

HOUSE OF KEYS OFFICIAL REPORT

RECORTYS OIKOIL Y CHIARE AS FEED

PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 16th April 2019

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Volume 136, No. 17

ISSN 1742-2264

Present:

The Speaker (Hon. J P Watterson) (Rushen);
The Chief Minister (Hon. R H Quayle) (Middle);

Mr J R Moorhouse and Hon. G D Cregeen (Arbory, Castletown and Malew);
Hon. A L Cannan and Mr T S Baker (Ayre and Michael);
Hon. C C Thomas and Mrs C A Corlett (Douglas Central);
Mr C R Robertshaw (Douglas East);
Hon. D J Ashford and Mr G R Peake (Douglas North);
Hon. W M Malarkey (Douglas South);
Mr M J Perkins and Mrs D H P Caine (Garff);
Hon. R K Harmer (Glenfaba and Peel);
Mr W C Shimmins (Middle);
Mr R E Callister (Onchan);
Dr A J Allinson and Mr L L Hooper (Ramsey);
Hon. L D Skelly (Rushen);
with Mr R I S Phillips, Secretary of the House.

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House of Keys

The House met at 10 a.m.

[MR SPEAKER in the Chair]

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

Members: Moghrey mie, good morning, Mr Speaker.

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The Speaker: I call on the Chaplain to lead us in prayer.

PRAYERS

The Chaplain of the House

Leave of absence granted

The Speaker: Hon. Members, leave this morning has been given to Ms Edge, Mrs Beecroft, Mr Boot and Miss Bettison.

Procedural – Oral Questions 2, 7 and 8 to be answered at next sitting; Written Question 2 to be answered orally

The Speaker: I need to announce that, due to leave, Question 8 will be held over to the next sitting, as will Questions 2 and 7.

I also need to mention that Question 2 down for Written Answer was intended for Oral Answer. This was misclassified in the Table Office and we will take that at the end of Oral Questions. I am grateful to the Treasury Minister for accommodating that request.

1. Questions for Oral Answer

TREASURY

1.1. Steam Packet Company – Plans for financial restructuring

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for the Treasury:

When he intends to bring the full plans for financial restructuring of the Steam Packet to Tynwald?

The Speaker: We now turn to Questions for Oral Answer and Question 1 is in the hands of the Member for Ramsey, Mr Hooper.

Mr Hooper: Thank you, Mr Speaker.

I would like to ask the Minister for the Treasury: when he intends to bring the full plans for financial restructuring of the Steam Packet to Tynwald?

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The Speaker: I call on the Treasury Minister to reply.

The Minister for the Treasury (Mr Cannan): Thank you, Mr Speaker.

A review of the future financing options for the Isle of Man Steam Packet Company is currently in progress. It is my intention that these plans will be brought to Tynwald in July this year for approval.

The Speaker: Supplementary question, Mr Hooper?

Mr Hooper: No, thank you, Mr Speaker.

HEALTH AND SOCIAL CARE

1.3. Patients travelling to UK for treatment – Plans to increase funding for accommodation

The Hon. Member for Onchan (Mr Callister) to ask the Minister for Health and Social Care:

What plans he has to increase the Department's contribution for those patients travelling to the UK for treatment and requiring overnight accommodation?

The Speaker: We turn, then, to Question 3 and I call on the Hon. Member for Onchan, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

Can I ask the Minister for Health and Social Care: what plans has he to increase the Department's contribution for those patients travelling to the UK for treatment and requiring overnight accommodation?

The Speaker: I call on the Minister for Health and Social Care to reply.

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The Minister for Health and Social Care (Mr Ashford): Thank you, Mr Speaker.

The NHS (Expenses in Attending Hospitals) Regulations 2004 provide the Department with discretion to pay an accommodation allowance as a contribution towards accommodation expenses reasonably and necessarily incurred by a patient, escort or visitor requiring accommodation outside the Isle of Man. The Regulations state that the Department will determine a daily amount payable as an accommodation allowance for patients. The rates are currently a contribution of up to £28 per person per night if staying in the UK outside London, and within London up to £41.50 per person per night.

An increase in the contribution towards the accommodation allowance is not currently being factored into the Budget for this financial year, but as Minister I have previously asked for a review of the amounts that are being allocated and I can confirm to the Hon. Member that that will be undertaken this year.

The Speaker: Supplementary question, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

I thank the Minister for his response. I take reassurance that he is looking at this during the next financial year because I was surprised, when I put my original Question down a couple of weeks ago, at how much response and correspondence I have received from patients using patient transfer. They have good things to say about the actual team within the Patient Transfer Unit, which is really good, but realistically, time and time again the people are saying that £28 for some sort of contribution for accommodation is just far too low.

I was wondering if the Minister could actually reassure me that this figure will be significantly increased going into next year, because a lot of the time people are having to stay in the UK for long periods of time. The figure does need to be urgently reviewed and it does need to be increased going into the next financial year.

Thank you.

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The Speaker: Minister.

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

It is actually one of those rare occasions where I am happy to agree with the questioner. I do believe that it is long overdue, a review, and that is why it is now being undertaken under my direction. I did do a bit of research and, as far as I can see, there has been no increase in these allowances since the Regulations came in, in 2004. That is 15 years ago now, by my maths, so a long time ago.

I think, certainly as a constituency Member, I am equally aware of cases where people are struggling, although it is not mainly patients who are affected, it is mainly those accompanying patients. Patients who are staying in the UK for a long period of time normally will obviously be staying within the hospital precincts, but certainly for those who do require escorts it has been a burden, it has been an issue and the Department is reviewing the situation.

INFRASTRUCTURE

1.4. School bus fare increase – Statement

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

If he will make a statement on the increase in school bus fares?

The Speaker: Question 4. Again, I call on the Hon. Member for Onchan, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

Can I ask the Minister for Infrastructure if he will make a statement on the increase in bus fares for school kids?

The Speaker: I call on the Minister for Infrastructure to reply.

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

The school fares are the most subsidised of any services that we operate and historically the free service was used by a significant number of pupils riding very short distances. The main effect of introducing the charge was that it encouraged these children to walk. This was a key

policy objective when the school fares were introduced. Similarly, the flat fare charge affects children riding longer distances not necessarily as a result of parental choice, but of necessity.

It is accepted that in the UK the local authorities can give free travel beyond three miles from home, but in some cases it is eight or 12 miles. As a result of economic pressures in the UK, children travelling under three miles in some cases are now required to pay the adult fare or a vast majority of it, as there is no statutory concession to that group of children. In the Isle of Man we have chosen to charge the same school fare to all children as a fair and equitable way of recovering some of the costs of providing school buses. Where there has been parental choice and the school is not the nearest, we similarly have not discriminated. The Hon. Member will know that any pupil receiving free school meals is eligible for free school travel.

I think on balance the Isle of Man way of charging every child an equal amount is the fairest approach. We are not faced with any parents having to find £7 a day, which is the average UK fare for three miles. When you consider the situation in the UK, the change to a charge of 80p a day is significantly preferential.

The Speaker: Supplementary question, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

I thank the Minister for his opening remarks. I would like to draw the Minister's attention to the Budget for 2019-20, page 68 of that document which Members are already familiar with. The Dol outline very clearly the increases expected in this financial year: a 5.7% increase on the Energy from Waste Plant, a 1.6% increase on sale of goods, 2% on driving licences, 2% on inspection fees, 3.1% on harbour dues — and the list goes on. A quick look at the Transport Division: not a single increase in this Budget document.

Therefore, can ask the Minister: why the urgency, why no notice to hardworking families across this Island and why another stealth tax by the Department of stealth tax under this administration?

The Speaker: Minister to reply.

The Minister: Thank you.

I think if the Member recalls correctly, also in the Budget was that the Public Transport Division had to make savings of £1 million. We also said in our commitment that it does not affect commercial rates and it does not affect a range of bus services — as, for example, where we have put in the change to the mechanism around return fares and so forth. There have been other fare increases.

The main thing is that we do need to recover £1 million – that is quite clear – over the next three years.

What I would also like to say is that because all fares are valid, those that are already charged on the school card, all of those fares will obviously be honoured and therefore there is a natural transition period.

The Speaker: Supplementary question, Dr Allinson.

Dr Allinson: Thank you, Mr Speaker.

I would like to thank the Minister for his reply. Would he agree with me that this House voted unanimously in June last year through the SAVE initiative, and part of that was a reduction in this calendar year of £333,000? And can I ask the Minister: if we do not increase fares, where will these savings come from?

Can I also ask the Minister ...? In November 2014, his Department carried out a public consultation which showed overwhelming support for the status quo regarding the provision of dedicated school bus services by Bus Vannin: 66% of all respondents and 43% of respondents

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who receive free school travel supported some sort of charge, and at the time the most popular sort of charges were between 20p and 50p per journey. Could the Minister say whether there will be any further public consultation for these changes?

Thank you.

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

The Minister: Thank you.

I thank the Hon. Member for his question. He is absolutely right: another place absolutely did support the SAVE initiative. There are £15 million of savings to be done. We are very much in the vanguard of providing those savings and it is absolutely ... that we do that. The savings have been identified, they need to be done and we need to do those.

In tackling the savings issue, the absolute key priority for me, for the Department, was that there was absolutely no reduction or loss of services anywhere on the Island, whether that is heritage or whether that is Bus Vannin, and that we actually maintain a bus service that has been growing year on year, as you have seen in the Written Answer, from somewhere around £2.5 million five years ago to £3.7 million in terms of revenue, in terms of efficiencies, in terms of passenger numbers increasing and in terms of the fact that in a recent survey we came in second across all regions in the UK for our services.

As you rightly point out, in terms of consultation there has been very much the view of a range between 20p and 50p and obviously we would look at that consultation again across those services.

The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you very much, Mr Speaker.

Just to clarify something: I do not very often disagree with my hon. colleague from Ramsey, but Tynwald did not approve any of the specific actions in that SAVE report in July and I would just like the Minister to confirm for absolute clarity.

But seeing as the SAVE report has been mentioned, the SAVE initiative was to generate added value and efficiencies. The Minister has stated in the press release surrounding the bus fare increase that the specific reason for this change was to generate extra revenue. I would like him to clarify just how making savings or efficiencies equates to generating extra revenue.

And my second question for the Minister is in respect of his key aim to encourage children to walk to school. Can he please advise what impact there has been on numbers using the buses since the introduction of charging for school transport and what the anticipated impact is going to be on those numbers as a result of this further increase?

The Speaker: Minister to reply.

The Minister: Thank you.

This is difficult because we now have three Questions on the same subject and Written Answers on the same subject, so I do not know whether to take it here or repeat in a further Question.

The key point is that Tynwald, the other place, voted for a Budget that had £1 million savings – that is a reduction of subvention of £330,000 per year over the next three years – and that was debated last year in Tynwald Court. So, Tynwald has spoken, the Court has spoken, and that cost reduction is something we need to do.

Regarding school fares, it was one of the areas that was picked up by the consultants but also the key message in here is about better efficient use, better services and cost reduction, and where those subsidies are the greatest is where we need to look and give our attention.

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Obviously, as the Question last week talked about technology, we are using better technology, digital technology, to improve our scheduling and dealing with new initiatives that are very much in the vanguard, such as Connect Ports and Connect Villages, which have been incredibly successful, so across the whole piece it is actually very much a good news story.

If you talk about the fares across our bus services — and the key thing here is that income increase that I have talked about before, from £2.5 million to £3.7 million in the last five years — it is about dealing with fare rises and where they increase income, or actually driving up passengers, which will actually drive more income. So, if you take Connect Villages and Connect Ports and those type of initiatives, we are looking to meet the subvention decrease which was agreed by the other place.

The Speaker: Supplementary question, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

I cannot believe the Minister actually stands up and says hitting hardworking families with a stealth tax is a good news story.

I am hoping that my Written Answers later on this morning will actually show the passenger increases and income increases, and therefore this is not about the SAVE scheme, this is about school children. The school terms are around about 190 to 195 days per year, so a 10p increase equates to a £38 increase per child. That now equates to £76 per child to travel to and from their school. How can the Minister actually justify this stealth tax, and will he actually apologise to hardworking families?

The Speaker: Minister to reply.

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The Minister: Thank you, Mr Speaker.

I think the first thing to highlight – and this is really important – is the fact that those who are eligible for free school meals do not pay for school fares, so they are not impacted.

What we should also bear in mind is that our mileage is much more generous here. Here, it is one mile by ... as the crow flies; in the UK it is two miles up to the age of eight and three miles after that. And if we look at some of the fares in some of the rural areas, you could be facing, in some places, £655 in terms of ... In Lancashire, they have got a Preston bus which is £35 for a 28-day card.

We have heavily subsidised our school fares. It was absolutely right that that was a fixed charge no matter the distance, and in answer to another Question we have seen that those for shorter distances will be encouraged to walk and to cycle, and particularly those that are less than a mile.

The Speaker: Supplementary question, Mr Robertshaw.

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Mr Robertshaw: Thank you, Mr Speaker.

In coming to my feet I do not take a position one way or the other on the specifics of the issues identified by the questioner with regard to the specific bus fares, merely the tone and *modus operandi* of the Minister in answering these questions.

Does he not think that something has been lost in translation here between the Treasury and the Dol in the sense that when Treasury came out with the SAVE campaign it meant *save* money; it was not about finding endless ways of passing costs on to the public and the taxpayer? (**Mr Hooper:** Hear, hear.)

What percentage of the SAVE issues that he has identified are actually going to result in savings being made by the Department, and how much is going to end up simply being passed out as additional costs?

The Speaker: In the context of the increase in school bus fares, Minister to reply.

The Minister: Yes, I think when we talk about savings and costs we need to look at the concept of subsidised services, we need to look in the context of actual cost recovery in terms of those services. At the moment, if you take somebody who is paying the full fare then obviously a child fare is massively different in subsidy.

In relation to where the cost savings are, predominantly they are going to be around efficiencies, around scheduling. The Connect Villages services and Connect Ports are about doing things better, using our data better and using our bus network better, using our bus network more efficiently. So, despite the fact that the consultants' report said that the Isle of Man gets a lot from Bus Vannin and rates it very highly across the UK, we are endeavouring to look at even improving things further. Some of the things we are doing, Connect Ports and Connect Villages, are very much a leading example across other jurisdictions.

In terms of cost rises, in terms of price rises, our main focus is to drive income. Some of that will be to continue to freeze a number of those fares that we have frozen since 2013 to drive more numbers up, so it is very much a mixed picture across the fares.

The Speaker: Supplementary question, Mr Baker.

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Mr Baker: Thank you very much, Mr Speaker.

Could the Minister confirm to me that – just for absolute clarity, whatever the SAVE report said and whatever Tynwald committed or did not commit to – the Budget reduced the Dol's budget for integrated transport by £333,000 this year and signalled a very clear intention to do the same for the next two years? So, that is a £1 million saving that the Department is required to make from its bus and rail services. Could the Minister confirm that that is factually the case?

Can the Minister also confirm to me that in order to save that, in what is essentially a commercial operation which generates revenue and incurs costs, the only things that the Department could do are either increase revenue or reduce costs? To increase revenue, either more people have to use the buses or the cost per journey needs to go up; and in terms of costs, the only way to actually make a significant impact on the cost of running a bus service is either to cut routes or to significantly affect the terms and conditions of the people who work for the bus service.

And secondly, will the Minister confirm to me that if, as Mr Callister asserts, there are 190-ish school days per year and if it is 10p a journey extra each way – that is 20p a journey each way – it is a £38 additional cost, not the £76 the Hon. Member for Onchan said, who obviously did not pay enough attention when he was at school on his maths? (Laughter)

The Speaker: Minister to reply.

The Minister: Thank you.

That is absolutely right. We can pontificate about the specifics, but the bottom line is I have £330,000 less a year, which increases to £1 million over three years, which is quite a steep thing. Whatever happens, I cannot take that from Highways, I cannot take that from Estates. Whatever, that is £1 million ring-fenced around Bus Vannin. That is what we all voted for and that is what I have been asked to deliver.

What that means is twofold: number one, we have to be more commercial, and that does deal with things around school fares and so forth; and we have to be better at what we are doing.

What I would like to say to Hon. Members is all the consultant reports ... on the evidence that we have, the bus network is working really well. There are some areas – if I take penalty fares – which will take time to bring in legislation, but we are very committed to doing it.

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Those sorts of issues, we need to also look at exactly where the highest costs are and look at better cost recovery and cost reduction and become more commercial. I have to be blunt because they only came up with two options really, finally. The only things left that we could do are remove rural routes, which I think is completely unacceptable; or effectively, as the Hon. Member for Ayre and Michael talked about, a reduction in terms, conditions and so forth. And he is absolutely right with his maths: it is £39.

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The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you very much, Mr Speaker.

I would appreciate an answer to the last question that I asked, which was about the anticipated impact on numbers. If the Minister is trying to drive people to walking to school, then I think he should at least be able to share the information on what his projected changes are going to do to those figures.

I am actually very concerned, just as the Member for Douglas East is concerned, that the Minister seems to be interpreting savings ... Every single answer, even the supplementary question from the Hon. Member for Ayre and Michael, is about savings but actually this is not a saving; this is additional revenue being generated (**Mr Callister:** Absolutely.) and I think the Minister needs to be absolutely clear that he does genuinely understand the difference between generating extra revenue and actually making savings. His not-so-subtle attempts to pass the blame for this on to Treasury have not been unnoticed.

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The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

Just to deal with the first last point first, I am merely stating the facts. It is about increasing revenue and making cost reductions, and obviously this is anticipated to increase revenue.

As in previous years, we have not seen a decrease. Obviously those people who need to go long distances still use buses. Those short distances we are monitoring very carefully and we will monitor this particular increase to see its impact on walking and cycling, but very much a policy back when the school fares were introduced was about particularly those on short distances, that that might encourage them into walking and cycling and using that to travel. So we will continue to monitor.

The Speaker: Supplementary, Mrs Caine.

Mrs Caine: Thank you, Mr Speaker.

Could I ask the Minister, given the information he provided earlier, could he say whether the Department is on track to achieve £330,000 savings in public transport this year? Also, he referenced that there had been a general freeze on bus fares since 2013, and could he say whether the bus fare increase is possible across the board to assist the Department in making these savings?

The Speaker: Minister to reply.

The Minister: Sorry, could you just repeat the first part?

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Mrs Caine: Are you on track to achieve £330,000 savings; and is a bus fare increase likely to be implemented to assist with that?

The Minister: Thank you. The first thing I think I would highlight is we are in danger of going into a debate about bus services and I think we have moved a long way from ... Obviously the

Question that I have prepared for today was regarding the school fares increase, and we are going into the bus strategy.

Are we on track? Yes we are, absolutely, and we are on track to make those efficiency gains and to make increases in revenue, which is important. As I said before, we went from £2.5 million on buses five years ago to £3.7 million. Increasing revenue is an important part of it and increasing efficiencies and savings is an important part of it, but when you deal with fare rises across the board, the danger is if you increase the fares you get reduced patronage and therefore you decrease revenue, so the focus has to be around revenue rather than necessarily specific price rises.

1.5. School bus fare increase – Likely resultant increase of car usage

The Hon. Member for Middle (Mr Shimmins) to ask the Minister for Infrastructure:

What traffic modelling has been carried out on the likely increase of car usage as a result of the price increase of bus fares for children?

The Speaker: We move on to Question 5 and I call on the Hon. Member for Middle, Mr Shimmins.

Mr Shimmins: Thank you, Mr Speaker.

I would like to ask the Minister for Infrastructure: what traffic modelling has been carried out on the likely increase of car usage as a result of the price increase of bus fares for children?

The Speaker: Again, I call on the Minister for Infrastructure to reply.

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

Our past experience has shown that introducing or increasing the school bus fare has no detectable effect on car usage and that traffic modelling is not necessary.

What actually happens is the people riding free for very short distances change to walking, and approximately 300 children have done that so far. We have, for many years, seen school pupils riding very short distances. We were effectively providing peak buses from St Ninian's to stops on Woodbourne Road and Ballanard Road, to give one specific example. These services are so heavily subsidised that encouraging change to walking gives the opportunity to save the capital cost, whilst improving the health of the population as part of our Active Travel Strategy. We will continue to work with schools to encourage active travel and will continue to work to provide safe routes to school for those who travel actively.

The Speaker: Supplementary question, Mr Shimmins.

Mr Shimmins: Thank you, Mr Speaker.

Clearly I would encourage children, wherever possible, to walk to school. A number of parents have, in fact, contacted me to advise that it is now cheaper for them to drop their children by car and pick them up rather than get the bus, and it is not possible for them, for a variety of reasons, to let their children walk.

If you go to most schools, the car parks and the roads around the schools are heavily congested at opening and closing times. How will the Department avoid increasing this congestion by this price increase?

The Speaker: Minister.

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The Minister: Thank you, Mr Speaker.

I have to take issue: I disagree that the car is cheaper. If you were to travel at 30 miles an hour, at 30 miles to the gallon, and with our petrol, as it is, getting close to the 124p price per litre, you would be struggling, even on fuel, to do better than 20p per mile; there and back is 40p a mile. I think we are in danger of missing the whole point in the scale of the 10p price rise.

What we actually have seen and the evidence that we have so far is that 300 children, over very short distances, have walked to school. In some of those areas it fits with us, and some of the other work ... we have worked with other schools to actually make it more difficult to get close to the school to drop off pupils.

So, the evidence simply is not there. The bus fare, even as it is, even with the 10p increase, is vastly cheaper, even on relatively short distances than the car. So, I think, Hon. Members, we do need to get a sense of perspective.

The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you, Mr Speaker.

So, it turns out the Minister does have the answer to the question that I asked him literally minutes ago.

Those 300 children – can he just advise how he has collected that data and where the data comes from? Is that 300 more children walking to school, or just 300 fewer children using the bus?

The Speaker: Minister to reply.

The Minister: Well, I talked about change of 300 children. As this change is enacted then we will obviously continue to monitor the impact of that change, and I will endeavour to try and provide that data. We use a number of different survey methods, so as we gather this information we will provide it as we can.

The Speaker: Supplementary question, Mr Shimmins.

Mr Shimmins: Thank you, Mr Speaker.

I am a bit loathe to get involved in a minutiae debate about evidence, but I would just raise a couple of points on the assertions that the Minister has made.

Clearly the economics will depend on the number of children travelling in the car and how many miles they are travelling, and certainly for a number of people they feel it will now be more beneficial for them to take the car.

I am also conscious that the school roll has in fact dropped significantly over the last years, so I wonder if that has been factored into the suggestion that because fewer people are taking the bus it does not necessarily mean that they are walking.

I would just ask the Minister: a number of school car parks unfortunately have had to be increased, the size of them, over the last years to reflect the car usage – is there a likelihood, if we see more people switch to cars, that any revenue increase that the Department receives from this price increase will actually be more than offset by the need to enlarge car parks and the capital cost thereof?

The Speaker: Minister to reply – and we are not going to get into a thing about car parks.

The Minister: This is not a debate about car parks now.

The Speaker: No, it is not. Let me assure you, Minister, it definitely is not.

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The Minister: What I would agree with the Member on – and I am as enthusiastic as he is – is active travel. We are putting measures in place to increase people walking and cycle for really short distances and we will put in those measures, we will monitor those measures and as evidence we will adapt our strategy to it.

I think if you take the wider picture, for relatively short distances – and I know even in Peel and Ramsey you can well be within just over a mile and you could take the option of taking the bus – actually it is easier to walk and cycle, so we do believe that that will be the case.

The Speaker: Supplementary question, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

Does the Minister share my recollection that this policy has actually been in place, of encouraging active travel and reducing the size of buses, for four or five years now? It goes back to an earlier Department and it goes back to an earlier political membership responsible for this policy.

The Minister: Yes, he is absolutely –

The Speaker: Well, firstly, can we try and keep on topic? This is about traffic modelling, about the increase of car usage as a result of the rise in bus fares, so can we just try and stay focused on what the Question actually says?

Minister to reply.

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The Minister: Thank you.

And within that, the traffic modelling around, in particular, walking and cycling, because I am very passionate that we understand that the transport is an integrated model. People walk, cycle, use the bus, use a motor bike, use a car – all of those things are important and I am very passionate about giving people the opportunity, the choice, to do that, and walking and cycling are very much a part of that, or using the bus.

So, if I was to sum up the strategy in a word or two I would say let's walk and cycle for those short distances, or sometimes, or if the weather is good; let's use the bus. Let's try and move away from the car, except when we want to enjoy it on a weekend, when we actually want to enjoy the car usage.

No, I do not agree with the Member that it is going to increase car usage, I do not agree that it is going to be increasing capital costs, and I do actually think there may be some positive side benefits.

The Speaker: Final supplementary on this one, Mr Baker.

Mr Baker: Thank you very much, Mr Speaker.

Would the Minister agree with me that if there is a significant increase in car usage, taking young children to school, as a result of the 10p increase in fares, there is a disconnect between people's actions and when they talk about the desire to mitigate the climate change effects on the Island, and that really if people are going to start driving distances such as are being talked about here for the sake of 10p a journey, then we are going to have a real struggle to actually address the climate change issues that we have got facing us as an Island, which are far more serious than 10p a journey for individual schoolchildren?

The Speaker: Minister, we have now moved on to climate change, if you have an answer to that one as well! (**The Minister:** Yes.) Good!

The Minister: I completely support those comments.

1.6. School bus fare increase -**Equality Act impact assessment**

The Hon. Member for Middle (Mr Shimmins) to ask the Minister for Infrastructure:

What Equality Act impact assessment was undertaken prior to the price increase of bus fares for children?

The Speaker: Thanking Members for their ingenuity in the wide variety of questions that they have managed to crowbar into a Question about traffic modelling, we will now move on to Question 6 about the Equality Act impact assessment, and I call on Mr Shimmins.

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Mr Shimmins: Thank you, Mr Speaker.

I would like to ask the Minister for Infrastructure: what Equality Act impact assessment was undertaken prior to the price increase of bus fares for children?

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The Speaker: I call on the Minister for Infrastructure to reply.

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

When the Department gave consideration to this issue, it believed that this approach was fair and equitable as it will continue to treat all children equally by charging a flat fare, irrespective of the distance they need to travel, unlike the system elsewhere which charges a graduated fare.

The Department has long-established arrangements which provide free travel for those with a range of additional needs, those who need to travel with carers and those who are of limited means and so entitled to free meals.

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The Speaker: Mr Shimmins, supplementary question.

Mr Shimmins: Thank you, Mr Speaker.

I am grateful for the Minister's response. Clearly it is a consistent approach for all children; the Question is more targeted, about is it fair and equal across demographic bands. What Equality Act assessment was undertaken?

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

There is a specific duty in the Equality Act at section 143 that requires public authorities to promote and advance equality. We do not have to be equal in all things: for example, we choose to offer free travel to disabled elderly. What we cannot do is discriminate against anyone with a protected characteristic. Age is not a protected characteristic until next year, but we are able to offer free or cheap travel to younger and indeed older people. I do not think this House would want the Act to require us to charge a full fair to all people irrespective of age or disability and thereby giving children the full fare. This is the same for pensions and Child Benefit.

I would suggest that because we are treating all people equally in respect of protected characteristics, we are absolutely in the right space. Girls and boys pay the same, people of different sexualities pay the same, genders pay the same, and so forth. As I said before, I do hope that the Hon. Member is not wanting us to charge the same fare for all ages.

The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you, Mr Speaker.

I am not sure if the Minister is deliberately obtuse in his answers here. I think the questioner – and please correct me if I am wrong, Hon. Member – is coming from the argument that the able-bodied children within a short distance of a school are able to walk to school as an alternative to catching the bus; however, a child with a disability may not be able to exercise that option – they may not be able to walk the short distance to the school, meaning they are required to use transport and they may be required by their circumstances to catch the bus, which means they have no way of avoiding this fare increase. This means they are not being treated appropriately under the Equality Act, which requires that alternative or additional provisions are made for people who have a protected characteristic to ensure that they are not indirectly discriminated against.

So, to go back to the original Question, I think I would appreciate an answer to whether an Equality Act impact assessment was undertaken in respect of children with disabilities and how this fare increase may disproportionately affect them.

The Speaker: Minister to reply.

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The Minister: Thank you.

I said in my first Answer the Department has long-established arrangements to provide free travel for those with a range of additional needs and those who travel with carers and so forth and with limited means.

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The Speaker: Supplementary question, Mr Shimmins.

Mr Shimmins: Thank you.

I will ask again, I think for the third time: was an Equality Act impact assessment undertaken? If so, will he circulate the assessment to this Hon. House?

The Speaker: Minister to reply.

The Minister: I certainly will circulate the assessment in regard to the Equality Act.

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The Speaker: Supplementary question, Mr Quayle.

The Chief Minister (Mr Quayle): Thank you, Mr Speaker.

In an attempt to bring us back to reality, would the Hon. Member agree with me that, despite the 10p increase, this scheme is heavily subsidised?

I looked up Kent for the Hon. Member and noticed that Kent are advertising heavily subsidised bus route costs for children at £290 per year. Would he not agree with me that, even taking into account a 10p increase, the Isle of Man is still arguably one of the cheapest, if not the cheapest, when compared with England, and this is being blown up out of all proportion?

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The Speaker: Minister to reply.

The Minister: Thank you.

I think that is absolutely right. We are heavily subsidising our bus travel for schoolchildren and I absolutely do agree that we are blowing this up out of all proportion.

The Speaker: The final supplementary on this Question, Mr Shimmins.

Mr Shimmins: Thank you very much.

Blowing it out of all proportion? Well, the families who feel that their children are being unfairly targeted do not feel that way.

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Perhaps I could ask: how does the price increase – which, remember, just targets schoolchildren – sit with the Government's population policy?

The Speaker: I am not sure that population policy relates to the Equality Act impact assessment.

The Minister: I have tackled climate change, I have tackled –

The Speaker: I am on your side on this one, Minister. I think that is reasonably outside the scope of the Question.

1.9. Public sector housing maintenance – Difference between DOI and local authority allowances

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

Why his Department's Housing Division was permitted to spend 29.1% on maintenance during 2017-18, but during the same period local authorities were restricted by his Department to spending 24.8%?

The Speaker: As previously mentioned, Questions 7 and 8, which were to act as a firebreak to the Minister for Infrastructure's Questions, (Laughter) have been held over to the next sitting, and so we launch headlong into Question 9 and I call on the Hon. Member for Onchan, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

Can I ask the Minister for Infrastructure why his Department's Housing Division was permitted to spend 29.1% on maintenance in 2017-18, but during the same period local authorities were restricted by his Department to spend 24.8%?

The Speaker: I call on the Minister for Infrastructure to reply.

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

The Hon. Member may be aware that in fact there were a total of four housing providers, including the Department, that spent more than the standard local housing authority maintenance allowance of 24.8% on their properties during that same financial year.

In terms of the Question, it is not a case of permitting anything, as the Department is not funded in the same way, nor does it operate within the allowances system as it receives revenue budget from Treasury. However, let me be clear, the Department works within an agreed budget to maintain its public sector properties, and during 2017-18, along with the other housing providers, it faced a number of challenges with regard to the cost of housing maintenance.

One of the key challenges impacting on spend across the sector is the increasing number and cost associated with bringing empty properties back into circulation and up to an acceptable standard for new tenants. The Department is working to establish alternative ways of procuring and delivering these property works, including examining how to package the works to help to deliver the economy of scale across the sector for the benefit all providers and ultimately the taxpayer, whether the provider is working within the local authority allowance system or not.

The Speaker: Supplementary question, Mr Callister.

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Mr Callister: Thank you, Mr Speaker, and I thank the Minister for his detailed response there. I took the opportunity over the last couple of days to speak to my own local authority, Onchan Commissioners, about their number of properties. Unfortunately, no local authority – and I doubt the Department does either – actually knows how many void properties they are going to get back in any given financial year. For Onchan Commissioners, in 2015-16 they had 33 properties back, in 2016-17 they had 43 properties back, and in 2017-18 they had 45 properties back. Obviously at that particular junction they take the opportunity to look at the kitchen, the bathrooms etc. and carry out any necessary work in order to allow the tenants to move into a property that is habitable and everything else.

Given this information, I was wondering if the Minister would agree that maybe it is the time to remove some of the restrictions on maintenance budgets in order to allow local authorities to actually spend the money and to get these void properties back into use more quickly in the future.

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The Speaker: Minister to reply.

The Minister: Thank you.

I think it is interesting, and I thank the Member. Onchan was one of those at the higher end of maintenance spend. Obviously it reflects the age of the property and we will work with all local authorities where there is an absolute need to look at what maintenance is required.

As I said before, we are moving to a better system of investment, in that rather than a percentage we look at the type and style of property, so that we can – I know this comes across in another Answer – look at what is actually needed, rather than a blanket percentage. We are actually working to that system, which will be more flexible and meet the actual needs, rather than an arbitrary spend, because obviously if you have predominantly new properties your maintenance then is going to be low, certainly for the first few years; if you have older properties it is going to be significantly higher.

The Speaker: Supplementary question, Mr Callister.

Mr Callister: Thank you, Mr Speaker.

Again, I thank the Minister for his response. I was wondering if the Minister would agree with me that local authorities have struggled to turn around properties towards the end of a financial year because of financial restraints over the maintenance. I was wondering if the Minister would engage with local governments and actually try to put in place a policy that supports these properties being turned around quickly, given the numbers of people waiting for housing on the Island.

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

The Minister: Thank you.

We absolutely will work with local authorities and we continue to do so across the different local authorities where they have additional maintenance needs.

1.10. Local authority housing maintenance – DOI action re excess expenditure

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for Infrastructure:

What action his Department takes when a local authority spends in excess of the maintenance or administration allowance in respect of their public sector housing stock?

The Speaker: Question 10. I call on the Hon. Member for Ramsey, Mr Hooper.

Mr Hooper: Thank you, Mr Speaker.

I would like to ask the Minister for Infrastructure: what action his Department takes when a local authority spends in excess of the maintenance or administration allowance in respect of their public sector housing stock?

The Speaker: I call on the Minister for Infrastructure to reply.

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

The Department does not take action against authorities where there has been legitimate, evidenced expenditure on housing services by a local housing authority.

A housing authority is advised to inform the Department of any additional expenditure requirements, with supporting information and evidence, and to work with us to identify alternative delivery methods to achieve economies of scale.

We will continue to work with the housing authorities. The new standards of performance due to be rolled out across the sector this year will include a formal process for those authorities requiring additional funding for specific maintenance requirements.

The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you, Mr Speaker.

That is quite helpful to know. So, the Minister is confirming there is no sanction to local authorities, provided they have a legitimate reason for spending more money than has been allocated.

Can I ask whether his Department, for its own housing stock, operates the same principle, that if they are to exceed these maintenance allowances his Department also has to provide a sensible, reasoned business case in order to exceed the allowance that has been allocated to them?

The Speaker: Minister to reply.

The Minister: Thank you.

The model is a little bit different for the Department – obviously we have to work with sensible reasons but we also have to work within the revenue budget that we have as a Department.

1.11. Public sector housing maintenance – Policy on permitted expenditure

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for Infrastructure:

What his policy is on the permitted amount of expenditure on the maintenance of public sector housing stock?

The Speaker: Question 11, and I call on the Hon. Member for Ramsey, Mr Hooper.

Mr Hooper: Thank you very much, Mr Speaker.

I would like to ask the Minister for Infrastructure: what his policy is on the permitted amount of expenditure on the maintenance of public sector housing stock?

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The Speaker: I call on the Minister for Infrastructure to reply.

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

As the Hon. Member is aware from his time as a local authority commissioner, there is no standalone policy on the permitted amount of expenditure on the maintenance of public sector housing stock. Local housing authorities fund their housing services using a historic allowance system, calculated as a percentage of the rental income they receive from stock. These allowances are considered to be the permitted parameters and the Department would expect a housing provider to operate within these under normal circumstances.

Any public sector housing provider will be aware that all property requires ongoing maintenance and investment to ensure the asset is kept in a safe, habitable and reasonable condition for its tenants. Ultimately the amount of expenditure on a property will depend on the age, location and condition, all of which should be a consideration by housing providers when planning their ongoing investment.

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The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you very much, Mr Speaker.

I wonder if the Minister could confirm what the purpose is of restricting maintenance spend to a percentage of rental income rather than on the basis of what may actually be required. What is the purpose of that percentage restriction?

The Speaker: Minister.

740 **The Minister:** Thank you.

I think it was a guide – probably it is a very old guide and I fully admit and support that we are moving away from that because it is a historic thing and it does not give us any sort of specific on properties. We are developing a more suitable model to replace the allowance system with something more realistic and transparent, such as a cost per unit model based on a range of factors – age, condition, investment and requirements. So, giving the context, we have a range from about £516.95 per house to £1,219.10 per house. It has to depend on a number of factors and we need a much better system.

The Speaker: Supplementary question, Dr Allinson.

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Dr Allinson: Thank you, Mr Speaker.

In terms of developing this policy further, would the Minister consider looking at local authorities investing more in terms of energy efficiency and spending more money on the existing housing stock to bring them up to current standards?

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The Minister: Yes, and I think we need a better mechanism to do that as well, because when we deal with energy efficiency we are obviously reducing the household income, not the landlord income. It is a landlord cost but a household decrease, so that we are going to have to obviously factor in and work out how we can deal with that better, but I think this is an opportunity across all our stock to deal with that issue.

The Speaker: Supplementary question, Mr Hooper.

Mr Hooper: Thank you, Mr Speaker.

I wonder if the Minister could confirm that as he is developing this new model he will be consulting with the local housing authorities on what the new model might look like and taking their input on board; and if he can also confirm whether his new model will also apply to the

Department's housing stock, or whether he intends to continue applying one rule for local authorities and another rule for his own Department.

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The Speaker: Minister to reply.

The Minister: Thank you.

It will be the same rule for all of them, and absolutely we will consult.

TREASURY

2.2. Fibromyalgia syndrome – Identification as disabling condition and support for sufferers

The Hon. Member for Arbory, Castletown and Malew (Mr Moorhouse) to ask the Minister for the Treasury:

What plans the Department has for identifying fibromyalgia syndrome as a disabling condition and supporting sufferers?

The Speaker: Before we move on to Written Questions, as previously advised, Written Question 2 is in the name of the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse, and I will take that at this point.

Mr Moorhouse.

780 **Mr Moorhouse:** Thank you, Mr Speaker.

I would like to ask the Treasury Minister: what plans has the Department for identifying fibromyalgia syndrome as a disabling condition and supporting sufferers?

The Speaker: I call on the Treasury Minister to reply.

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The Minister for the Treasury (Mr Cannan): Mr Speaker, Treasury already supports certain sufferers of fibromyalgia syndrome through the provision of incapacity-related and disability-related benefits. Entitlement to those benefits is subject to the statutory conditions being satisfied.

As regards the care component of Disability Living Allowance and Attendance Allowance, it is not relevant which particular condition or conditions a person suffers from; rather, entitlement is dependent on the level of care or supervision needs a person has as a result of their disabling condition or conditions. And as regards the mobility component of Disability Living Allowance, entitlement is dependent on how the claimant's mobility is impaired as a result of their disabling condition or conditions.

The Speaker: Supplementary question, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr Speaker, and thank you, Minister.

Does the Minister have any data to show how many people diagnosed with fibromyalgia currently qualify for Income Support and Disabled Living Allowance?

The Speaker: Minister to reply.

The Minister: Mr Speaker, we do not identify cases by the condition the claimant is suffering from, so we would have to manually examine thousands of case files and, in the case of Income Support, would have to review each claimant's latest medical certificate.

What I would say is this data is not actually needed to assess, rate and evaluate a claim, and also a person's ability to cope with whatever condition they have is assessed to quantify their needs and also their prospects in terms of receiving this type of support.

The Speaker: Supplementary question, Dr Allinson.

Dr Allinson; Thank you, Mr Speaker.

I would like to thank the Treasury Minister for his reply. Would he agree that there are certain conditions, such as fibromyalgia but also chronic fatigue syndrome (ME), where they fluctuate in terms of the level of disability, and so any assessment has to be done on a personal basis and very carefully?

The Speaker: Minister to reply.

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The Minister: Thank you very much – which has backed up exactly what I have just told the Hon. Member in terms of our specific records regarding the underlying causes of such conditions.

Procedural – Written Question 18 not to be answered

The Speaker: Now we turn to Questions for Written Answer and I draw Members' attention to Written Question 18. I have had a request from the Post Office for that Question not to be answered due to commercial and contractual confidentiality. Having made due investigation, I am satisfied that this is the case and have given the Post Office permission not to answer Written Question 18.

Other than that, Questions for Written Answer will have the Answers circulated in the usual manner.

2. Questions for Written Answer

CHIEF MINISTER

2.1. No-Deal Brexit booklet – Number of people accessing on Government website

The Hon. Member for Arbory, Castletown and Malew (Mr Moorhouse) to ask the Chief Minister:

How many people have accessed the No-Deal Brexit booklet each day on the Government website since it was launched by Chief Minister?

The Chief Minister (Mr Quayle): The Guide for Residents and Businesses in the event of a No-Deal Brexit ('the Guide') was published on 22nd February 2019. It provides an easy-to-use overview of the main areas in which things could change as a result of the UK's withdrawal from the EU, and also provides directions to where people and businesses can obtain more detailed information and advice.

We are not able to collect information on how many people have accessed a document available from the Government website. We can, however, provide information on the number of people that have accessed the Brexit pages of the website since the Guide was published on 22nd February 2019. This information is provided in the table below:

Section of www.gov.im	Total unique pageviews (22nd Feb 2019 – 9th April 2019)
www.gov.im/brexit (the Guide is accessed from this page) and sub-pages	3,808
www.gov.im/categories/tax-vat-and-your-money/customs-and-excise/brexit/	513
and sub-pages	
https://www.gov.im/categories/travel-traffic-and-motoring/passports/brexit-	712
passports-information/ and sub-pages	
https://www.gov.im/categories/travel-traffic-and-motoring/immigration/eu-	1,630
nationals/ and sub-pages	
TOTAL	6,6631

In addition to being available to access from the Government website, the Guide has also been provided to the Chamber of Commerce for dissemination to businesses. Any residents or businesses that have any queries or concerns are encouraged to contact the relevant Government Department for further advice.

1 These figures include unique pageviews from users of Isle of Man Government computers. These users represent less than 5% of the total amount.

POLICY AND REFORM

2.3. Programme for Government web pages – Number of people accessing on Government website

The Hon. Member for Arbory, Castletown and Malew (Mr Moorhouse) to ask the Minister for Policy and Reform:

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How many people have accessed the Programme for Government pages on the Isle of Man Government website each month since it was made available?

The Minister for Policy and Reform (Mr Thomas): The 'home' page for the Programme for Government on the Government website, www.gov.im/about-the-government/government/the-council-of-ministers/programme-for-government, holds all published versions and amendment documents of the Programme for Government, along with an explanation as to how the Programme for Government works and a short video to illustrate the purpose and meaning. This page has received 4,038 views since it was created on 1st November 2016.

A further web page holds performance reports and is updated quarterly. The link for this page is www.gov.im/about-the-government/government/the-council-of-ministers/programme-for-government-policy-overview-2016-2021/ and this page has received 2047 views since it was created on 1st February 2017. Thirty-two documents are available for download, and 3,830 downloads have been made. The following table sets out the number of downloads per document as at 12th April 2019.

Title	URL	Downloads
https://www.gov.im/about-the-g	government/government/the-council-of-ministers/programme-for-g	overnment/
Programme for Government	https://www.gov.im/media/1354840/programme-for-	1202
Year 1	government-210917.pdf	
Programme for Government	https://www.gov.im/media/1358589/programme-for-	355
Overview (1 page)	government-overview-and-framework.pdf	
Programme for Government	https://www.gov.im/media/1358611/programmeforgovernmen	63
Overview (mobile friendly)	t_mobilefriendly.pdf	
Programme for Government –	https://www.gov.im/media/1361137/2018-2302-programme-	226
Amendments	for-government-y2-final.pdf	
Programme for Government	https://www.gov.im/media/1364644/programme-for-	21
Year 2	government-year-2.pdf	
Programme for Government –	https://www.gov.im/media/1365686/programme-for-	1
Amendments for Year 3	government-y3.pdf	
https://www.gov.im/about-the-g	government/government/the-council-of-ministers/programme-for-g	overnment-policy-
overview-2016-2021/		
Delivering the Programme for	https://www.gov.im/media/1356167/delivering-a-programme-	194
Government	for-government-final-v2.pdf	
CABO Delivery Plan for the	https://www.gov.im/media/1356618/cabo-delivery-plan-for-	65
Programme for Government	the-programme-for-government.pdf	
DESC – Programme for	https://www.gov.im/media/1356620/dec-programme-for-	65
Government Delivery Plan	government-delivery-plan.pdf	
DFE – Programme for	https://www.gov.im/media/1356629/dfe-departmental-plan-	267
Government Delivery Plan	<u>2018-to-2019-final.pdf</u>	
	Includes figures for DED plan	
DEFA – Programme for	https://www.gov.im/media/1356621/defa-programme-for-	65
Government Delivery Plan	government-delivery-plan.pdf	
DHA – Programme for	https://www.gov.im/media/1356619/dha-programme-for-	57
Government Delivery Plan	government-delivery-plan.pdf	
DHSC – Programme for	https://www.gov.im/media/1356624/dhsc-programme-for-	32
Government Delivery Plan	government-delivery-plan.pdf	
DOI – Programme for	https://www.gov.im/media/1356622/doi-programme-for-	65
Government Delivery Plan	government-delivery-plan.pdf	
Treasury – Programme for	https://www.gov.im/media/1356623/tsy-programme-for-	65
Government Delivery Plan	government-delivery-plan.pdf	
Year One		•
Q1 Actions Reporting	https://www.gov.im/media/1358048/q1-actions-reporting-	32
	v3.pdf	
Q2 Actions Reporting	https://www.gov.im/media/1359196/actions-q2-final.pdf	32
Q3 Actions Reporting	https://www.gov.im/media/1360799/actions-q3-oct-dec-2017-	61
Q3 ACTIONS REPORTING		

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HOUSE OF KEYS, TUESDAY, 16th APRIL 2019

Q4 Actions Reporting	https://www.gov.im/media/1361953/actions-q4-programme-	32
	for-government-final.pdf	
Q1 National Indicators	https://www.gov.im/media/1358049/q1-national-indicators-	32
	v2.pdf	
Q2 National Indicators	https://www.gov.im/media/1359197/national-indicators-q2.pdf	32
Q3 National Indicators	https://www.gov.im/media/1360800/national-indicators-q3-	57
	oct-dec-2017-programme-for-government.pdf	
Q4 National Indicators	https://www.gov.im/media/1361954/national-indicators-q4-	80
	programme-for-government-final.pdf	
Mid Year Progress Report	https://www.gov.im/media/1359190/programme-for-	129
	government-mid-year-report.pdf	
Y1 Annual Report	https://www.gov.im/media/1361956/programme-for-	110
	government-y1-annual-report-v2-190718.pdf	
Year Two		
Q1 Actions Reporting	https://www.gov.im/media/1363589/y2-q1-programme-for-	24
	government-actions.pdf	
Q2 Actions Reporting	https://www.gov.im/media/1363590/y2-q2-programme-for-	102
	government-actions.pdf	
Q3 Actions Reporting	https://www.gov.im/media/1365147/actions-q3-y2-pfg-	2
	<u>report.pdf</u>	
Mid Year Progress Report	https://www.gov.im/media/1363591/y2-progress-report-final-	32
	v2.pdf	
Key Performance Indicators		
Q1 Key Performance Indicators	https://www.gov.im/media/1358047/q1-key-performance-	227
	<u>indicators.pdf</u>	
Q2 Key Performance Indicators	https://www.gov.im/media/1359362/kpis-q2-v11.pdf	71
Q3 Key Performance Indicators	https://www.gov.im/media/1360848/key-performance-	32
	indicators-q3-oct-dec-2017-programme-for-government.pdf	
Total	32	3,830

EDUCATION, SPORTS AND CULTURE

2.4. Catering services in schools – Qualifications required for each role

The Hon. Member for Onchan (Ms Edge) to ask the Minister for Education, Sports and Culture:

What qualifications are required for each role in catering services in schools?

The Minister for Education, Sport and Culture (Mr Cregeen): There are a number of catering roles currently in schools as detailed below:

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- Catering Manager
- Cook Supervisor
- Cook
- Assistant Cook
- General Kitchen Assistant
- Catering Assistant
- Catering Operative

The Catering Manager, Cook Supervisor, General Kitchen Assistant and Catering Operative roles have all been recently advertised and the person specifications detailing the qualifications required for these are shown by clicking here:

http://www.tynwald.org.im/business/hansard/20002020/k190416%20WA2.4a%20Link.pdf

The Primary School Meals Manager has confirmed that the qualifications for a Cook and Assistant Cook are the same as those detailed in the Cook Supervisor person specification.

In relation to Catering Assistants, the Primary School Meals Manager has also confirmed these roles are not recruited to.

Since August 2018, the Primary School Meals Manager has compiled lists of what is required regarding the Primary School Meals Service, where over the next three years, not only menu planning, equipment needed for repair or replacement but essentially the level of training needed to run a more efficient and safe service will be covered.

With only two available inset / training sessions a year, the Primary School Meals Manager needed to prioritise what was needed first.

- In September 2018, a safeguarding session was held for all catering staff.
- For June 2019, an Allergen Awareness evening session is planned to highlight the importance for children with dietary requirements and how we can include them within our school meals system.
- The Health and Safety Adviser will be delivering a Health and Safety training day in September 2019 to include manual handling, fire safety awareness and HACCP principles.
- For June 2020, First Aid/St John Ambulance training and also September 2020 Food Hygiene and Food Safety Level 2 will be updated.
- The Primary School Meals Manager will be delivering mini-training sessions within the school kitchens throughout the year to include Financial Regulations, staff wellbeing, Equality, pest control, COSHH and accident reporting.
- Over the next six weeks, all Cook Supervisors will be undertaking a Level 3 Food Hygiene course (a first for primary school meals). This will provide additional training and support for all new staff.

Looking to the future, the Primary School Meals Manager is in discussions with DEFA to introduce a food waste programme within the school canteens.

ENVIRONMENT, FOOD AND AGRICULTURE

2.5. Planning application 17/00684/A: 80-bed care home, Onchan – Minister's overruling of Inspector's recommendation

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

If he will make a statement on his decision to overrule the Independent Inspector's recommendation in respect of an 80-bed care home in Onchan under planning application 17/00684/A?

The Minister for Environment, Food and Agriculture (Mr Boot): The reasons for the decision to approve the planning application contrary to the planning Inspector's recommendation is set out in the decision letter sent to all parties and is available on-line along with the Inspector's report.

Clearly any decision that runs contrary to an Inspector's recommendation is one that I do not take lightly, especially when the appellants are the local commissioners and there are also public objections. In the 116 appeal decisions that I have made since becoming Minister I have only disagreed with the Inspector in seven of these.

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However, the power to determine appeals rests with me, as the Minister for Environment, Food and Agriculture and not the appeal Inspector. I believe that it is right for the decision to be made by an elected representative of Tynwald who is answerable to the public in a way that an off-Island Inspector is not. Reasons for decisions have to be made and need to be reasonable.

I do not propose to go into detail in respect of my considerations as these are set out in the decision letter; however the assessment of any planning application can be complex involving a number of competing issues and considerations. In this instance these included the allocation in the Area Plan, the need to optimise use of land, the need for care homes to meet our ageing population, traffic impacts, drainage, impact on the landscape and so on.

In balancing these considerations, it was my view that the development would, on balance, and subject to the detail design submission, be acceptable. Although this was not a view shared by the Inspector, it did accord with the planning officer's recommendation and the Planning Committee's decision.

2.6. Animal Welfare Bill – Progress with preparation

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for Environment, Food and Agriculture:

Pursuant to his Answer on 31st October 2017, what progress has been made with preparation of the Animal Welfare Bill?

The Minister for Environment, Food and Agriculture (Mr Boot): Following on from my Answer on 31st October 2017, a report on the work of the Animal Welfare Forum and its recommendations as to what should be included in an Animal Welfare Bill was drafted and submitted to the Department of Environment Food and Agriculture before the end of 2017, as planned.

The Department considered the Report in January 2018 and decided that it wished to progress to issuing drafting instructions for a Bill to the Attorney General's Chambers.

However, due to the workloads associated with Brexit, no significant progress had been made with this by August 2018.

At this point the Department reviewed its policy on progressing the Animal Welfare legislation. After careful consideration the Department adopted an amended policy of progressing a very short Welfare Bill. Although it was accepted that such a Bill would not contain all the powers of the originally envisaged Bill, it would encompass most of them and potentially be achievable in the face of Brexit workloads. Following on from such a Bill the view was that any gaps could be remedied subsequently when resources were available.

I have to inform Members that in spite of best intentions, the workloads related to Brexit have been much larger and continued much longer than anticipated, and as a result no significant progress has yet been made on this route.

I still very much look forward to the introduction of new legislation to help safeguard the welfare of companion animals on the Island that we can all be proud of.

For the present, Brexit work must take priority; however, when time and resources allow this work will be progressed as a matter of priority.

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HEALTH AND SOCIAL CARE

2.7. Patients transferred off Island for treatment – Overall responsibility and duty of care

The Hon. Member for Onchan (Mr Callister) to ask the Minister for Minister for Health and Social Care:

Who has overall responsibility and the duty of care for patients being transferred off Island for treatment; who is liable for the standards of care off Island; how these standards are set and by whom; whether they are negotiated as part of the Reciprocal Agreement and the Commissioning process; and how standards are monitored by his Department?

The Minister for Health and Social Care (Mr Ashford): The Department commissions a range of providers for the delivery of off-Island acute treatment or for the provision of social care residential placements. These providers have a responsibility to ensure the care they deliver is compliant with care legislation, regulatory standards and legal and professional standards of practice.

Contract-monitoring functions exist across the various directorates of the Department. Depending on the nature of the contract, monitoring can include assessment and review of our provider's compliance with care standards, their performance in audits undertaken by regulatory bodies such as the Care Quality Commission, regular reporting information regarding safeguarding alerts, incident reporting and service complaints. Where there is emerging risk or a need to explore any particular challenge in these services, the Commissioning and Contracts function in place across the various directorates of the Department will typically lead this with the provider's respective contract manager.

The main points of the Reciprocal Healthcare Agreement are:

- 1. Manx residents visiting the UK will receive free NHS treatment if they become ill whilst in the UK, apart from statutory charges which UK residents have to pay, such as prescription charges.
- 2. UK residents visiting the Isle of Man will receive free NHS treatment if they become ill whilst in the Isle of Man, apart from statutory charges which Isle of Man residents have to pay, such as prescription charges.
- 3. No payments for such treatment will be made to the Isle of Man by the UK, nor by the UK to the Isle of Man.
- 4. The treatment of Manx residents referred to the UK by the Isle of Man will continue to be paid for by the Isle of Man Health Service.

The reciprocal healthcare agreement does not specifically determine on standards of care for Isle of Man patients treated in the UK and UK patients treated in the Isle of Man. However, it is implicit that an Isle of Man patient would be treated with the same standard of care in the UK as a UK resident would and vice versa, subject to the conditions of the agreement.

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2.8. Community Pharmaceutical Services – DHSC plans to move from English to Welsh model

The Hon. Member for Onchan (Mr Callister) to ask the Minister for Health and Social Care:

What plans his Department has to move the provision of Community Pharmaceutical Services from the English model to the Welsh model; and, if so, what the reasons are?

The Minister for Health and Social Care (Mr Ashford): General pharmaceutical services are defined by the National Health Service Act 2001 as the provision of:

- proper and sufficient medicines and prescribed appliances to all persons in the Island who are receiving general medical services; and
- prescribed medicines to all persons in the Island who are receiving general dental services.

The DHSC began a review of community pharmacy services in 2016. At this point the Commissioning Committee requested the submission of a Pharmaceutical Needs Analysis and an option appraisal in order for the DHSC to carefully consider the future of community pharmacy.

In 2018, the DHSC Commissioning Committee reviewed the above documents and concluded that to continue with the English Contractual Framework was not favourable for two reasons:

- (1) A lack of technology infrastructure on the Island (which made parts of the English Contractual Framework impossible to meet) including 'Electronic Transfer of Prescriptions' and the provision of Government emails.
- (2) Significant cuts to the funding for Community pharmacy services were planned in England, which would have negatively affected pharmacy contractors here, and would have risked pharmacy closures.

The DHSC chose to adopt the Welsh Contractual Framework from April 2019, as it provided an opportunity for the quality of community pharmacy services to be improved and to tailor them to the needs of the Isle of Man population; specifically automatic payments made to Contractors would reduce, and pharmacists could then choose to opt into Quality Payment schemes. The overall aim of the change was to reduce costs and to improve quality and governance, thus allowing the DHSC to increase the governance and scrutiny of community pharmacy services.

The Department consulted extensively with the Isle of Man Contractors' Association (the negotiating committee representing the Island's pharmacists), the Health Service Consultative Committee and directly with the wider pharmacy community. The proposed change was widely accepted without challenge or exception.

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INFRASTRUCTURE

2.9. Bus Vannin and heritage railways – Income generated since 2012

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

How much income was generated in each financial year from 2012 by: (a) Bus Vannin; (b) Manx Electric Railway; (c) Snaefell Railway; (d) Steam Railway; and (e) Horse Trams?

The Minister for Infrastructure (Mr Harmer):

INCOME	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Bus	2,546,584	2,591,742	2,731,687	2,910,373	3,316,548	3,388,014	3,777,560
MER/SMR	390,295	368,708	375,758	487,113	409,094	421,018	566,545
Steam	252,128	295,495	275,462	301,577	284,412	319,419	367,067
Rail – Off train	477,229	572,136	591,766	672,941	689,223	827,130	1,022,939
Horse Trams	0	0	0	57,915	95,419	94,601	87,088
Other	125,139	101,993	95,579	103,606	97,653	144,035	56,155
	3,791,375	3,930,074	4,070,252	4,533,525	4,892,349	5,194,217	5,877,354

^{*} MER and Snaefell are accounted for as one railway

2.10. Bus Vannin and heritage railways – Costs since 2012

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

What the costs were in each year from 2012 of running; (a) Bus Vannin; (b) Manx Electric Railway; (c) Snaefell Railway; (d) Steam Railway; and (e) Horse Trams?

The Minister for Infrastructure (Mr Harmer):

EXPENDITURE	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Bus	7,473,723	6,927,483	6,965,875	7,341,225	8,186,489	8,843,809	9,468,247
MER/SMR/Steam	3,246,487	3,405,380	3,463,535	3,748,961	3,924,069	4,162,637	3,812.338
Horse Trams		0	0	0	231,174	349,689	411,532
Central Costs	2,384,903	2,592,406	1,681,178	1,437,705	1,332,697	1,604,461	1,965,123
	13,105,113	12,925,269	12,110,588	12,527,891	13,674,429	14,960,596	15,657,240

- Central costs are shown separately
- Costs exclude loan charges
- 2018-19 figures are draft, as year-end has not yet been finalised
- Due to the integrated operation of the heritage railways, historical financial records do not split between the three railways
- Decline in central costs from 2014-15 are a result of the transfer of costs resulting from creation of shared services (Cleaning, maintenance etc.)
- Please note that these figures are based on actuals and SAVE figures are based on budget.

^{*} Rail - Off train - This income relates to tickets sales which can be used on more than one railway and therefore unable to be split

^{*} Other income - Consists of rents, car park income and advertising. Excludes Fleet Shared Services

^{*} Please note that these figures are based on actuals and SAVE figures are based on budget.

2.11. Local authority and DOI housing – Rental income spent on maintenance

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

Pursuant to the Answer of 2nd April, what percentage of rental income, net of rates, (a) local authorities and (b) the Department spent on maintenance in each financial year from 2012-13 to 2016-17?

The Minister for Infrastructure (Mr Harmer): For ease of reference (a) and (b) are within the Table below.

The figures below relate to the percentage of rental income spent on maintenance by Local Authorities from 2012-13 to 2016-17 for public sector general stock housing only.

Local Authority	2012-13	2013-14	2014-15	2015-16	2016-17
	Maintenance	Maintenance	Maintenance	Maintenance	Maintenance
	allowance 28.9%	allowance 26.0%	allowance 25.4%	allowance 24.8%	allowance 24.8%
Braddan *	18.2%	16.5%	9.3%	14.3%	19.6%
Castletown*	25.0%	25.5%	25.7%	16.3%	19.9%
DOI	28.1%	20.7%	24.0%	24.7%	21.3%
Douglas BC *	28.6%	25.0%	21.6%	23.3%	26.1%
Malew*	n/a	n/a	n/a	52.0%	16.1%
Onchan*	28.9%	26.5%	25.6%	42.4%	24.7%
Peel *	27.4%	23.3%	18.6%	22.9%	22.7%
Port Erin*	22.2%	26.0%	16.1%	26.7%	27.0%
Port St Mary*	22.9%	19.2%	20.7%	38.8%	11.4%
Ramsey*	25.4%	25.4%	22.7%	22.9%	26.2%

^{*}Please note the above % is based on figures declared by the housing providers. Housing providers are able to bank any underspend.

2.12. School bus fare increase – Additional income expected

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

How much more his Department will receive in income as a result of increasing the school bus fares by 10p?

The Minister for Infrastructure (Mr Harmer): The Department expects the rise to generate an increase in the region £75,000 per annum, depending upon the impact of the change on demand.

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2.13. Bus Vannin and heritage railways – Passenger numbers since 2012

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

How many passengers were carried in each financial year from 2012 by: (a) Bus Vannin; (b) Manx Electric Railway; (c) Snaefell Railway; (d) Steam Railway; and (e) Horse Trams?

The Minister for Infrastructure (Mr Harmer): The Department provides below figures for each of the modes of transport as requested above. Explanatory narrative has been provided where necessary for ease of understanding the data provided. Before 2015 data was collated manually, with figures recorded annually by calendar year only, with exception of figures for Bus Vannin which were recorded by financial year.

(a) Passengers carried on Bus Vannin from financial year 2015-16 are provided below. No bus passenger numbers were recorded pre-2015.

Year	Passenger Journeys
2015-16	3,407,768
2016-17	3,537,865
2017-18	3,610,325
2018-19	3,725,802

(b) Passengers carried on Manx Electric Railway. Please note that pre-2015 passenger figures were collated manually and recorded only for travellers boarding and alighting from the main stations of Derby Castle, Laxey and Ramsey. Passengers boarding or alighting at any of the subsidiary stations would not be recorded, therefore a 15% uplift has been included for years 2012 to 2015 as an estimate of passengers carried. The introduction of Ticketer in 2016 allowed accurate recording of passengers boarding and alighting from all stations, thus the significant rise in numbers between 2015 and 2016.

Year	Passenger Journeys
2012	121,459
2013	123,198
2014	123,420
2015	165,750
2016	215,254
2017	227,826
2018	244,863

(c) Passengers carried on the Snaefell Mountain Railway. Please note these passengers made return journeys so should be doubled for comparison with other railways.

Year	Passengers Carried
2012	44,581
2013	44,080
2014	47,901
2015	52,055
2016	46,405
2017	63,175
2018	76,434

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(d) Passengers carried on the Steam Railway. The figures provided below show the passengers numbers who travelled on the scheduled service from 2012. Figures for passengers who booked and travelled on the dining car service were recorded from 2016.

	Passenger Journeys on	Passengers Carried on
Year	Scheduled Service	Dining Car Service
2012	98,276	
2013	100,037	
2014	97,851	
2015	111,160	
2016	115,537	5,702
2017	121,422	8,864
2018	113,197	9,000

(e) Passengers carried on Douglas Bay Horse Tramway. The Department can provide figures from 2015 which is the year in which it partnered with Douglas Corporation to use the Ticketer system for recording passenger numbers. The Department took over the operation of the horse tramway in 2016.

Year	Passengers Carried
2015	51,020
2016	69,702
2017	73,954
2018	80,606

2.14. School bus fare increase – Projected increase in overall receipts

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for Infrastructure:

What the projected increase in overall receipts is, resulting from the recent increase in school bus fares?

The Minister for Infrastructure (Mr Harmer): The Department expects the rise to generate an increase in the region £75,000 per annum, depending upon the impact of the change on demand.

2.15. School bus fare increase – Alternatives considered

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for Infrastructure:

What alternatives to the recent school bus fare increase were considered but not progressed?

The Minister for Infrastructure (Mr Harmer): As the Hon. Member will be aware, as part of the SAVE initiative, Public Transport's budget is reducing by £1 million over three years. A number of initiatives will be undertaken to both reduce cost and increase income. The Transport

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Strategy showing the principles that will be used to deliver both improvements is currently planned for submission to July Tynwald.

2.16. Public sector housing administration 2017-18 – Expenditure of rental income by local authorities and DOI

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for Infrastructure:

What percentage of rental income, net of rates, local authorities were permitted to expend on administration of public sector housing during the 2017-18 financial year; and what percentage of rental income, net of rates, the Department spent on administration of its public sector housing stock during the 2017-18 financial year?

The Minister for Infrastructure (Mr Harmer): Housing providers were allocated allowances for administration of 5.5% of income in 2017-18.

The allowances for 2017-18 for administration were 5.5%.

The Department is not funded in the same way as a Local Housing Authority. Calculating the spend in the same way as Local Housing Authorities, the Department spent 4.9% of rental income on the administration of its public sector housing stock in 2017-18.

POST OFFICE

2.17. Santander Bank Plc contract with IoM Post – Meetings and correspondence since 23rd January 2019

The Hon. Member for Onchan (Mr Callister) to ask the Chairman of the Post Office:

Pursuant to her Answer given of 26th February, if she will list all (a) meetings and (b) correspondence with Santander Bank Plc since 23rd January?

The Chairman of the Post Office (Ms Edge): The following communications have taken place based on available records at the time of writing:

Correspondence relating to the contract

- Conference call on 23rd January 2019
- Email correspondence dated as follows:
 - o 1st February 2019
 - o 2nd February 2019
 - o 8th February 2019 x 2
- 1050 o 11th February 2019 x 3
 - o 12th February 2019
 - o 18th February 2019
 - o 22nd February 2019 x 2
 - o 25th February 2019
 - 19th March 2019
 - o 20th March 2019
 - o 2nd April 2019

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In addition to contract correspondence, SLA reports are sent daily via email and conference calls relating to business as usual matters took place on 12th February, 14th March and 11th April.

2.18. Santander Bank Plc contract with IoM Post – Transactional value through post office counters

The Hon. Member for Onchan (Mr Callister) to ask the Chairman of the Post Office:

Pursuant to her Answer given of 26th February, what the total transactional value through the post office counters was in respect of Santander Bank Plc for each of the last three financial years?

The Chairman of the Post Office (Ms Edge): I am unable to provide this commercially sensitive information both under our contractual obligations with Santander Bank Plc and the sub-postmasters.

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Order of the Day

3. CONSIDERATION OF COUNCIL AMENDMENTS

3.1. Charities Registration and Regulation Bill 2018 – Council amendments considered

Mr Thomas to move.

The Speaker: We turn, then, to Item 3 on our Order Paper, Consideration of Council Amendments, and I call on Mr Thomas to move.

Mr Thomas: Thank you, Mr Speaker.

Following its passage through the Keys, the Charities Registration and Regulation Bill 2018 was returned to the Council for consideration of the amendments which were made by Hon. Members during the consideration of clauses. Of those amendments, most were agreed. However, the Council disagreed with certain amendments to clause 46, namely the insertion of subsections (3), (4) and (5), and proposed an alternative amendment which was a necessary repositioning of the procedural requirement for Tynwald approval.

I repeat what has been said on earlier occasions both by me and by the learned Attorney General in another place, namely that the Bill was intended to make technical changes to the registration and regulatory processes for the existing charities landscape. It was not intended to make policy changes to the nature and circumstances of registered charities beyond the widening of the definition of 'charitable purpose', to ensure that what is meant by 'charity' in the Isle of Man is at least as wide as in England and Wales.

The disputed amendments to clause 46 are as follows: subsection (3) requires the Attorney General to make regulations to exempt charities with a gross income not exceeding £5,000 from the requirement to register and thus from the requirements to which registered charities are subject; subsection (4) provides that the Attorney General may by order increase the amount specified in subsection (3); and subsection (5) makes an additional provision concerning the meaning of 'gross income'.

The insertion of subsections (3), (4) and (5) represents a not insignificant change to the charities landscape and, as I indicated during the Third Reading, gives rise to a number of issues which can be perceived as fundamental in terms of the operation of the provisions of the Bill and, accordingly, the regulation of Manx charities going forward.

Firstly, the provisions of the Bill do not enable an exempt charity to register voluntarily, and indeed a registered charity must be removed from the register if it subsequently becomes exempt. This could result in a charity's requirement to register changing from year to year as its income increases or decreases. This also takes no account of the fact that some charities may prefer to be on the register in order to benefit reputationally from having their accounts and other information available on a public record. If the intention is that small charities should be able to opt in to the regulatory regime, then this will have to be provided through a different mechanism rather than exemption.

Secondly, is it appropriate that the sole criterion for determining whether a charity should be exempt should be the level of its income, irrespective of the amount of funds on deposit in the bank or whether it owns land or other valuable assets? In a period of low interest rates, this would exempt from registration, and therefore visibility to the regulator and to the public, charities with substantial sums of money or valuable assets merely because their income comprised only interest rather than donations. Such a charity could then dissipate its funds without any scrutiny, or at least much scrutiny, as to how those funds have been applied.

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I understand a very quick check of the figures held by the Charities Registry shows that of the 700 charities registered there are approximately 300 whose most recent accounts show an income of £5,000 or below, and of these more than a third have assets valued at over £10,000, which includes 16 charities with assets valued in the £50,000 to £100,000 range, 16 charities with assets valued in the £100,000 to £500,000 range and three charities with assets over £½ million, one of which runs into several million pounds – so, this is not a theoretical point I am making about assets relative to income.

Thirdly, to what extent should the general principles of the Act apply to small charities? Should there be a requirement for a small charity to be notified to the Attorney General, so that there is at least a record of its name, objects, annual income and contact details? Consideration would also have to be given as to how the requirement for a substantial and genuine connection could be applied by the legislation to a small charity. It would seem inconsistent that the application of the test would be determined by a charity's income, particularly in the case of a charity whose income fluctuated around the registration threshold. Although an unregistered charity would not have to file annual accounts, good practice would dictate that it should still have to prepare, at the very least, a statement showing the charity's income, expenditure and account balances. Also, it would be a rare instance where a charity soliciting funds from the public should not have a written constitution. Additionally, should a small charity be able to be included in the register of charity mergers?

These issues are all ones which I have suggested need to be explored properly and that both the charities sector and the general public need to be given the opportunity to provide input. It is especially important that any potentially negative consequences be identified. I note in particular the helpful email which David Gawne MBE – I am sure we all agree it was helpful – sent to Hon. Members reflecting concern on behalf of some charities regarding the effect of the insertion of subsections (3), (4) and (5). As well as highlighting some of the issues to which I have already referred, Mr Gawne indicated that not being registered may prove to be a disadvantage to small charities in that it might bar them from receiving funding from bodies which only support charities which are registered and, thus, subject to scrutiny. So, an unintended consequence of the amendment may be that the small charities that were intended to benefit from it may instead suffer a detriment.

In view of the issues, I would ask Hon. Members now to reconsider the amendment which inserts subsections (3), (4) and (5) into clause 46 and to concur with the Council's view.

The further amendment made by the Council is also linked with the amendment inserting subsections (3),(4) and (5), as removing the words 'and orders under subsection (4)' from the reference to the Tynwald procedure would not be necessary if the inserted subsection (4) is not retained.

Mr Speaker, Hon. Members, before moving I wish to remind Members of my pledge to launch a long consultation on the charitable landscape, including ecclesiastical and small charities. This was confirmed by the learned Attorney General in the other place earlier this month when he stated:

I can confirm that Minister Thomas, on behalf of Government, did make a commitment that he would take the issue of let's call it the charitable landscape out to public consultation.

I think the Cabinet Office, the Attorney General's Chambers and the Department for Enterprise are going to have to work very closely together on this consultation because the Department for Enterprise includes the Central Registry, which has the software and the knowhow regarding all that sort of stuff to make all the improvements to ease the administrative burden on all of the smaller registers that are kept there, which includes the charities sector.

So, with that, Mr Speaker, I would like to move the motion standing in my name.

The Speaker: I call on the Hon. Member for Ramsey, Dr Allinson.

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Dr Allinson: Mr Speaker, I beg to second and reserve my remarks.

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

Mr Hooper: Thank you very much, Mr Speaker.

I am quite disappointed that we are back here again, having to go through the same issue a second time. This Hon. House made its view quite clear, when approving and inserting the original amendment, that as a matter of policy there should be an exemption for small charities from the registration requirements under this Bill.

If you read through the very short debate in the *Hansard* from the Legislative Council, the objections that were raised there were primarily matters of policy: is it appropriate that such and such should happen? They are not really matters of whether or not the exemption as drafted would work in practice. Even the first speaker in the Legislative Council commented that this is something that needs to be looked at as a policy matter. I find that statement quite surreal, given that this Hon. House had already made a policy decision in this place when it passed the amendment the first time round.

In actual fact, many of the objections that have been raised by Government to this exemption, including the ones the Minister has raised again this morning, completely ignore the reality that this type of exemption works perfectly well in other jurisdictions. It is identical to the exemption in England and Wales. Guernsey is a prime example of a small island jurisdiction with a small charities exemption based purely on financial criteria. In fact, the Guernsey exemption goes one step further and exempts some assets as well as income as a criteria.

I am not intending to stand here and go through all these policy arguments today in any more detail, simply because I do not believe it is the place of the Legislative Council, of unelected Members, to determine policy. I believe that is the role of this Hon. House, and this Hon. House has already made its position known. I do not really see the value in trying to revisit this whole discussion, as the Hon. Minister is trying to do simply because he did not get the outcome that he wanted. I think the proper role of the Legislative Council is to ensure that the policy of this Hon. House works in practice, and unfortunately, due to the way this particular Bill has been progressed through the Branches, I do not think that process has been able to be effectively applied.

I will give a very short example to highlight what I am talking about. One of the practical implications of the exemption as drafted is that charities might fluctuate around the income level, dropping in and out of registration requirements. In principle that is not really an issue. The same thing happens with the audit thresholds. You can drop in and out of the requirement to have an independent examiner's report or an audit. In reality, there is nothing stopping a charity from continuing to have an audit just because they are below the threshold; it is just not a legal requirement.

In terms of registration, that would originally have been the same. There was nothing in the original draft of the Bill that would prevent a charity from continuing to prepare annual accounts and prevent them from filing those accounts should they choose to do so. Unfortunately, an amendment that was tabled and that went through required that all exempt charities be removed from the register, and that knocked this flexibility squarely on the head. Because the Bill went to Legislative Council first, all the other clauses of the Bill have been locked in, which means there is not really a practical way of amending them to reintroduce what the Minister has already referred to as a voluntary registration provision – it just does not seem to have been possible – whereas if the Bill had come here to this House for the policy discussion first we would not have had this issue; we could still be amending other parts of the Bill in order to deal with this issue that has arisen around voluntary registration, so the policy that this Hon. House had approved could then be put into force and would be workable.

I am actually quite disappointed that when this Bill went to the Legislative Council there did not seem to be a single Member entertaining the idea that it might have been their job in this

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place to address further legislative changes that might have been necessary in order to make this policy amendment work in practice, and instead they would prefer to engage in further policy discussion with this Hon. House.

So, I think the process of getting this particular Bill through the Branches has caused problems – I think they are entirely avoidable problems and I hope the Minister learns from this process.

I actually think the way the consultation itself was handled is also partly at fault here. The issue of small charities exemption was raised in the consultation and dismissed out of hand without any reason given, simply 'It's not the intention to do this', and the Minister stated that again this morning. It is not the intention to do this, but he has not actually provided a valid reason as to why, when this was raised, it was not properly considered and addressed. I think the very fact that that issue was raised as part of the consultation should have raised a flag for the Government here that the Bill itself, whilst it was maybe intended to be devoid of policy, actually is not devoid of policy implications.

And so, when dealing with policy implications, the Bill should have come here first rather than trying to shortcut the process, which is what I think has happened, and again I hope the Minister learns from this and, if he is going to consult further, makes sure that it is a genuine consultation and that concerns and comments that are raised are properly considered and not just dismissed out of hand. This will save him time, cost and effort in the future.

Because of the process, because of these failings and the way this has been handled, the Minister is now having to go back out to consult a second time and I really hope as part of that consultation he will take note of the decision that has been made by this Hon. House that there should be an exemption built into the registration requirements for small charities. I hope that his consultation will focus on how this will work in practice and not simply be an attempt to reconfirm his existing viewpoint.

I had originally intended to stand up here today and push back against the Council amendment and I had asked the drafter to put together some compromise amendments that would have enabled changes to be made to other provisions in the Bill, but because of the way the processes have been handled so far and the consequences of some of those failings, I have to reluctantly agree with the Minister that actually a short consultation process and a further primary Bill will probably be a more effective way of making sure that the policy decision made by this Hon. House will be enacted into law. So, I am reassured that the Minister is going to do this, is going to follow this consultation process. It is not, I think, my preferred route. I think this should have been dealt with the first time around and I think I have tried to make that quite clear, but I do not intend to push back against this amendment. I intend to accept the Minister's position and concur with this Council amendment simply because I do not feel that we have been left with any other options at this stage.

Thank you, Mr Speaker.

The Speaker: Hon. Member for Middle, Mr Shimmins.

Mr Shimmins: Thank you, Mr Speaker.

Well, what a muddle we have found ourselves in! I think this is largely because a predetermined outcome was decided way before this Bill arrived in this Court and the way it has been progressed is highly questionable. We need to remind ourselves that the House of Keys sets policy on these matters. But I will – similar to my hon. friend from Ramsey – be supporting the proposal today.

I would just like to make some comments in response to the Minister for Policy and Reform's opening remarks. Hon. Members should of course be aware that England and Wales has run with a £5,000 *de minimis* for their charities legislation for a number of years and it is run well. Guernsey also runs a *de minimis* system – slightly differently, they also have an asset *de minimis* as well – and it runs well.

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It has been, I guess, surprising that a system which runs very well in neighbouring places should be so unsuitable for the Isle of Man, and various representations have been made and some of the points have been repeated by the Minister this morning. Voluntary registration seems to be a very sensible solution to all of those concerns and so it is really regrettable that that was not progressed as part of the progress of this Bill back and forward between the different Branches, because clearly it is eminently doable if it works well elsewhere — voluntary registration with a *de minimis*. You can refine the income levels and the asset levels to reflect the Isle of Man, of course you can. Of course it could work.

In terms of the numbers that the Minister quoted in terms of the 700 charities which are currently registered in the Isle of Man, of these 300 or so have an income below £5,000 and he highlighted that one third had assets above £10,000. What that actually also means is that two-thirds have assets below £10,000. So that is 200 charities, Hon. Members, which I would submit to have very low levels of income below £5,000 and very low levels of assets below £10,000.

In every other aspect of our regulatory regime we have a risk-based approach. That is the modern approach to regulation. So why are we not adopting a risk-based approach to charity regulation? Because if we did it would clearly reduce unnecessary bureaucracy for these very small charities with low levels of income and low levels of assets, and it would also provide an efficiency saving for the Attorney General's Chambers, which of course is heavily subsidised by our taxpayer.

The reluctance to take on board any feedback from Members on this Bill and the resistance of attempts to refine this legislation is regrettable and I would suggest that this does not reflect well on those promoting this legislation. The single-minded approach in terms of rebuffing attempts to refine this Bill are disappointing and the question of course is why was this Bill originally introduced in the Legislative Council? We know from *Hansard* from the Council, the Attorney General has confirmed this is not a desperately urgent Bill. As I said, the whole approach that has been adopted of this Bill is regrettable and poor.

I do, however, welcome the consultation on what the Minister described as the charitable landscape. I think that is helpful. I am not sure it actually is required. If this Bill had been run in a different way I do not think we would be in this place and so that additional cost and time I think is directly resulting from the unfortunate approach that has been followed.

But I would say in terms of the charitable landscape, the landscape is not expansive. We have just heard there is a relatively small number of charities and it is narrowly centralised in one place — the Attorney General's Chambers; and this concept of everything sitting with the Attorney General is causing concern in the Isle of Man legal community and at further large.

So I hope that that particular aspect will also be addressed by the consultation and I look forward to the Minister responding to that specific question.

Thank you.

The Speaker: Hon. Member for Ramsey, Dr Allinson.

Dr Allinson: Thank you, Mr Speaker.

I would like to thank the two previous speakers because they have both shown an awful lot of intelligent comment on this Bill as it has gone through and proposing amendments.

I must admit when this Bill originally came before us I did not think we would be having this extensive debate. It just seemed like a fairly simple Bill to upgrade the actual definition of charities and the regulations. But I think the fact that we have had such a large debate is based on the fact that charities have a very important role to play within our community – extremely important. Charities are an expression of our generosity, but also tie us together.

One of the interesting things that has happened whilst we have been having this debate is Island Global Research published their online survey about charitable giving, both for here but also in Jersey and Guernsey, which was reported on Manx Radio, and the figures are very interesting and show the importance of getting it right in terms of regulations. It is estimated

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that individuals on the Isle of Man donate over £28 million a year and that is without companies and corporate sponsorship – that the average person on the Isle of Man donates £405 – each adult – which compares with £280 in Jersey and £340 in Guernsey.

We know that this Island is a very generous place. (A Member: Hear, hear.) This demonstrates that, but also demonstrates why we do need to be responsible about the charity sector, because what this research shows is that 96% of residents give donations, either money, goods, services or their time towards charities; and the vast majority want to support charities that actually deal with the community we live in or health, and 61% prefer to support local charities.

We also know that it is very important for most people that they see the important contribution charities give to this Island; 84% said that was one of the main motivations for donating and 7.1 out of 10 trust local charities compared with 4.7 who trust UK or international charities.

I think a lot of this legislation has to support that trust. We have seen how scandals in terms of Oxfam and safeguarding can destroy trust in charities very quickly. What I would like to see from this legislation is a greater degree of trust actually being instilled in charities. The evidence shows that people prefer smaller charities, prefer local charities, but when they then ask about the factors that discourage charitable giving the main one was it was not clear how the money was being spent, followed by too little money actually going to the cause, too much money being spent on staff salaries and not being able to find enough information about the charity.

All these restrictions and barriers towards more giving would be addressed by registration and a clear and transparent register. I must admit, as I said about the two previous Members, when initially they talked about small charities being exempt from registration I could see the benefit there in terms of bureaucracy and having to do audits.

But surely if we are going to safeguard both the trust and the £28 million a year we do need to empower charities to be registered, to have decent accounts and to have those accounts that are open and transparent. That is how we support the charities. None of these regulations were introducing a fee for registration and all of them were actually also offering help and advice and support to charities to do the right thing, to raise more money and to uphold that trust.

So in summing up, I think we have actually had a very interesting debate and I am sorry it has gone away from the initial aspects of this Bill, but I would like to thank the Minister for actually continuing this debate through a public consultation to make sure that we do not just look at the regulations, but we also look at the landscape of charitable giving on the Isle of Man which we now have evidence to show is actually really quite vibrant but needs extra support.

Thank you.

The Speaker: I call the mover, Mr Thomas, to reply.

Mr Thomas: Thank you, Mr Speaker.

First, I would like to thank my seconder, Hon. Member for Ramsey, Dr Allinson, for seconding and also for those very helpful remarks which I want to associate myself with in entirety, to avoid repetition.

I also want to thank the other two people who spoke again today: Mr Shimmins, Hon. Member for Middle, and the other Hon. Member for Ramsey, Mr Hooper, who have made helpful points – many of which I agree with, not entirely though. But I just want to build on some major points so that the record of this House in *Hansard* deals with some of the very important points that have been made.

The first one is that there are differences between the English and Welsh motivation and situation post the *de minimis* £5,000 change compared to our Island. So for instance, there has been a huge change in the tax regime alongside this, so that you can still have tax exemptions without being a registered charity. If we want to go down that route we can and that will be something that will be considered in the consultation.

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The second point is that the motive in England and Wales was very different from the situation here because we do not share that same motive. So in England and Wales there is a tiny proportion of small charities relative to the total number of charities and half of our charities are small because Isle of Man people are so generous and there has been a tradition of establishing charities and working for charities, and basically running charities for the public good.

These are all the questions that we need to explore in the small charities part of the forthcoming consultation. So the part of this I disagree with in terms of what Mr Shimmins and Mr Hooper said is I do not want it put on record that the requirements are bureaucratic and onerous. We will now question actioned charities about whether they are bureaucratic and onerous and, if so, what we should do about them in terms of moving to a proportionate risk-based approach, because that is actually the right approach. Do they benefit from reporting requirements and the good practice suggested by the processes inside charities registration and regulation? How will donors – corporate donors as well as individual donors – react to the loss of the ability to register? These are all good questions. I thank Mr Gawne for entering into a lengthy correspondence with Mr Shimmins about practical issues to do with the Guernsey example and the English and Welsh example, and the differences with the Isle of Man. That will be the basis of the forthcoming consultation.

So hopefully that is sufficient inside this House and for *Hansard* to understand that the headline is not, 'This House imposes bureaucratic and unnecessary bureaucracy on the regulations on smaller charities.' That is not the case. We are now going to consider the extent to which we can relax things carefully and in proper time.

The second point I want to make is that the reality about the consultation is that nothing came forward really in the first of the two consultations that took place before this Bill from people, from charities themselves saying that we should go beyond charities registration and regulation to the charities landscape. It might be there. We will now work with the Department for Enterprise. I hope Mr Hooper will be involved with Treasury, I hope Mr Shimmins will be involved to actually work out what we should do next and also address some of the other questions from the passage of this Bill to do with ecclesiastical charities and to do with other things in the landscape that might be necessary.

I have been thinking with colleagues about the platform for that consultation and I have been thinking about the timescale for that consultation. I would really hope that in the next few weeks we can make some decisions about that inside our little working group to actually launch the consultation which we will keep open for many months, perhaps up to a year, so that we can really engage churches, smaller charities, the public, companies, everybody to make sure that we have the right policy decisions informed by facts and opinion so that we can come forward with a new Bill about the charities landscape.

The last point I wanted to make was in respect of the role of the Legislative Council inside Tynwald Court. I think I would like to put on record my thanks to Legislative Council for taking this issue, giving this issue the attention it deserves, because I do not think they have been making policy decisions; what they have been doing is they have been suggesting ways that the legislation could be better, and that is exactly the role of the second Chamber or a scrutiny committee. It is basically trying to make the legislation workable. What they have said is they have respected the Keys policy decisions and, 'How about doing it the best way or doing it in a way that might work?' I think with the consultation and a Charity Bill looking back to all charities legislation history, which goes back 150 years or something like that in the way it is currently put down in Statute, we can actually come up with a better way forwards in two or three years than we would have by an impromptu recognition of policy intention that came quite late in the process.

Finally, before I move, I just want to say that in future I can assure this House that the Council of Ministers will consider very carefully in which Branch any Bill starts. This Bill was considered carefully in Council of Ministers and it was decided that as it was a technical regulation it was

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perfectly appropriate for the technical expert to start in the Legislative Council. As the Bill has progressed, some policy issues have been introduced into the debate and we will certainly take that into account in Government as we decide the future introduction of Bills into the Branches.

With that, Mr Speaker, I beg to move.

Mr Robertshaw: Mr Speaker, would you consider a question for me as a point of order? Can I submit it to you and seek your –?

The Speaker: If it is a point of order, Mr Robertshaw.

Mr Robertshaw: The point of order would be: would the Minister consider delaying any Royal Assent on this Bill until the consultation that he is proposing is complete?

Would he consider that?

The Speaker: That is not a point of order. I would advise Members that the way to deal with that would be to try and seek to intervene in the Member's closing remarks. That would be the ideal way. I have not yet put the question so if the Minister does want the opportunity to respond I will happily provide that now, but under no obligation.

Mr Robertshaw: Thank you.

Mr Thomas: No, I think that is a helpful intervention. It is maybe in the right spirit, but I think we are better off moving to a better registration and regulation regime. That is the whole point of doing this, to add to the transparency, to add to the governance – exactly the things that Dr Allinson talked about. We are in a better position having this Bill in place and then beginning the process about thinking about voluntary registration and exemptions and the whole charity landscape – the issues that we decided two years ago that there was no demand from the public to consider. There apparently is. If the public representatives in this Hon. House and Legislative Council think there is we will go out and discover that, and we will be in a better place having another Bill, perhaps an amendment Bill but more likely a brand new Bill, to actually change some more fundamental pieces of charities legislation which we would have to do in any case.

So I think it is clearly better to have Royal Assent as soon as possible if it goes through upstairs, and then to move on in parallel with a consultation and engagement process, putting so many people – some of whom are sitting in this House, I am looking at the Chaplain there – to some work to actually help us engage in the fact finding and the analysis so that we can come back with another Bill later on.

The Speaker: In which case I put the question at that point that the House agree with Council's amendments. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

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Tribute to Garry Homer – Tynwald Messenger

1455 **The Speaker:** Hon. Members, before the House adjourns I have two brief comments to make in which I hope I speak on behalf of the House as a whole.

I am sure that the House would wish to echo the sentiments of Mr President last week in paying tribute to Garry Homer, one of our Tynwald Messengers, (**Members:** Hear, hear.) who was taken suddenly on 6th April.

On behalf of Members, I would like to extend our collective condolences to Margaret and the family. Garry was known in this place for his dry wit, which will be very much missed in the precincts and I know also in the Messengers' room.

Gratitude for service – Paul Dougherty, Tynwald Seneschal

The Speaker: It would also be wrong to allow today to pass without marking the service of Paul Dougherty. This is his last day serving this House in his capacity as Seneschal before moving on to pastures new.

Paul has been with us for a decade and has seen the role of Seneschal expand into a role that encompasses estates director, line manager to the messengers, handyman and historian. His former experience as a police crime scene photographer has also served us well in his unofficial role as photographer, in which he is documented not just the many dignitaries who have passed through our doors but also the details of many aspects of the Chamber and our prized possessions that have adorned the Tynwald Programme and our Annual Report.

Paul exemplifies the can-do attitude that we so appreciate in our staff here in Tynwald, and his inimitable sense of humour will be missed. He has been a faithful servant to this House and I am sure I speak for all of us in wishing him well in all the very best in the next chapter of what he chooses to do next. (**Members:** Hear, hear.)

With that, Hon. Members, the House stands adjourned until Tuesday, 7th May at 10 o'clock in our own Chamber.

The House adjourned at 11.28 a.m.

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