



HOUSE OF KEYS OFFICIAL REPORT

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PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 8th May 2012

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Present:

The Speaker (Hon. S C Rodan) (Garff);
The Chief Minister (Hon. A R Bell) (Ramsey);
Hon. D M Anderson (Glenfaba); Mr L I Singer (Ramsey);
Hon. W E Teare (Ayre); Mr A L Cannan (Michael); Hon. T M Crookall (Peel);
Hon. P Karran, Mr Z Hall and Mr D J Quirk (Onchan);
Mr R H Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North);
Hon. D C Cretney and Mrs K J Beecroft (Douglas South);
Hon. C R Robertshaw and Mrs B J Cannell (Douglas East);
Hon. J P Shimmin and Mr C G Corkish MBE (Douglas West);
Mr R A Ronan (Castletown); Mr G D Cregeen (Malew and Santon);
Hon. J P Watterson, Mr L D Skelly and Hon. P A Gawne (Rushen);
with Mr R I S Phillips, Secretary of the House.

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The House adjourned at 11.44 a.m.

House of Keys

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The House met at 10.00 a.m.

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[MR SPEAKER *in the Chair*]

45

The Speaker: Moghrey mie, good morning, Hon. Members.

Members: Good morning, Mr Speaker.

The Speaker: The Chaplain will lead us in prayer.

50

PRAYERS

The Chaplain of the House of Keys

55

Leave of absence granted

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The Speaker: Hon. Members, the Hon. Member for Douglas East, Mrs Cannell, will be joining us during the course of the morning. There are no other leaves of absence.

Questions for Oral Answer

65

CHIEF MINISTER

70

Film industry Oxford Economics report

1.1. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Chief Minister:

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Whether he has received the report by Oxford Economics into the film industry and, if so, when it will be available to (a) Tynwald Members and (b) the public?

The Speaker: We turn to Item 1 on the Order Paper, Questions for Oral Answer, and I call on the Hon. Member for Douglas South, Mrs Beecroft.

80

Mrs Beecroft: Thank you, Mr Speaker.
I ask the Question standing in my name.

The Speaker: I call upon the Chief Minister, Mr Bell, to reply.

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The Chief Minister (Mr Bell): Mr Speaker, I am pleased to confirm that Isle of Man Film is in receipt of the draft report prepared by Oxford Economics. The report is being checked for accuracy in terms of overall detail and a final draft is imminent. It is currently proposed that the final report will be made available to Members and also to the public in mid June.

90

**Official meetings
Note taking**

95 1.2. The Hon. Member for Douglas North (Mr Houghton) to ask the Chief Minister:

What his Government's policy is in respect of note taking at official meetings between departmental officers and third parties from outside Government?

100 **The Speaker:** Question 2, Hon. Member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.
I beg leave to ask the Question standing in my name, sir.

105 **The Speaker:** Again, I call the Chief Minister to reply.

The Chief Minister (Mr Bell): Mr Speaker, there can be great diversity in the nature of official meetings, so much so that it would not be appropriate for this Government to have one general policy in respect of notetaking at official meetings. It very much depends on the nature of the meeting.

110 All officials should actively consider record keeping in line with the guidance issued by the Chief Secretary's Office in relation to minute taking and recording Departmental decisions. This guidance was recently updated to encompass related Tynwald decisions.

115 In more general discussions with a third party, which are not covered by such procedures, I would expect a discussion and agreement at the start of the meeting about the nature of the records to be kept. As a general rule, and as a good starting point for anyone contacting another organisation, it is appropriate to follow the recommendations of the Select Committee on KSF that all significant exchanges with third parties by officials of public sector organisations should be noted or recorded. This should obviously be done in a manner appropriate to the circumstances of each particular case.

120 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

125 I would generally support what the Chief Minister is saying, but is he aware that there is a growing policy around Government where, as he has just said, the general discussion at the start of the meeting is where a very strong hint is given for notes not to be taken, and that, of course, then negates those third parties, at some later date, from accusing those Government Departments of prevarication?

130 Can I ask the Chief Minister if he would kindly put a circular out to the effect that anybody meeting up with business on official business should be able to take notes?

The Speaker: Chief Minister.

135 **The Chief Minister:** I am very happy to look into that, Mr Speaker. If the Hon. Member could perhaps give me greater detail on what he is talking about, I would be very happy to follow that through and perhaps even meet the Chief Officer to pass on that message.

140 **Mr Houghton:** For which I am most grateful, sir. Thank you.

INFRASTRUCTURE

145 **Road maintenance
Progress and priorities**

1.3. The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Infrastructure:

150 *What progress is being made with maintenance of roads and in what order of priority?*

The Speaker: Question 3. Hon. Member, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.
I ask the Question standing in my name.

155

The Speaker: I call on the Minister for Infrastructure, Hon. Member for Douglas South, Mr Cretney.

The Minister for Infrastructure (Mr Cretney): Thank you, Mr Speaker.

160

In order to be able to properly assess the condition of the highway network and prioritise expenditure, the Department has an ongoing programme for testing to measure the structural integrity and ride-quality characteristics of the roads. Every five years, the strategic and primary roads are subject to deflectograph surveys, in which a load is applied to a road and the deflection measured. This gives an indication of the structural strength of the road and identifies those roads

165

which are in the weakest condition. External factors, such as traffic flows, are then taken into consideration to allow a priority list to be developed.
In addition, every two or three years a further survey is commissioned, in which the strategic, primary and secondary roads are subject to a laser scanning survey, which looks at surface characteristics such as rutting, cracking, surface texture and overall ride quality. Clearly, for drivers, these are issues which are most noticed and give rise to the majority of the criticism of the Island's roads.

170

Taking into consideration the outputs from these two types of survey, together with information relating to developments, improvement projects, accidents and public comment, experienced highway engineers are able to develop a programme of treatments for the network.

175

Fortunately, not all of the network requires reconstruction. However, a significant proportion of it is in a poor state of repair. As I stated previously, in answer to a very similar Question from the Hon. Member at the Keys sitting on 25th October 2011, and have publicly stated on a number of occasions, it is estimated that at least £100 million of work is required to either reconstruct, overlay or resurface roads to bring them up to a good standard of repair, although this would not deal with roads that are structurally sound, but which currently have a ride-quality issue.

180

I obviously recognise that an additional £6 million per annum expenditure to balance the rate of deterioration with the rate of repairs is unrealistic at this stage, so from day one of my taking responsibility for this matter, I clearly recognised the need to properly prioritise expenditure in this area. The particular top priorities I have identified, and which much work has been focused on, are Douglas promenade and the Peel Road in Douglas, and it is recognised that significant resources will be acquired and therefore such works will require to be phased over several financial years.

185

Recently, works to Glencrutchery Road, Douglas, Main Road, Foxdale and Glenlough Dip on the Douglas to Peel road have been completed. Works in the next phase of the Douglas regeneration programme have commenced on Lower Nelson Street and in Ramsey. Regeneration work has now started on Parliament Street. After TT, it is planned to commence work on strengthening New Castletown Road, from Groves Road to Quarterbridge roundabout.

190

Other major maintenance works planned for the current financial year include Main Road, Onchan, Lezayre Road, Ramsey, Cooil Road and Ballacottier roundabout in Braddan, as well as footway renewals in Peel and Finch Road, Douglas. In addition, a programme of £750,000 of surface dressing is proposed for this year, alongside routine and reactive patching work to ensure that roads remain in a serviceable condition.

195

The Speaker: Mrs Beecroft.

200

Mrs Beecroft: Thank you, Mr Speaker, and I thank the Minister for his detailed response.

In relation to 25th October, when this issue was brought forward, he did indeed make reference to the £100 million that was required to bring our roads up to an acceptable standard. I am wondering if the Minister has had time now – given that he had not long been in that Department, he said he was unable to answer as to why they got into that state in the first place. I wonder if he has time now to actually discover why this has happened, given that over the 20 years prior to his tenure, we have had a lot of money in the economy and our roads should have been in a much better state when he took over? *(Laughter and interjections)*

205

The Speaker: Reply, sir.

210

The Minister: The major roadworks which were undertaken immediately prior to me taking office were principally around accident blackspots and safety works and the good thing is that the

works which have been undertaken have proved to be successful (**Several Members:** Hear, hear.)
in reducing the number of accidents and blackspots.

215 There was also a really difficult winter which caused a number of problems and which
unfortunately we are still catching up from in some rural areas in particular.

A Member: Two winters.

220 **The Minister:** Two winters, the Hon. Member advises me.

So, yes, this is a big task of work. It is a Forth Bridge type of work – you start and then you are
around and you are going again – but what I can assure the Hon. Member is, and all other Hon.
Members, if they have any concerns please come to me. In the meantime, they can be assured that
under my stewardship, I will do my best to try and improve the situation.

225

A Member: Hear, hear.

The Speaker: Hon. Member for Ramsey, Mr Singer.

230 **Mr Singer:** Thank you.

Could I ask the Hon. Minister, whilst I understand that major roadworks are undertaken by his
Department, can he tell me how much money is actually spent, is given to *private* contractors to
undertake work during the year. If he has not got that figure, perhaps he could let us have it.

235 **The Speaker:** Reply, sir.

The Minister: Yes, I do not have that specifically, but I am happy to come back to Hon.
Members with that.

240

Local authority elections Guidelines for returning officers

245 1.4. The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Infrastructure:

*What guidelines there are for local authority returning officers when running local authority
elections?*

250 **The Speaker:** Question 4, Hon. Member for Onchan, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.
I beg to ask the Question standing in my name.

255 **The Speaker:** I call on the Minister for Infrastructure, Mr Cretney.

The Minister for Infrastructure (Mr Cretney): Thank you, Mr Speaker.

In answer to the Hon. Member's Question, the local authority elections are regulated through
various pieces of legislation, including the Representation of the People Act 1995, the Local
Elections Act 1986 and also the Local Election Rules 2003, as amended in 2008 and 2012.
Returning officers are provided with copies of this legislation, copies are made available on the
Department's website, and guides are produced and provided for voters and those standing for
elections.

260
265 In addition to the legislation and guidance, training sessions run by the Department are
provided for returning officers to attend, two having recently taken place in February 2012. Also,
the Department's Local Government Unit has been available to provide additional support and
advice throughout the election period.

270 Notwithstanding the fact that the elections are the sole responsibility of local authorities, the
Department will once again be reviewing the election process and discussing with local authorities
any particular concerns in the coming months.

The Speaker: Mr Quirk.

275 **Mr Quirk:** Thank you, Mr Speaker.

I think the Minister has indicated... and I thank him for his comprehensive Answer, but can I ask the Minister, because of the possible low turnout and also some debacles that happened with the returning officers and deputy returning officers, will the Minister be welcoming or asking for views from those new candidates, commissioners or councillors who were re-elected?
(Interjections)

280

The Speaker: Mr Cretney.

The Minister: Certainly, the Department will be engaging with those persons who have been returned at the local authority elections on a range of subjects in the months ahead, Mr Speaker.

285

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

290 Could I ask the Minister, too, what would his view have been – although he is the Minister responsible for local authorities, or it is delegated to another person – of the high-handed attitude taken by some returning officers around the Island when disabled people came to the polling stations who were not actually in the building, but were just outside the building having difficulties?

295 Could I ask the Minister to look into why some returning officers were taking it, which I do not think was to the letter of the law, and would the Minister ask those returning officers who did do this, who would not allow a paper to go downstairs in a building so that a person in a wheelchair could actually vote?

300 **The Speaker:** Minister.

The Minister: Yes, the situation the Hon. Member describes I think is in Athol ward in Douglas. That matter has been drawn to my attention. I think it is completely unacceptable that persons with a disability may have a difficulty in being able to cast their vote, particularly when they made the effort to do so, when so many others did not.

305

Health and Safety regulations Steps to reduce

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1.5. The Hon. Member for Onchan (Mr Hall) to ask the Minister for Infrastructure:

What steps he has taken to reduce the level of Health and Safety regulation affecting business?

315

The Speaker: Question 5, Hon. Member for Onchan, Mr Hall.

Mr Hall: Thank you, Mr Speaker.

I beg leave to ask the Question standing in my name.

320

The Speaker: I call on the Minister for Infrastructure.

The Minister for Infrastructure (Mr Cretney): Thank you, Mr Speaker.

325 In answer to the Hon. Member's Question, Health and Safety legislation is regularly reviewed by the Health and Safety at Work Inspectorate, who maintain regular links with a variety of business sectors on the Island to gauge opinions. The aim of these reviews is to ensure the right balance between delivering sensible measures of Health and Safety and the needs of employers and businesses on the Island.

330 I can advise the Hon. Member that the Head of the Health and Safety at Work Inspectorate is currently engaged in a top-to-bottom review of current legislation and regulations which relate to occupational Health and Safety, the overall objective being to develop a legislative system that is easy to understand, simple to comply with and effective in terms of promoting sensible standards of risk management.

Specifically, work is at an advanced stage to allow consultation to commence on the merit of revoking two pieces of legislation relating to the construction sector. This consultation is

335 programmed to start before the end of June 2012 and is intended to lead to the removal of the
Construction (Health and Safety) Regulations 1985 and the Construction (Head Protection)
Regulations 1999. There is no need for this legislation, as equally effective legislation is already in
place to ensure adequate standards of head protection. These Regulations also focus emphasis on
construction activity and deflect attention from the need to protect heads in other sections.

340 In terms of the ongoing widespread review, meetings have already been held with the Attorney
General's office to allow work to commence on seeking opinions on proposals to replace outdated
and ineffective legislation with a proportionate risk-based framework which will support
businesses and employers in identifying the risks specific to their own business and in applying
commonsense measures to control them.

345

The Speaker: Mr Hall.

Mr Hall: Thank you, Mr Speaker, and also the Minister for his comprehensive reply.

350 I appreciate that good Health and Safety is vitally important, but does the Minister share my
concerns at legislation designed to protect people from major hazards has been extended
inappropriately to cover all walks of life, no matter how low risk? Does he agree that we need to
get back to a commonsense approach and thereby cutting businesses free in the Island to
contribute to growing the economy, rather than being shackled and then fearing unnecessarily
prosecution?

355

The Speaker: Minister.

The Minister: I agree with all the Hon. Member has said there. I agree with the starting point
that Health and Safety is important, particularly in various work places, but it needs to be a
common sense approach. That has been the message in the discussion that I have had with the new
Health and Safety Senior Officer and the Hon. Member for Castletown, Mr Ronan, has been
delegated responsibility to work with him in terms of... and I value the experience the Hon.
Member for Castletown has in the real world in terms of such matters.

360

365 Can I inform the Hon. House that presently under review for possible revocation are 26 pieces
of Health and Safety legislation and there are eight which we clearly definitely need to keep and
retain. We are going to consult, obviously, on this. It is a balance, but what we want to have first
and foremost is a commonsense approach.

370

The Speaker: Mr Hall.

Mr Hall: Thank you, Mr Speaker.

375 Can I ask the Minister what his view and opinion is of one of the key recommendations in a
recent Löfstedt Review on Health and Safety regulations that self-employed business people who
do not endanger the lives of others in the course of their activities should be excluded altogether
from Health and Safety regulations? Does he think this is something that he would be happy to see
in the Isle of Man; and if not, why not?

The Speaker: Minister to reply.

380 **The Minister:** I am not sure that I can give an instant answer on that. I would need to think
about that, Mr Speaker, or would need to have advance notification. There are pluses and minuses
in all things, and if the Hon. Member would bear with me I will obviously look into the matter
which he has raised and obviously, if it applies elsewhere, will look at that.

385

The Speaker: Mr Hall.

Mr Hall: Thank you, Mr Speaker.

390 The Minister has confirmed that there are 26 pieces of legislation that are going to be taken
out. The UK coalition government has given a commitment to reduce Health and Safety regulation
by 50% by 2014. Can the Minister please confirm what percentage the reduction target is for the
Isle of Man and the associated timeframe?

The Speaker: Minister.

395 **The Minister:** I did not say – and I want to make this clear – that we were going to take them

400 out. What I said was they are *possibly* going to be revoked and they are under review. Obviously, we would want to engage with the private sector for their views, and obviously also with workplace representatives in relation to this matter. In terms of the figures, in terms of Isle of Man Health and Safety legislation, the ones that we are currently reviewing, there are 26 items, and the ones which are essential to be retained or updated are eight. So I actually think that is a better figure than the United Kingdom, but there is a job of work to be done in the time ahead to see what is appropriate to be revoked and what must be retained.

405 **The Speaker:** Mr Quirk, Hon. Member.

Mr Quirk: Thank you, Mr Speaker.

410 Can I ask the Minister, would it be possible if the person who is in charge of the new Department, who I met when I was in the Department, to have a briefing with Members; and on the second part of that, if they would pay particular attention, too, to having – which I think has been a blockage, but you may not agree with me – that review, an independent review panel before a prosecution takes place?

The Speaker: Minister.

415 **The Minister:** Again, in relation to the final point, that is something that I am not aware of and obviously you would need to speak to officers about an independent review panel. But yes, I am sure that the new senior officer in charge of Health and Safety would be very happy to engage with Hon. Members and to take on board their views as part of this consultative process.

420 **The Speaker:** A final supplementary, Mr Hall.

Mr Hall: Thank you, Mr Speaker.

425 Is the Minister aware that the state of the average cost of compliance of Health and Safety regulations is more than £4,000 for businesses of less than 50 employees? Does he not agree that this places undue burdens on businesses that operate in low-risk environments, particularly on start-ups? So what can be done to better support them and reduce the burden?

The Speaker: Minister.

430 **The Minister:** I think the point that comes into clear focus here, Mr Speaker, is that on the Isle of Man the vast majority – about 75%, approximately, I think – of businesses operating on the Island are small businesses, so we have to be very well aware of the burdens and being careful to ensure that they have the opportunity to flourish, whilst at the same time protecting not only their employees but those that they may come into contact with. So it is a balancing act, but yes, I think there is work to be done here which can improve the situation.

SOCIAL CARE

440

Department of Social Care Employment of retired civil servants

445 1.6. The Hon. Member for Malew and Santon (Mr Cregeen) to ask the Minister for Social Care:

How many retired civil servants his Department employs as (a) consultants and (b) in other capacities, how long each one has been employed; what each person costs; and whether in each case the position went out to tender or advertisement?

450 **The Speaker:** Question 6, Hon. Member for Malew and Santon, Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

I beg leave to ask the Question standing in my name.

455 **The Speaker:** I call on the Minister for Social Care, Mr Robertshaw.

The Minister for Social Care (Mr Robertshaw): Thank you, Mr Speaker.

460 In respect of part (a) of the Question, my Department employs one former civil servant who has been providing consultancy services on a part-time basis over the past four years. This consultancy involves project management of several key capital housing projects. My Department has only three professionals to manage the public sector housing capital programme, so the ability to draw on additional professional assistance, when required, is a flexible and cost-effective way to meet needs as it avoids having to recruit additional permanent staff.

465 Advertising and tendering of consultancy services is not a requirement of the Procedures Note for Capital Schemes. The established procedure is to select consultants who provide the best combination of quality, experience and price. The consultant to whom I referred to earlier, is engaged on an hourly rate, which is well within the acceptable range set out within Treasury's capital projects unit guidelines.

470 In respect of part (b) of the Question, my Department does not directly employ any other former civil servants. Staff resigning from the Civil Service for whatever reason may subsequently take up employment in the private or third sector. Their previous status as a civil servant does not restrict their employment from organisations engaged by Government Departments. Therefore my Department does not keep a record of the previous Civil Service status of the staff working indirectly, who are employed by private or third sector organisations contracted to the Department, nor do I see any reason so to do.

475 Thank you, Mr Speaker.

The Speaker: Mr Cregeen, a supplementary.

480 **Mr Cregeen:** Thank you, Mr Speaker.

Does the Minister think it is appropriate, or possibly a little bit too cosy, when the person has taken retirement, that is then taken up by the person who has replaced him? Is this not a little bit cosy for him?

485 Will he please answer the other part of the Question about what is the cost?

The Speaker: Minister.

490 **The Minister:** Mr Speaker, I take a completely opposite view to the questioner here, in the sense I would draw the Hon. Member's attention to the fact that Government now is under *intense* pressure to downsize and that process will go on remorselessly in the years ahead. I think the days when Departments of Government can staff up to maximum demand points is over, and more and more the pressure will come on Departments to deliver with smaller and smaller teams. I therefore think that there is a significant advantage to having a few retired ex-members of Departments available for part-time consultancy work, to be bought in when necessary and then to leave. I think that is an *entirely* healthy situation.

The Speaker: Mr Cregeen.

500 **Mr Cregeen:** Mr Speaker, I wonder if you would... under Standing Orders, Mr Robertshaw has *not* answered the Question correctly that says 'costs'. He has still not come out with costs, which is quite clearly down in the Question.

Also, is it not correct that this officer is employed on 30 hours a week and this post should be advertised as it is too cosy?

505 **The Speaker:** It is up to the Minister how he answers the Question, of course.

510 **The Minister:** Well, Mr Speaker, I am not sure whether the Question submitted is a generic question on generalities, which I have answered, or whether he has been specifically making a question about a given individual. My position on the floor of the House discussing individuals is clear and was before the General Election, that I am uncomfortable and I find it distasteful focusing on particular individuals in the way that he wishes to do so.

As regards the cost matter, I have indicated to him that it is within the bounds laid down; otherwise he needs to discuss those bounds with Treasury and not me.

515 Thank you, Mr Speaker.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

520 Could I just ask the Minister what is – a direct question to you – the hourly rate the individual is getting? Does he not think that a part-time basis of four years is not a part-time position?

525 Could I actually draw the Minister's attention to the part-time position which was carried over in the Department of Infrastructure by Mr Gawne at the time, and that Mr Hannay, and I do not think he will mind me mentioning it... He was for a short-term period and it was less than 18 months. Does the Minister not agree that we need to make sure that people are introduced into the industry and by just clogging up the system with this particular individual, whoever he or she is... and at the end of the day Members do have an indication of what the costs are, or should have the costs?

530 **The Speaker:** Minister.

The Minister: Mr Speaker, with respect, I do not think the hon. questioner has listened to anything I have said. First of all, I refer with regard to the matter of cost, to Treasury outlines and I am not going to discuss the individual amount being paid to one particular person.

535 As far as my Answer to the generic Question, the overall principle of using ex-employees to bolster staff when there is a need there, because the numbers of staff that we will be employing in the future in Departments right across Government will be reduced and there will be stress points increasingly. We have got to find ways to support our staff when those occasions arise.

540 **The Speaker:** Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

545 The Minister still refuses to answer the question properly, where it says 'cost' and does this not open up the whole point, that when somebody applies to take over a position, they are fully aware what that job entails? Then for the person who is left to carry on doing part of that work, surely that means that the director is not carrying out their own work on the job that they apply for?

The Speaker: Minister.

550 **The Minister:** Mr Speaker, I completely disagree with the sentiment being expressed here. I am quite clear and satisfied that the full-time members of my team are under considerable pressure and doing an excellent job and I am completely at ease with this sort of arrangement. Remember these consultants coming in, this *one* person in this particular instance, is not subject to further pension requirements; we do not pay holiday pay, we do not pay sick pay and when the need for that person to no longer be with us arrives, then they are no longer employed. I think that is healthy.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

560 Could I ask the Minister, then, two things: is he an employee of your Department, or is he an employee of Treasury or the Department of Infrastructure; and could I ask what are the terms and conditions this individual is under regarding this operation?

565 How can the Minister say that we are getting good value for money when the Minister does not even tell us what that value is?

The Speaker: Minister to reply.

570 **The Minister:** Mr Speaker, I am going to have to ask the Hon. Member to take my word for it. I am the Minister. I am content that it is a job well done. If I can give you an example, Departments are under pressure to deliver the highest possible return on their capital projects: my Department has the highest return. We are achieving 100% of our capital projects and we are proud of that, and I thank the individual concerned, whom we are not naming here, for his contribution.

575 **The Speaker:** Hon. Member Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.

Why didn't the Minister, if he felt there was a problem with the way in which the Question was

580 couched on the agenda, take up discussion with yourself? Is he satisfied that it does, in fact, comply with Standing Orders? In the interest of openness and transparency, if he will not give the Answer now, will he agree to circulate it in writing?

The Speaker: Minister.

585 **The Minister:** No, I will not, Mr Speaker.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

590 Could I ask the Minister, then... Could he answer direct questions from me, then? Is the person self-employed? Does the person run a company? Does the person then have public liability? Could he tell me what those figures are? Does the person use any facilities within the Government structure, or is he running it from his own dwelling?

595 **The Speaker:** Minister.

The Minister: Mr Speaker, I am getting increasingly uncomfortable with this line of questioning. I am satisfied that the arrangements meet all the requirements as laid down by Treasury, and I would ask him to take my word for it.

600

The Speaker: Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

605 Will the Minister provide the number of hours that this individual has worked for his Department for the last four years? How does he know if he has not got [*Inaudible*] through the private sector, who probably would provide their own premises as this individual is no doubt using his premises and his equipment and staff in there, will he make sure that this actually is done properly?

610 **The Speaker:** Minister to reply.

The Minister: The process was done properly and I again defend absolutely the right of a Department when it is working to 100% capacity (*Interjection*) with regard to its... (*Interjection*) with regard to the team involved, that they can call well-known, respected, experienced expertise into use and I defend it completely.

615

The Speaker: Hon. Members, I wish to draw attention to Standing Order 3.4.3(7), that a Question shall not reflect on the character or conduct of any person, or make or imply a charge of a personal nature. (**A Member:** Hear, hear.) It seems to me that the line of questioning, which is entirely proper, nonetheless is beginning to impinge on this particular Standing Order.

620

I would also make it clear that the Minister did not under Standing Order 3.4.4 decline to answer or refuse to answer questions. I am quite satisfied that the Minister is answering questions in the way he considers appropriate. I wish to make that clear also, that there is no question of the Minister not complying with Standing Orders in his answering of the question. So if there are further lines of questioning along the line I have referred to (*Interjection Mr Quirk*) I would ask Members just to be very careful.

625

Mr Quirk, did you wish to comment further?

Mr Quirk: Thank you, Mr Speaker.

630

Can I ask the Minister, we have not had an indication where this contract is held, so please could he give the Department that actually holds the contract, the terms of reference to this particular contract? Can I ask, if he is the Minister responsible for this person, then has he seen the indemnity policy which covers them for any work or activities that are done, to protect the public purse, Mr Speaker?

635

The Speaker: Minister.

The Minister: I would be happy to give a written answer on those two points, Mr Speaker.

640 **Mr Quirk:** Pardon?

The Speaker: Minister, could you repeat your answer, please?

645 **The Minister:** Yes, I would happy to give a written answer on those two points, Mr Speaker.

**Pulrose Farm
Pre-agreement checks on developer**

650 1.7. The Hon. Member for Malew and Santon (Mr Cregeen) to ask the Minister for Social Care:

655 *Whether the Department of Social Care has entered into an agreement with the developers of Pulrose Farm; and if any contract was entered into what financial checks were carried out on the company?*

The Speaker: Question 7, Mr Cregeen.

660 **Mr Cregeen:** Thank you, Mr Speaker.
I beg leave to ask the Question standing in my name.

The Speaker: I call on the Minister for Social Care, Mr Robertshaw.

665 **The Minister for Social Care (Mr Robertshaw):** Thanks, Mr Speaker.

The Pulrose Farm site was acquired by the developer from Douglas Borough Council following a tender process which took place in 2006. A condition of the sale of the land was that the whole site should be developed for affordable housing. The developer subsequently received planning approval for housing, subject to the developer entering into an agreement under section 13 of the Town and Country Planning Act 1999 to guarantee the provision of affordable housing for sale to first-time buyers, subject to conditions agreed with the Department of Social Care and the Department of Infrastructure.

670 The section 13 agreement was executed by all parties to the agreement, which included the Department of Infrastructure and my own Department. In consequence, I can confirm that the section 13 agreement does contain a clause which states:

675 *'If the Department of Social Care fails to provide a nominee for any affordable housing unit within six months of an affordable housing unit being completed, in the first instance the Department shall purchase the affordable housing unit, provided that such purchase shall be made on written application of the owner.'*

680 The purpose of the clause is to ensure that all housing developed on this site under the current planning approval will be made available for affordable housing. Given the changes to the economy in the last few years and the downturn in the private housing market, this assurance has also provided the developer with a guaranteed market for the houses, enabling him to progress the scheme with certainty.

685 Having considered the matter carefully, my Department and the Treasury were satisfied that entering into the agreement, including this clause, was in the public interest and posed no material risk to public funds. The development risks rest solely with the developer. Additionally, there is no substantive risk of the units remaining unsold as there continues to be a very strong demand for suitable properties for first-time buyers, particularly in the eastern sector. There are currently 715 persons on the first-time buyers' register who have expressed a first preference for properties in the Douglas area, where there are very few opportunities to purchase affordable housing currently.

690 This opportunity for first-time buyers is available as a result of the developer obtaining the site and planning approval to build homes at a time of his choosing. My Department has had no part in the selection of the developer or the timing of the works to build these homes, but has taken the opportunity to work with the landowner and developer to match the purchasers with properties.
695 This is not a Government capital project where the homes are being procured through a traditional building contract or development agreement, or both, but as an outcome of a planning approval.

700 My Department would have no requirement to carry out financial checks on the developer in these circumstances, although I can confirm that it did collect such data prior to the completion of the draft section 13 agreement. The successful execution of the section 13 agreement was a

prerequisite of the planning approval granted for the development, which commenced on site in the autumn and is now well advanced.

705 Hon. Members may be interested to know that the first eight completed properties, out of the total of the full 36, should be available for occupation by first-time buyers this summer, and the Department has received very considerable interest from potential purchasers whose names are included on the first-time buyers' register. The Department does not expect that there will be any difficulty in providing nominees for all these properties, as has proved the case on all previous developments of first-time buyers' homes built to the Department's approved standards.

710 Mr Speaker, I consider this a really good news story and I am grateful to the Hon. Member for giving me the opportunity to draw attention to it. I commend the efforts of all those involved in bringing this scheme to fruition and trust that all Hon. Members will want to join me in wishing the first-time buyers every happiness in their new homes. (A Member: Hear, hear.) It will be good to see more such schemes in the future.

715 **The Speaker:** Mr Cregeen, supplementary.

Mr Cregeen: Thank you, Mr Speaker.

720 My concern is, does the Department often go as guarantor for such developments, because if for any reason, the market fails, or some of these first-time buyers do not consider these appropriate dwellings, the Department has put Government in a possible liability of £5.4 million. Is he happy with that and was that made aware to the Treasury Minister, if none of these properties were sold?

725 **The Speaker:** Minister.

The Minister: Mr Speaker, that is a hypothetical situation, because we have absolute confidence that the sales will take place and I think it is very important for Government to become as imaginative as it can possibly be (Mr Shimmin and another Member: Hear, hear.) to deliver good homes to young first-time buyers and I am delighted to be part of the process.

730 I should point out as well, that this sort of special arrangement is unusual, although not without precedent, and it applies where, in this particular instance and I would draw the Hon. Member's attention to it, that this was a site containing 100% affordable housing and therefore had particular concerns with regard to the viability for the developer and I commend them for going ahead with it. I hope that all those people who take up the houses are pleased with them.

735 **The Speaker:** Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

740 Could I ask the Minister then regarding the section 13 of the agreement, which is including this special clause, could he indicate to this House how many of these agreements have actually been in existence? Is this the first one, that is what I am asking as the Minister and will he provide us with a copy, the Members of the House, this section 13 agreement?

745 **The Speaker:** Minister.

The Minister: By all means, Mr Speaker, if the Hon. Member wishes to see a section 13 agreement, I am sure it is readily available. I did say just before, to answer the question which he asked me, because I had already answered it, I said it did not set a new precedent. There have been two others: Foxdale, where there were 17 houses; and Cronk Grianagh where there were 16. So this is an ongoing process and I am pleased with it.

The Speaker: Hon. Member, Mr Karran.

755 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that it is very concerning in this Hon. House, the way that Members are not waking up to the present economic problems (Laughter) that we have –

Mr Cregeen: That was six months ago!

760 **Mr Karran:** Would the Minister not agree, that is why I am in Government now? I did not need – (Interjections)

The Speaker: Hon. Member, before we go any further, I am not going to have Members of this House berated and reflected upon as to their character. (**Mrs Cannell:** Hear, hear.)

765 **The Speaker:** Could we stick to the Question on the Paper?

Mr Karran: I hope they will stand up for me, it would make a nice change for me to have that luxury.

770 **The Speaker:** Would the Minister not agree that the fact is that we have got to be looking at imaginative ways of using other people's money, in order to develop the economic activities, allowing for the increase in the problems that we have with the building industry at the present time?

775 **The Speaker:** Would he also not agree if it makes it viable to get this sort of investment going in the private sector by having to cover by guarantee in order to create those employment opportunities, as well as housing facilities, then this is the sort of thing that is going to have to be done, in order that we try and realise that we have got to balance our budget and that we have lost a third of our income?

The Speaker: Minister to reply.

780 **The Minister:** I am highly supportive of the Minister's position.

The Speaker: Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

785 **The Speaker:** I am not criticising the development. All I am concerned about is how the Department has put Government at risk of possibly £5-plus million. To put the Minister for Education, Member for Onchan, you could say 'Was the MEA imaginative?'

790 **The Speaker:** That was a comment, not a question.
Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Mr Karran: Read *Hansard*!

795 **The Speaker:** Mr Quirk, you have the floor.

Mr Quirk: Thank you, Mr Speaker. Yes, courtesy would be nice in the House, sir.

800 **The Speaker:** Can I ask the Minister then, regarding this particular development, what checks did he, as the Minister for Social Care, or his other colleagues in the Council of Ministers – and I am sure Mr Karran is one of them... He maybe endorsed the particular project.

The Speaker: Could I also ask, is the development normally covered by an NHBC insurance certificate, which is a condition normally done when Government gets involved?

805 **The Speaker:** Reply, sir.

The Minister: Mr Speaker, I am beginning to wonder whether the Hon. Member is actually listening to my answers. May I take him back to what I –

810 **A Member:** Tell him it slowly!

The Minister: I speak slowly enough.

Mr Quirk: Tell me.

815 **The Minister:** My Department... Let me repeat for the Hon. Member, because he keeps asking me questions I have already answered. My Department would have no requirement to carry out financial checks on the developer in these circumstances, although I can confirm that it did collect such data prior to the completion of the draft section 13 agreement.

820 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that the scenario between

825 this financial project and the project of the MEA are so different as far as (*Interjections*) the issue is concerned? And would he make certain then – to the Hon. Member for Malew and Santon – that the *Hansard*, where repeatedly this Hon. Member stood almost alone in this House and the other place on that issue...? Can he assure this Hon. House that we have got to look at more imaginative ways of getting other parties to spend money in order to try and reduce this need of dependency on the Government purse to keep the economy afloat?

830 **The Speaker:** Minister, you are not required to answer any aspects of the MEA in your answer.

The Minister: All I would say is that I think we are trying to be imaginative and that process will continue.

835 **Mr Karran:** Hear, hear.

The Speaker: Mr Quirk.

840 **Mr Quirk:** Thank you, Mr Speaker.

To be helpful to the Minister, I will repeat one of the questions I did ask regarding an NHBC certificate, which is a requirement, which covers those individuals who may buy these particular properties so they know that in the future if something happens to the company in the future that the building then is covered by insurance for themselves? The first-time buyers: would he not agree with me, Minister, it is a duty for us to cover those first-time buyers and make sure those first-time buyers are covered for the future?

845 **The Speaker:** Minister to reply.

850 **The Minister:** Mr Speaker, thank you.

I am very, very pleased and happy indeed to agree with the hon. questioner's points, and again, I am happy to confirm that that will be the case to him if he wishes me to.

Mr Quirk: He has not mentioned if they are not covered by the NHBC.

855 **The Minister:** Mr Speaker, I have just said I will answer the question.

The Speaker: Please, now...

860

**Mobility allowance
Age guillotine for new claimants**

865 1.8. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Social Care:

Whether his Department operates an age guillotine for new claimants in respect of mobility allowance; and, if so, what the reason for this is?

870 **The Speaker:** Turning now to Question 8, Hon. Member for Douglas North, Mr Houghton.

Mr Houghton: I thank you, Mr Speaker.
I beg leave to ask the Question standing in my name, sir.

875 **The Speaker:** Minister for Social Care.

The Minister for Social Care (Mr Robertshaw): Thank you, Mr Speaker.

In responding, I have assumed that the Hon. Member's reference to 'mobility allowance' should, in fact, be the mobility component of Disability Living Allowance. Disability Living Allowance was introduced in 1992 and is paid on a universal basis. It has two components: a care component and a mobility component. A person aged 65 or over is not entitled to Disability Living Allowance unless they claimed it and met the disability criteria for that benefit before their 65th birthday. Where the latter applies, they can continue receiving Disability Living Allowance

885 beyond age 65 at the level they were entitled to immediately before turning 65, provided they
continue to meet the disability criteria.

A person aged 65 or over who has care needs and is not in receipt of Disability Living
Allowance can claim Attendance Allowance instead. Attendance Allowance is also paid on a
universal basis. The provision on the Island for Disability Living Allowance and Attendance
890 Allowance mirrors those having effect in the United Kingdom in order to maintain reciprocity. We
do offer support to the over-65s with mobility problems on a means-tested basis through our
Income Support Scheme. The disability criteria for the Income Support mobility premium are the
same as those for the mobility component of Disability Living Allowance, save that a person is not
eligible for it if they live in a residential or nursing home. There is no equivalent to the mobility
premium in the United Kingdom's welfare programme. Around 330 people who receive Income
895 Support currently benefit from the mobility premium at a cost of over £¾ million a year.

Thank you, Mr Speaker.

The Speaker: Mr Houghton.

900 **Mr Houghton:** Thank you, Mr Speaker.

Can I ask the Minister if he would take back to his Department the points he has made in his
opening remarks, which do not appear to cover what is required when somebody who requires to
be in receipt of the mobility allowance of DLA, who requires the help and support, when they fall
ill or fall disabled after that, by offering up a means-tested income support and other issues are not
905 the key to the door that the mobility section of the DLA provides. The vitally important point that
is being missed here, Mr Speaker: what are the Minister's thoughts on that, sir?

The Speaker: Minister to reply.

910 **The Minister:** Thank you, Mr Speaker.

I do believe we are trying our best to cover the front as best we can. I hope I am answering the
question correctly and if I am not, no doubt the Hon. Member will come back to me, but to make
the concept of this allowance generally available to all those over 65 in the way we would, we do
for those prior to 65 and then carrying through if they claimed before that age, would impose upon
915 Government very considerable costs, which I think it would find very difficult to meet. Otherwise
we do what we can with the arrangements we have got, which exceed those in the UK.

The Speaker: Mr Karran.

920 **Mr Karran:** Vainstyr Loayreyder, can the Shirveishagh circulate the dates of the regulations
as far as the existing Mobility Allowance is under the existing system? Would the Shirveishagh be
aware that, several years ago, when we were in good economic times, we brought in the initiative
of the means-related Mobility Allowance as an initiative to a caring and prosperous society? Can
he circulate the dates so that Hon. Members are aware of that, and also the fact that, as far as I am
925 aware, as a former Member of the DHSS, the age cut has been standard practice for the last 20
years?

The Speaker: Minister.

930 **The Minister:** Mr Speaker, I would be happy to circulate that information to Members.

The Speaker: Mr Houghton.

935 **Mr Houghton:** Thank you, Mr Speaker.

Can the Minister confirm that this allowance is the key to the door to other entitlements for
people with disabilities in order for them to live at a later age? Can he confirm that his knowledge
is identical to mine on that particular area, sir?

The Speaker: Minister.

940 **The Minister:** Mr Speaker, I believe it is, but I am more than happy to meet with the Hon.
Member to look at cases where he would challenge that as being the case.

Mr Houghton: Final supplementary, Mr Speaker.

945 If the Minister can confirm that, then does he not see that Attendance Allowance is not a replacement benefit, because the key to the door, the key in the receipt of this particular benefit, does not allow that particular person to go on to receive other entitlements and that is the crux of this matter and would he agree with me, Mr Speaker, to take this away back to his Department?

950 **The Speaker:** I think you have indicated you would, Minister?

The Minister: Indeed, I would, Mr Speaker.

955

**EMI Unit Deputy Manager
Offer of relocation package**

960 1.9. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Social Care:

Why his Department has advertised the post of Deputy Manager of an EMI unit with a relocation package for any successful off-Island candidate?

965 **The Speaker:** Turning now to Question 9, again, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.
I beg leave to ask the Question standing in my name, sir.

970 **The Speaker:** Minister for Social Care to reply.

The Minister for Social Care (Mr Robertshaw): Thank you, Mr Speaker.

975 It is a requirement for the postholder to be a registered mental nurse with appropriate experience. My Department has found it very difficult to recruit such nurses as there are insufficient suitably qualified people on the Isle of Man. We have also had difficulty recruiting from off the Island due to the costs involved in relocating to the Isle of Man. This is an essential post and we are endeavouring to ensure that it is filled promptly. We have already offered this post internally, including to the staff at Glenside. Unfortunately, there are no suitable internal candidates. As a result, external recruitment is our only option in order to fill this important post to ensure we can continue to deliver our services to the elderly mentally infirm.

980 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

985 The Minister has just made his opening remarks, which I think myself, and many other people in this Island find hard to understand, he has leant towards the redeployment register, but, Mr Speaker, there are numerous people, who would qualify for this, already working in Isle of Man Government and could be redeployed into this post. Can the Minister take *that* back to his Department to see whether what he is dishing up to us today is indeed accurate?

990 **The Speaker:** Minister.

The Minister: Mr Speaker, what I am 'dishing out today' is accurate and I only wish that the sentiments expressed by the questioner were actually true, that there were a lot of people available for this post in the way he describes. I just wish it were true.

995 I just need to point out to him that EMI services positions generally are graded at a band lower than similar posts in mental health services and therefore attract an annual salary that is typically £5,000 less. It is very much easier, although not that straightforward to fulfil acute, community, child, adolescent and mental health teams, it is particularly hard to fill EMI posts and I hope he accepts that with a sincerity that I express the view.

1000

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

1005 Can the Shirveishagh confirm that when he states that this position was advertised to the likes of Glenside staff as a redeployment opportunity, in fact it would be wholly inappropriate to those

staff because it is asking for a registered nurse qualification, none of which I believe exist within Glenside, as it is residential care?

1010 Can he also confirm, given the considerable interest in this now, that when he says about internally advertised, in fact the post was internally advertised at places more appropriate, such as Noble's Hospital and mental health areas where people with the relevant qualifications exist?

The Speaker: Minister.

1015 **The Minister:** Thank you, Mr Speaker.

With regard to the first part of the question, I agree with the questioner. There was one person at Glenside not fully qualified, but whom we did encourage to consider upgrading and the person concerned chose not to wish to do so.

1020 With regard to the second part of the question, I cannot confirm that it has been advertised at the hospital, but I am happy to come back to him on that one.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

1025 Could the Minister possibly give us an indication of what the cost would be for a relocation package for any individuals coming from elsewhere and the timescale for the repayments?

The Speaker: Reply, sir.

1030 **The Minister:** I am happy to circulate that information, Mr Speaker.

The Speaker: Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

1035 The Minister mentioned earlier that he cannot confirm whether this particular post had been advertised at Noble's or not.

The Minister: No, I didn't.

1040 **Mr Houghton:** Would the Minister be good enough to look into this matter and find out whether it was indeed advertised at all anywhere within Government; and, if it was, what responses there were? I would be grateful for that, sir.

The Speaker: Reply, sir.

1045 **The Minister:** Mr Speaker, I am aware that it was advertised in a number of areas. I cannot confirm that it was advertised in all the areas that were mentioned, but I am happy to seek guidance as to whether that was the case and come back to Members.

1050 **Mr Houghton:** Thank you.

ENVIRONMENT, FOOD AND AGRICULTURE

1055 **Douglas Rifle Club**
Loss of Drill Hall

1060 1.10. The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Environment, Food and Agriculture:

If he will make a statement on the loss of the Drill Hall, Peel Road, by the Douglas Rifle Club?

The Speaker: We turn now to Question 10. Hon. Member for Onchan, Mr Quirk.

1065 **Mr Quirk:** Thank you, Mr Speaker.
I beg to ask the Question standing in my name, sir.

1070 **The Speaker:** I call on the Minister for Environment, Food and Agriculture, Mr Gawne, please.

The Minister for Environment, Food and Agriculture (Mr Gawne): Gura mie eu, Loayreyder.

1075 Following the relocation of the main building use in 2008, the Department proposed to sell the building, which is valued at around £300,000, subject to vacant possession. Therefore, almost two years ago, the Department served notice on the club, who used the basement and pay an annual rent of 25 pence.

Despite subsequent extensions to allow more time to find new premises, 18 months later they continue to seek occupancy and this risks delaying the sale.

1080 Gura mie eu.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

1085 Could I ask the Minister – it was a brief little intro in that – would the Minister not agree with me, although there may be a peppercorn rent on it, that the club itself, which is the Douglas Rifle Club and also the Sandsiders, have spent a considerable amount of money actually upgrading it only recently? Would the Minister confirm that?

1090 **The Speaker:** Reply, sir.

The Minister: Gura mie eu, Loayreyder.

1095 What I will confirm is that Government is suffering quite some severe financial difficulties at the moment. We have a potential for a £300,000 sale. We have given nearly two years' notice now. We are still prepared to give a further six months' notice to the club and I feel we have been entirely reasonable in this and quite frankly, at 25 pence a year as opposed to the £300,000, which Government could get, I think it is a fairly straightforward and simple decision for the Department to take, regardless of how much the club may or may not have spent.

1100 **The Speaker:** A supplementary.

Mr Quirk: Thank you, Mr Speaker.

1105 I do not wish to get into an argument. At the end of the day, I hope the Minister does appreciate – and surely the Minister for sport would, Mr Crookall, the Hon. Member for Peel – that a loss of a facility which has one of the national and international individuals who does train there and the reliance the Government does have on its sporting activities on there...

1110 All I am asking is would the Minister then have some discussions with the Minister for sport, and maybe with the club, to see if we could come to any additional compromises for the future? Can the Minister confirm is it imminent that there is a sale of this particular building, considering it is virtually on a cliff face and the stilts do look a bit unstable?

The Speaker: Reply, sir.

The Minister: Gura mie eu, Loayreyder.

1115 As I understand it, the sale is imminent. I certainly understand from the estates manager in the Department of Infrastructure that talks in terms of sale of the property have been progressing extremely well.

1120 No, I will not talk to the Minister for sport. It is a pretty sensible, straightforward issue, as far as my Department is concerned, and I cannot imagine that the Minister for sports is going to suggest that we give up £300,000 and accept 25p from the Rifle Club, which has already been in discussions for some considerable time with the Department and is proposing to build a new facility; but this new facility will be built, I think, in about two years' time.

1125 We have done our best to work with the club and will continue to do our best to work with the club, and provided we do not have a sale, then the club will be in a position to occupy the premises, but we expect to have a sale shortly and it would be wholly inappropriate of us to hang around even further, gaining this extra 25p a year, when we could be making £300,000, which is much needed for Government purposes.

The Speaker: Final supplementary, Mr Quirk.

1130 **Mr Quirk:** Thank you, Mr Speaker.

I am disappointed, if I could say, that the Ministers cannot talk to one another. I was not actually saying that they should be giving guarantees there. What I was asking for both Ministers to get together and what we expect from this particular Government, really, is Ministers and Members to help each other out.

1135 Would the Minister not agree that is the point of the exercise here, is there may be other opportunities where the club could possibly relocate? It is in South Douglas and I would have hoped too that the Minister for South Douglas, Mr Cretney, could help as well.

1140 **Mr Cretney:** It is not in South Douglas.

The Speaker: Minister.

The Minister: Gura mie eu, Loayreyder.

1145 I think the Hon. Member for Onchan needs to get up a little earlier in the morning and wash his ears out, because he does not seem to listen to any of the Ministers or any of the answers he is getting this morning.

1150 I said I *will not* speak to the Minister for sport; that is different from 'I *cannot*' speak to the Minister for sport. Of course I *can* speak to him. I spoke to him on Thursday in Council of Ministers when we discussed this Question and at that point, he did not raise any particular concerns about what we were about. So I am not going to speak again to the Minister for sport about this particular issue.

The Speaker: Mr Karran, did you have a final supplementary?

1155 **Mr Karran:** Vainstyr Loayreyder, does the Shirveishagh not agree that, maybe some people are missing the message that came out with the Budget, (**Several Members:** Oh, no!) that we lost a third of our income and would the Minister not agree that maybe he needs to clarify that point when we are talking about the increasing problems we have got with unemployment and the fact that we are trying to develop an economic strategy, which has got to be different from the past, where we could throw money at problems, instead of having and trying to get other people to spend money, in order to make sure we do not go back to what it was 25 years ago.

1165 **The Speaker:** I am disappointed that debating points are being made at this stage. (**Several Members:** Hear, hear.) Minister, you are not required to answer that, unless you wish to.

1170 **The Minister:** I am more than happy to answer. Of course I agree that we are in difficult financial straits, and it is important that all Departments do everything they can to recognise that and that is not to say that we are going to ignore small clubs – or even large clubs – where we can support them, but we have given a lot of support to this club and we will continue to do what we can to support the club; but I do not think the Department could possibly, by anybody, by any sort of reasoning, be described as being anything other than reasonable in this instance.

The Speaker: Hon. Members, we have reached the end of our allotted time for Oral Questions.

1175

**Standing Order 3.5.1(2) suspended
to allow continuation of Question Time**

1180 **The Speaker:** Mr Houghton.

Mr Houghton: Mr Speaker, I beg to move that Standing Order 3.5.1(2) be suspended to enable the remaining Questions for Oral Answer to be taken at this sitting, sir.

1185 **Mr Karran:** I beg to second.

The Speaker: Mr Karran has seconded. We go straight to a vote on this one, electronic voting: 16 votes required in the affirmative to suspend Standing Orders. Please vote now.

1190 *Electronic voting resulted as follows:*

	FOR	AGAINST
	Mr Quirk	Mr Bell
	Mr Hall	Mr Teare
1195	Mr Karran	Mr Watterson
	Mr Ronan	
	Mr Crookall	
	Mr Anderson	
1200	Mr Singer	
	Mr Quayle	
	Mr Cannan	
	Mr Cregeen	
	Mr Houghton	
1205	Mr Henderson	
	Mrs Beecroft	
	Mrs Cannell	
	Mr Robertshaw	
	Mr Shimmin	
1210	Mr Corkish	
	Mr Cretney	
	Mr Skelly	
	Mr Gawne	
	The Speaker	

1215 **The Speaker:** With 21 votes for and 3 votes against, the motion therefore carries.

ECONOMIC DEVELOPMENT

1220

Manx Grand Prix DED support

1225 1.11. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Economic Development:

Whether his Department will announce its unequivocal support for the Manx Grand Prix in the future?

1230 **The Speaker:** We turn now to Question 11. Mr Houghton, please.

Mr Houghton: Thank you, Mr Speaker.
I beg leave to ask the Question standing in my name, sir.

1235 **The Speaker:** I call on the Minister for Economic Development, Hon. Member, Mr Shimmin.

The Minister for Economic Development (Mr Shimmin): Thank you, Mr Speaker.

1240 My Department's recent announcement about the proposals for the future of the Manx Grand Prix Festival provides the detail of how we see the event developing in the future. My Department exists to build a strong and diverse economy on the Isle of Man, and tourism is one sector of the economy in which motorsport events play an important part.

1245 Our proposals for the Manx Grand Prix Festival are designed to eradicate the current deficit by maximising the commercial potential of the event, including growing the number of visitors. They are *not* designed to end the event. My Department wishes to see the event grow and to be sustainable in the longer term, and I believe, Mr Speaker, that the current proposals evidence the Department's support for the event.

The Speaker: Mr Houghton.

1250 **Mr Houghton:** Mr Speaker, taking note of the Minister's comments this morning and the severe concern by interested parties throughout the Island and beyond the shores of this Island, is he not coming to really agree with me that the bases of these proposals are seriously flawed?

Mr Speaker, does the Minister not agree that *disregarding* the Manx Motorcycle Club and

other interested parties and knowledgeable people is a recipe for *absolute* failure in this place?

1255 Does he also agree that his Department *has* disregarded those major consultees – although he did consult with them, they have been *completely* disregarded – and that is the reason why there is a petition, a very strong petition building up against these proposals and a *major* meeting happening at Mount Murray tonight on this very issue?

1260 **The Speaker:** Minister to reply.

The Minister: Thank you, Mr Speaker.

I am disappointed with the tack the Hon. Member is taking, when the whole intent of this is to safeguard and grow an event which is important to the Isle of Man.

1265 It is easy for the Hon. Member to be lobbied by certain individuals, but I would remind him that the proposals coming forward are just that: they are proposals which we believe, based on the evidence we have compiled from a range of areas and people involved in this event, rather than just those who have a vested interest with regard to the Manx Motorcycle Club, or indeed other parties who enjoy the festival as it is now.

1270 My biggest concern, Mr Speaker, remains that we carry with us the support of the hundreds of volunteers required to make both the TT and the Manx Grand Prix such amazing festivals. The information that we have received indicates that there is a strong desire from those who support the event to see change and I think it would be just as easy for the Hon. Member to criticise us, if we did not take notice of all those other parties.

1275 This is an uncomfortable stage for all concerned. It is only a week since the proposals came out and I am personally pleased that the Manx Motorcycle Club are having a meeting this evening, so that they will elicit their members' views across the board. There are many things which we are agreed upon. There are some things in which we still differ, but this is a process we are going through and certainly, if the Hon. Member requires petitions to make his judgement, then I am sure somebody could start a petition with a contrary view and equally get large amounts of support for that.

1280 My Department is all about the economy and we believe this event has a strong future and we want to work with all parties to achieve that.

1285 **Several Members:** Hear, hear.

The Speaker: Mr Houghton.

1290 **Mr Houghton:** Mr Speaker, Mr Shimmin's Department [*Inaudible*] all about failure in this major issue. He mentions hundreds of volunteers in support, when marshals themselves are talking about going on strike this TT, or for the TT Senior Race, to show their strength and the support who want for a real event.

1295 If I can move on, Mr Speaker, and ask the Minister how is he supporting, how is he changing the whole feel of the Manx Grand Prix by supporting classic races, which are serious decline, and killing off newcomers and the whole oxygenation of the Manx Grand Prix by not supporting the Clubman's events in the proper way that they should? That is a significant amount of practising, space for inclement racing days when the weather is inclement, as we say; and also killing off bed nights by reducing the event in the way it is, so really what it will be is just one long weekend.

1300 **The Speaker:** Minister.

The Minister: Thank you, Mr Speaker.

1305 I think the Hon. Member is rehearsing comments that will be made this evening. I am sure they are comments that I have heard in the not-too-distant past over the last seven days and I feel it disappointing that the Hon. Member is regurgitating one side of an argument, whereas my Department is attempting to be balanced on this.

The reality is that he talks and often talks about failure, as if it is almost a self-fulfilling prophecy. I think the negativity by the Hon. Member is disappointing at a time when we are trying to grow and build relationships with all parties involved.

1310 The ideas that are being put forward are in many parts supported by many people, even those who are supporters and marshals within the TT and Manx Grand Prix events. We are aware of some who disagree strongly and their voices are being listened to. I do not believe the floor of this House is the best place for a regurgitation of a prejudiced one-sided view, when it is far better to try and get the balance out, which is to actually try and achieve economic growth so that we can

1315 actually provide some of the services that the Hon. Member and others have been talking about earlier today, sir.

The Speaker: Mr Houghton, I will make this the last supplementary.

1320 **Mr Houghton:** Mr Speaker, how can the Minister stand up and say what he is saying, where he is talking about growing and building relationships, when indeed his Department has *gagged* the Manx Motorcycle Club and put them in an extremely embarrassing situation where they wish to see a future in the Manx Grand Prix, yet they are unable to speak their minds? How can he say that?

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The Speaker: Minister.

The Minister: I am not aware that they have been gagged particularly over the last seven days, Mr Speaker, and certainly comments and supporters of the MMCC are quite successful in getting a message across which seems to be contrary to what the Department is proposing.

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The Hon. Member again makes the mistake of prejudging the outcome of this event and is actually polarising views, when actually there is a lot of common ground. (**A Member:** Hear, hear.) If the Hon. Member would diffuse some of this, rather than the rhetoric of this morning, we may have a chance of working with all parties to actually find a way forward. There are some people who are strongly against; however, he knows that there are some people who are strongly in favour and also there are a lot more people who believe change is beneficial and are working with us to try and achieve that.

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The Speaker: I feel this line of questioning has run its course for the morning.

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Mr Houghton: Mr Speaker, I ask you –

The Speaker: Mr Houghton, you have a final supplementary?

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Mr Houghton: I do have one final supplementary for the Minister. Taking into account what the Minister has said this morning, how confident can he really be when even members of staff at the Department which put all this together are beginning to distance themselves from the whole issue?

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The Speaker: Minister.

The Minister: Mr Speaker, I find, whenever anything gets difficult, some people run for cover. Certainly, I am not aware of any of the officers within the Department. I am aware of some disagreement in political terms within the Department, and those voices have been listened to and will continue to be listened to.

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The reality, Mr Speaker, is everybody in this House believes that we should do more to build tourism to benefit the Isle of Man. (**Mr Houghton:** Hear, hear.) We have two flagship events in the motorsport calendar. We have other motorsport events which are very successful and important, but the TT and the Manx Grand Prix are our flagship events and my Department is looking to grow that. I would look towards the support, or at least the patience of Members whilst we try and succeed in growing tourism, motorsports and the long-term future of the Manx Motorcycle's ambition for the Grand Prix. (*Interjection by Mr Houghton*)

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HEALTH

Free sight tests Intention to abolish

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1.12. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Health:

Whether his Department intends to abolish free sight tests?

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The Speaker: Question 12, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.
I beg leave to ask the Question standing in my name, sir.

1380 **The Speaker:** I call on the Minister for Health, Mr Anderson.

The Minister for Health (Mr Anderson): Thank you, Mr Speaker.
I am happy to remind the Hon. Member of what I said in my speech in support of the Budget on 21st February of this year. I repeated that reply to a Question from the Hon. Member for East Douglas in this House also on 3rd April this year. I stated, and I quote:

‘One of the measures I will be presenting to CoMin for consideration shortly is the issue of eligibility criteria for a number of services, such as prescriptions, eye tests and dental exemption charges.’

1390 I can confirm, as I have said, the Department is in the early stages of considering a range of options in relation to the provision of ophthalmic services in the community, including the availability of free eyesight tests for all. Discussions are underway with the profession, and at present no proposals have been formulated. Should these discussions result in any suggested changes to the current vision-testing policy, then they will be progressed in the normal manner.

1395 I appreciate the Hon. Member may wish to have a speedier resolution to our considerations, but I would urge him to recognise that the consideration of such important matters is best conducted in a thorough and measured manner. It must not be rushed for political expediency.

1400 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.
Mr Speaker, I welcome the Minister’s reply, because it is not what I have heard. So if the Minister could just stand up, once again, and confirm (*Laughter*) that ‘no proposals formulated’, using his words – no proposals at all that are down on paper formulated from his Department. Can he clarify that, sir?

The Speaker: Minister.

1410 **The Minister:** I will read it out again, Mr Speaker.
I appreciate the Hon. Member may wish to have a speedier resolution to our considerations, but I would urge him to recognise that the consideration of such important matters is best conducted in a thorough and measured manner. It must not be rushed for political expediency.

1415 **The Speaker:** Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker.
Why is the Minister continuing to be evasive in this area? (**A Member:** Hear, hear.) He has alluded this morning that in fact he has replied to similar questions in the not-too-distant past.

1420 Can he advise the House this morning when Council of Ministers actually considered the paper he spoke of at the beginning of April, and whether or not changes proposed in there have been sanctioned by the Council of Ministers? Can he explain to the House what he means by if any decisions are taken they will be progressed in the normal way? Can he explain what the *normal way* is for the benefit at least of the new Members in the House? Will they get an opportunity to actually see it, look at it and consider it before, in fact, it is adopted by Tynwald?

1425 **The Speaker:** Mr Anderson.

1430 **The Minister:** Mr Speaker, I am not being evasive. The measures are being worked up in the normal way and the normal way is to progress a paper on any proposals to the Council of Ministers and that is being done at present.

The Speaker: Mr Houghton.

1435 **Mr Houghton:** Just catching the final comments of what the Minister said, when he said he would put his proposals to Council of Ministers and that is what is being done at present. Can the Minister reclarify he has *no* plans to abolish universal free sight tests? Can he just clarify that?

Also can he confirm that there is absolutely no truth whatsoever in NHS sight tests at seven years old, one sight test, then a 38-year gap until age 45 and then a sight test every five years after that to age 70, where it will be once every two years?

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Can he confirm there is any justification in what I am actually quoting here?

The Speaker: Minister.

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The Minister: Mr Speaker, I am refusing to get drawn into the details (**Mr Houghton:** Ah!) of any proposals that have been put forward in the past. However, I have said to the Hon. Member that consideration of measures is being put forward to the Council of Ministers, and in due time a decision will be made on those proposals.

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As far as the Hon. Member is concerned, the status quo, I have said before, is not an option, so all things are being looked at.

The Speaker: Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

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Would the Minister agree with me that free sight tests are not just about sight, (**Mr Houghton:** Hear, hear.) but they actually pick up some very important conditions (**Mr Houghton:** Hear, hear.) that, if they are not picked up early enough, could actually cost his Department an awful lot more than continuing with the free sight tests? It really is a very important issue, which I hope he will take very, very seriously.

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Mr Houghton: Hear, hear.

The Speaker: Minister to reply.

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The Minister: I agree with the Hon. Member, Mrs Beecroft. Sight tests are very important.

The Speaker: Mr Houghton.

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Mr Houghton: Mr Speaker, the Minister is speaking with forked tongue to this House this morning. First, he is saying there are no proposals formulated and then he is making hints that there are plans in the back of his Department that are not meant for being brought forward yet. Can he elaborate on that? Has he spoken to industry professionals? Have any of those been consulted upon this? Can he just put a little bit more meat on the bone, because first he is saying there is no chance and then he is saying there is something behind the scenes? Can he elaborate, sir?

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The Speaker: Minister.

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The Minister: I would like to confirm, Mr Speaker, that we have spoken to what the Hon. Member considers the industry professionals. We speak on a regular basis to representatives from the Isle of Man Association of Optometrists and Registered Opticians. The last meeting took place on 30th April and there is another one planned shortly.

The Speaker: Mrs Beecroft.

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Mrs Beecroft: Thank you, Mr Speaker and I thank the Minister for agreeing that sight tests are very important.

But would he agree to the other bit of my question, which was, will he acknowledge that without these it could actually cost his Department a lot of money? If they abolish free eyesight tests, it could be very costly at the end of the day in the long term.

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The Speaker: Minister.

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The Minister: I put to the Hon. Member that what we have been able to supply in the past, we might not be able to supply in the future, but I would agree with her that eyesight tests are very important. So whatever happens, we should encourage the general public to make sure they avail themselves of the opportunities that we create.

The Speaker: Mr Houghton.

1500 **Mr Houghton:** Mr Speaker, just a final question for clarification from the Minister, when he stated just earlier that his Department has met recently with the industry professionals, that is the opticians. Can he inform this Hon. House, was there any relevance in those meetings to anything that has been asked of him this morning, any relevance whatsoever?

A yes or no would suffice, sir.

1505 **The Speaker:** Minister.

The Minister: Mr Speaker, I am sure you will understand that I will not be going into any details that took place in that meeting between my officers and members of that association, which I did not take part in.

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The Speaker: That brings us to the end of Questions for Oral Answer –

Mrs Cannell: Mr Speaker.

1515 **The Speaker:** Did you have a supplementary?

Mrs Cannell: I did, please, Mr Speaker, a final supplementary for the Hon. Minister.

1520 Can the Minister confirm, when he said earlier the status quo is not an option, that what he is really implying is that all those tests within medicine that take place free of charge to the public will no longer be the case and in fact charges are looking at being introduced? Will he confirm that the statement he has made, ‘the status quo is not an option’, is a clear indication that is what is being considered?

1525 **The Speaker:** Minister.

The Minister: I thank the Hon. Member for her interpretation. (*Laughter*) Quite clearly we have a cost for eye tests alone of over £700,000, rising annually and that is something that we cannot continue to fund in its entirety.

1530 **The Speaker:** Hon. Members, that brings us to the end of Questions for Oral Answer. There is one Question for Written Answer that has been distributed.

1535 **Question for Written Answer**

INFRASTRUCTURE

1540 **Planning**
Compliance with policy re the economy

2.1. The Hon. Member for Onchan (Mr Hall) to ask the Minister for Infrastructure:

1545 *In what cases since 21st February 2012 (i) Government Departments; (ii) planning officers; (iii) the Planning Committee; and (iv) planning appeal inspectors took account of the draft planning policy statement on planning and the economy and his instructions in his Budget speech that when determining planning applications and appeals they should look favourably on applications which may not be in accordance with the development plan or which may not*
1550 *be in strict accordance with the Strategic or Area Plan?*

Answer: All those individuals and bodies whose responsibilities include the consideration and/or determination of planning applications have, in so far as I am aware, been mindful of my contribution to the Budget debate and the draft Planning Policy Statement in the consideration and determination of every application that has been considered since that date. However, the substance of that speech has only been material so far in regard to the determination of the

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1560 application at Ballavartyn Equestrian facility, where in making its decision the Planning Committee has taken account of written advice on economic benefits provided by the Department of Economic Development, alongside other material planning considerations.

Orders of the Day

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BILLS FOR SECOND READING

Company and Business Names etc Bill 2012 Second Reading approved

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3.1. Mr Henderson to move:

That the Company and Business Names etc Bill 2012 be read the second time.

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The Speaker: We turn to Item 3 on the Order Paper, Bills for Second Reading.

The first of those is the Company and Business Names etc Bill and I call on the Hon. Member, Mr Henderson.

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Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

This Bill will apply to every body, corporated or unincorporated, seeking approval to use and register a particular name in the Isle of Man. Some clauses will apply in respect of names that have already been registered.

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This Bill was drafted in response to a recommendation of the IMF. This considered that steps should be taken to address the lack of regulation and legislation surrounding the use of certain words and phrases. The report commented particularly on the words 'bank' and 'banking'. The IMF considered that the use of these words should, as far as possible, be limited to circumstances in which the activities of banking were undertaken. This Bill will replace the existing guidance on sensitive words and expressions published by the Companies Registry with legislation.

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The need to take action to address the IMF's recommendation gave rise to an opportunity. It was considered prudent to review, consolidate and update the existing regime in respect of name approvals across all Acts to which this is relevant. The various Acts to which the existing regime applies span a period of over 100 years. Some of the Acts that will be amended are the Companies Act 1931 and the Partnership Act 1909.

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At its most basic level, the Bill consolidates the existing regime across the various Acts into a single central piece of legislation. The Bill will also redefine the various names given to the person with authority in respect of name approvals. This is achieved through the creation of the role of the appropriate name approval authority. This term will apply across all the relevant Acts. The power is currently delegated to the Registrar of Companies through the Department of Economic Development. This will not change, but the name assigned to the role will change to a single term. Conventions that have arisen over time, such as the ability to reserve a name will be clarified and put into legislation to provide certainty.

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Two new powers are given to the appropriate name approval authority under this Bill. The first of these is the absolute discretion to permit the use of a word or expression in a company name in circumstances where it might otherwise be refused. This is facilitative and could, for example, allow for corporate branding of a group of companies across various jurisdictions, including the Isle of Man. There is a safeguard against the public being misled under these circumstances. The appropriate name approval authority must enter such a name on an additional public register of all similar name approvals.

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The second of the new powers relates to fees. The appropriate name approval authority is given a power to charge a fee on application for use of reservation of a name. This power does not commit the name approval authority to charging a fee and could, for example, in future be applied selectively to discourage abuses of the name reservation provision.

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The Bill contains 14 clauses and one schedule. The schedule sets out consequential amendments that will be required to be made to other Acts.

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This Bill, if enacted, will come into operation on one or more days appointed by the Treasury

through Tynwald. The Bill has been widely consulted upon, including Members of Tynwald and including the industry. No adverse comments have been received.

I beg, sir, to move the Second Reading.

1620 **The Speaker:** Mr Teare.

Mr Teare: I beg to second and to reserve my remarks, sir.

1625 **The Speaker:** Hon. Members, I put the motion that the Company and Business Names etc Bill be read for the second time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1630 **Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012**
Second Reading approved

3.2. Mr Teare to move:

1635 *That the Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012 be read the second time.*

1640 **The Speaker:** We turn to the second Bill for Second Reading, the Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill, and I call on the mover, Mr Teare.

Mr Teare: Thank you, Mr Speaker.

Hon. Members, this Bill is the Heavily Indebted Poor Countries (Limitation on Debt Recovery) Bill 2012. The Bill has been drafted to support the enhanced Heavily Indebted Poor Countries Initiative, which will be referred to as 'the Initiative' for ease of reference.

1645 The Initiative is an international initiative that provides debt relief to heavily indebted low-income countries. The roots of the Initiative lie in the Millennium Development goals which were set in 2000. This saw 189 nations pledging to free people from extreme poverty and multiple declarations by 2015. The goals set include: eradication of extreme poverty; reduction in child mortality rates; fighting disease epidemics; and developing a global partnership for development. 1650 In the intervening period, it has become increasingly clear that many countries, particularly those in sub-Saharan Africa, will fail to meet the objectives of the Millennium Development Goals without significant levels of assistance from international creditors.

1655 The Initiative has been implemented under the stewardship of the International Monetary Fund and the World Bank. In order for the Initiative to succeed, all international creditors must participate – this includes multinational creditors, such as regional development banks and the World Bank, official bi-lateral creditors, governments or their instruments, such as credit export agencies and private creditors. Private creditors who are unwilling to participate in the Initiative pose the greatest risk of failure to the Initiative. It is here that what have become referred to as 'vulture funds' will be found.

1660 Countries that qualify for the initiative must meet certain criteria. These include that a country must: be eligible for assistance from the IMF and the World Bank; continue to face an unsustainable debt burden after non-official development aid has been reduced by a factor of 67%; and have a track record of reform and sound policy under IMF and World Bank supported programmes.

1665 There are four stages to the Initiative. These are: (1) the preliminary period, which requires a country to have implemented IMF and World Bank supported reform programmes. At this point, preliminary debt relief should be provided by all creditors. (2) At decision point, the IMF and World Bank carry out a debt sustainability analysis. If the ratio of the present value of external debt to exports for that country remains in excess of 150%, the country qualifies for relief under the Initiative. (3) During the interim period, relief tailored to the particular circumstances is provided to countries. Satisfactory performance of IMF programmes must continue to be demonstrated. (4) Completion point is reached when a country can demonstrate macro-economic stability under a poverty reduction and growth facility programme for a minimum of one year. 1670 Debt relief is provided irrevocably at this point.

1675 The Initiative was never intended to be a permanent mechanism for all countries that experience difficulty in servicing external debts. The list of countries that were potentially eligible

1680 under this initiative was closed to new entrants in 2006. There are three reasons for this. The first is to ensure that the Initiative does not become permanent and raise expectations that all debts will always be reduced. The second considers the moral hazard and potential for free riding. This discourages countries not yet at decision point from borrowing unnecessarily in anticipation of eventual debt relief. The third reason is to encourage countries to adopt reforms as early as possible.

1685 Under the Initiative, all creditors are expected to provide the same level of debt relief. Although it appears to be at odds with the Initiative itself, external debt is recognised to be a valuable source of financing for developing countries. This is because the ability to raise funds from the international financial community permits developing countries that are in transition to finance their development. This includes attracting equity from foreign direct investment, receiving grants from donors and borrowing from foreign lenders.

1690 Debt obviously results in future obligations on the debtor to repay these loans. The debtor must be in a position to repay debt, notably through the efficient use of the loans to generate income that will be used to repay the debt. For the poorest countries, high levels of debt have themselves become a barrier to development.

1695 A fundamental principle of the Initiative is that all debtor countries should seek to receive comparable treatment from all creditors, including those that do not participate in the Initiative. A failure of some creditors to provide comparable treatment increases the prospect of these countries continuing to face unsustainable debt situations. This directly undermines their prospects of economic development and poverty reduction.

1700 Some unco-operative creditors are indulging in morally dubious practices. This sees the debt of a country sold on the open market for a substantially reduced cost. The purchaser of the discounted debt then seeks to recover the full amount of the debt with costs and damages through the courts. Creditors of this type are referred to as 'vulture funds'. They seek to free ride on the efforts of those creditors who *do* provide the level of debt relief expected under the initiative. This free riding on the back of the Initiative diverts the benefit of debt relief provided under the Initiative away from its intended use in the fight against poverty in some of the world's poorest countries.

1705 This Bill will ensure that the courts of the Isle of Man cannot be used to enforce a judgement in full against a country eligible for the Initiative. If the Bill is enacted, it will ensure that the highest amount of debt that can be recovered by the Isle of Man and its courts will be limited to the level of debt that remains after the reduction factor has been applied. The Bill, when enacted, will ensure that the Isle of Man will continue to act as a responsible world citizen and that the jurisdiction cannot be used to further morally questionable practices.

1710 Mr Speaker, I beg to move the Second Reading of this Bill.

The Speaker: Mr Henderson.

1715 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second, sir, and reserve my remarks.

The Speaker: Hon. Member, Mr Gawne.

1720 **Mr Gawne:** Gura mie eu, Loayreyder.

I would just like to rise to congratulate the Treasury on bringing this very important Bill forward. I think we have seen, in one of our competitor jurisdictions, the way in which vulture funds have been used, and certainly that was very embarrassing for the administration in that area. I am delighted that the Treasury are coming forward with this and certainly will be giving my full support.

The Speaker: Mrs Beecroft.

1730 **Mrs Beecroft:** Thank you, Mr Speaker.

I think everybody would agree with the aims of this Bill, but I do have a couple of concerns about it which I hope the Minister will be able to address for me.

1735 Firstly, it is restricting what we can do, so to actually revoke this we would have to go back for Royal Assent, I understand. Would it not be more appropriate to have some sort of sunset clause, or a clause that allows Tynwald to revoke it without Royal Assent? Really, this should be in place in every Bill that is restricting what the Isle of Man can do.

With regard to the vulture funds, I think everybody finds them really abhorrent, and certainly we would not want to go down that road, but would it not be possible to introduce something, a

clause that would restrict such enterprises from suing for more than the original debt, so that it would stop the Isle of Man becoming a location of choice to operate from?

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The Speaker: I call on the Minister to reply.

Mr Teare: I would like to thank my colleague, the Hon. Member for Rushen, Mr Gawne, for his very supportive comments. This really does recognise that there are unsatisfactory activities in some areas and the Isle of Man has no wish to be involved in these. We want to make it abundantly clear that we will not support these activities.

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Going on to the Hon. Member for Douglas South, Mrs Beecroft, there is a dichotomy in her argument, because on one side she is saying that we should have a sunset clause in his legislation. Surely that gives a message that, in the future it will be accessible, it will be acceptable. We need to make it clear here and now that it is not acceptable. I think that we need to do that, it is a positive mention as well and I think too, she might have misunderstood my original comments, because if I picked her up correctly, she said that vulture funds should not be able to sue for more than the original debt. What I did say in my speaking notes is that they should not be able to sue for more than the written-down value of that debt – two different things of it. If they were able to sue for more than the written-down value of the debt, it would mean that they would get a disproportionate benefit from the recovery proceeds. In effect they would stand in priority in terms of their recovery rate to the World Bank and other organisations, which have agreed to participate in writing down the value of the debt.

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We really want to make sure that we have high standards and I feel that, if we did have a sunset clause, it might give the impression that we were prepared to move on that in the future, and certainly that would not be my wish. We need to maintain our high standards. That is a very strong advantage, both from a moral perspective and a marketing perspective for the Isle of Man.

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Mr Speaker, I beg to move.

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The Speaker: Mrs Beecroft, did you have a point of order?

Mrs Beecroft: Just that the Minister had not answered my point about the –

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The Speaker: No, I am sorry –

Mrs Beecroft: No? Is that not allowed?

The Speaker: You will have an opportunity at future stages of the Bill to question the Minister formally.

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I put the question, as set out on the Order Paper in the name of Mr Teare, that the Bill be read for the second time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1780

BILL FOR THIRD READING

Companies (Beneficial Ownership) Bill 2012 Third Reading approved

1785

4.1. Mr Teare to move:

That the Companies (Beneficial Ownership) Bill 2012 be read the third time and be sent to the Council.

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The Speaker: Item 4, Bill for Third Reading, the Companies (Beneficial Ownership) Bill, and again, Mr Teare to move, please.

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Mr Teare: Thank you, Mr Speaker.

Mr Speaker, Hon. Members, this Bill is the Companies (Beneficial Ownership) Bill 2012. The Bill applies to all companies that are incorporated or registered under the Companies Act 1931. By way of background, I would give as follows.

Firstly, the purpose of the Bill is to address a recommendation of the International Monetary

1800 Fund in respect of the old Financial Action Task Force recommendation 33, which has been replaced by new recommendation 24. These both address access to beneficial ownership and control of information of legal persons.

Secondly, the Bill introduces a new provision to require a specific person within a company to have access to information regarding the beneficial ownership of the membership interests. The person who must know this information is a nominated officer.

1805 The Bill is divided into 14 clauses. I will now give Hon. Members an explanation of what they are intended to achieve.

The first clause is the Act resulting from the Bill its short title.

Clause 2 provides for the Bill to come into operation on one or more days appointed by the Treasury. This clause also caters for the making of transitional and saving provisions.

1810 Clause 3 defines what is meant by the term 'beneficial owner'.

The fourth clause lists those companies to which the Bill applies. Certain companies are exempted from the provisions under this clause. The exemptions apply to those companies where the membership classes are large and subject to frequent changes. This relies on other rules being in place, such as those of a regulated stock exchange. The Treasury is given powers to grant further extensions by order.

1815 Clause 5 confirms that a nominated officer must either be a Manx resident individual or a corporate service provider.

Clause 6 details the information that a company must hold in respect of its nominated officer. The Registrar of Companies must be informed who the nominated officer is and of any changes to the details of the holder of this position.

1820 Clause 7 considers shares held by a nominee shareholder on behalf of the beneficial owner of the interest. The nominee is obliged to inform the nominated officer of this fact. The nominee must also inform the nominated officer of the identity of the beneficial owner of the interest. Failure to do so will be a criminal offence.

1825 Clause 8 lists the information that must be provided to the nominated officer in respect of the beneficial owner of an interest in a company.

Clause 9 sets out the sanctions that can be applied by a company where the nominated officer has not been informed of the identity of the beneficial owner of the interest in a company.

1830 Clause 10 considers the circumstances in which a nominated officer will be required to disclose the identity of a beneficial owner of an interest in a company. This clause also lists the persons who may make the request and in what circumstances a request may be made. It is also an offence under this clause for a nominated officer to fail to provide information on request or to knowingly provide false information.

1835 Clause 11 considers the offence of tipping off a person in respect of a notice issued under clause 10. This clause also exempts the giving of legal advice or disclosure of information in respect of legal proceedings. The disclosures made to further a criminal purpose are not covered by the exemption.

Clause 12 makes provision to ensure that legal professional privilege is protected, where appropriate.

1840 Clause 13 sets out penalties in respect of offences under the Bill.

Clause 14 clarifies that the Bill does not limit or restrict provisions in other Acts or the company's articles of association that might otherwise be seen to conflict with the Bill.

1845 Mr Speaker, as a final point, I would just like to remind us all that to get to the point where we can debate proposed legislation in an informed manner, as we have done today, we are well served by a relatively small number of officers who do the hard preparatory work. One normally does not single out individual officers, but I would like to place on record my appreciation for the high-quality advice and support I have received from Gillian Prestwich in relation to this and all the other legislation that has been moved by the Treasury in this legislative session. I would also like to thank my colleague in Treasury, Mr Henderson, for his support and also for the work that he has conducted in the other Bills which we are currently moving through this House.

1850 With that, Mr Speaker, I beg to move the Third Reading of this Bill standing in my name.

The Speaker: Mr Henderson.

1855 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I beg to second and reserve my remarks.

The Speaker: Hon. Members, I will put the question that the Companies (Beneficial Ownership) Bill be read for the third time. Those in favour, please say aye; against, no. The ayes

1860 have it. The ayes have it.

Hon. Members, that completes the business of the House today.

Can I remind you of our presentation in the Barrool Suite at 1.45 p.m. by the Head of the Information Service in relation to the new Tynwald website.

1865 The House will now stand adjourned until the next sitting that takes place at 10.30 a.m. on 15th May in Tynwald Court.

The House adjourned at 11.44 a.m.