which will be needed for the future	Medium-term	Collaboration
7	Undertake an assessment of housing requirements between government and industry.	Medium-term	Collaboration
8	Provide opportunities for secondments between public sector and industries so that each can get a better understanding of the other	Medium-term	Collaboration
9	A combined business licence for work permit process which is simple, automated and fit for purpose	Medium-term	Simplicity

Recommendation (9 in total)		Time-frame	Type of Approach
1	Housing strategy to allow for high-quality affordable, accessible accommodation of different mixes eg lodging houses, bedsits, flats	Long-term	Enablement
2	Major redevelopment of outdated areas and infrastructure in line with a 20 year masterplan	Long-term	Enablement
3	Provide all government services online accessed by a simple portal for business	Long-term	Simplicity
4	Full review of current legislation to ensure optimises flexibility, is business proportionate and enables the economy. To include employment law, Housing and work control law.	Long-term	Enablement
5	Increase competitiveness and volume of shipping routes for export and improve processes through negotiation of EU agreements.	Long-term	Enablement

6	<p>Review ALL Government processes and embed simplicity, fairness, customer centric focus and ease of doing business in all processes, policies, and legislation</p> <ul style="list-style-type: none"> - One stop shop - Review and revise - Unintended consequences <p>FOR</p> <ul style="list-style-type: none"> - Licence and work permits - Street events - Ariba payment process - Customer processes - Tax and social security - Start up process 	Long-term	Simplicity
7	Private public partnership to develop long-term economic vision and industry 10 year strategies	Long-term	Collaboration
8	<p>Establish industry leadership councils to modernise, oversee and track progress with metrics:</p> <ul style="list-style-type: none"> - strategy execution - regulation practices & compliance costs - reduction in red tape 	Long-term	Collaboration
9	<p>Updated Strategic plan to improve skills:</p> <ul style="list-style-type: none"> - Joint academies - University - Value of vocational education curriculum 	Long-term	Collaboration

Note re: Minimum/Living Wage - The requirement to pay a minimum wage was introduced to ensure that all citizens could access a minimum standard of living. It is the minimum hourly basic rate that all employers must pay. In addition, there is a higher living wage, which all employers are encouraged to meet. Both of these rates are based on basic pay only, and exclude all benefits, such as free food and accommodation, a practice which is standard and necessary in some industries. Jersey's legislation states that the basic wage includes payments in kind, so this should be allowed in the minimum wage. Increases in minimum wage are positive for individuals but they can have a negative effect on the economy, by increasing the costs of employment, potentially decreasing jobs or increasing the cost of living as the increases need to be passed onto the ultimate consumers.



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