



# TYNWALD COURT OFFICIAL REPORT

RECORTYS OIKOIL  
QUAIYL TINVAAL

## PROCEEDINGS DAALTYN

**HANSARD**

**Douglas, Tuesday, 20th March 2018**

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**Volume 135, No. 8**

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**Present:**

The President of Tynwald (Hon. S C Rodan)

*In the Council:*

The Lord Bishop of Sodor and Man (The Rt Rev. P A Eagles),  
The Attorney General (Mr J L M Quinn QC),  
Mr D C Cretney, Mr T M Crookall, Mr R W Henderson, Ms T M Humbles,  
Mrs K A Lord-Brennan, Mrs J P Poole-Wilson and Mrs K Sharpe  
with Mr J D C King, Deputy Clerk of Tynwald.

*In the Keys:*

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);  
Miss C L Bettison and Mr C R Robertshaw (Douglas East);  
Hon. D J Ashford and Mr G R Peake (Douglas North);  
Mrs K J Beecroft and Hon. W M Malarkey (Douglas South);  
Mr M J Perkins and Mrs D H P Caine (Garff);  
Hon. R K Harmer and Hon. G G Boot (Glenfaba and Peel);  
Mr W C Shimmins (Middle);  
Mr R E Callister and Ms J M Edge (Onchan);  
Dr A J Allinson and Mr L L Hooper (Ramsey);  
Hon. L D Skelly (Rushen);  
with Mr R I S Phillips, Clerk of Tynwald.

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# Tynwald

*The Court met at 10.30 a.m.*

[MR PRESIDENT *in the Chair*]

**The Deputy Clerk:** Hon. Members, please rise for the President of Tynwald.

**The President:** Moghrey mie, good morning, Hon. Members.

5     **Members:** Moghrey mie, Mr President.

**The President:** The Lord Bishop will lead us in prayer.

## PRAYERS

*The Lord Bishop*

### Welcome to new Members of the Legislative Council

10     **The President:** Hon. Members, we will wish to welcome to Tynwald Court the new Members of Legislative Council who have been elected by the House of Keys and wish them well in carrying out their responsibilities in this place.

**Members:** Hear, hear.

### Leave of absence granted

15     **The President:** I have given leave of absence to the Member of Council, Mrs Hendy, who has a long-term, unbreakable, pre-existing commitment which prevents her attending her first sitting this morning.

### Papers laid before the Court

**The President:** I call on the Clerk to lay papers.

20     **The Clerk:** Ta mee cur roish y Whaiyl ny pabyryn enmyssit ayns ayn nane jeh'n Chlaare Obbyr.

I lay before the Court the papers listed at Item 1 of the Order Paper.

Electronic Transactions Act 2000

Electronic Transactions (General) (Amendment) Regulations 2018 [[SD No 2018/0083](#)] [[MEMO](#)]

Education Act 2001

Employment of Children Regulations 2018 [[SD No 2018/0066](#)] [[MEMO](#)]

Performances by Children (Amendment) Regulations 2018 [[SD No 2018/0068](#)] [[MEMO](#)]

Financial Provisions and Currency Act 2011

Pig Premium Scheme 2018 [[SD No 2018/0019](#)] [[MEMO](#)]

Social Services Act 2011

Adult Social Care Services (Charges) Regulations 2018 [[SD No 2018/0079](#)] [[MEMO](#)]

Licensing and Registration of Vehicles Act 1985

Vehicle Duty Order 2018 [[SD No 2018/0045](#)] [[MEMO](#)]

Harbours Act 2010

Harbour (Dues and Charges) (Amendment) Regulations 2018 [[SD No 2018/0065](#)] [[MEMO](#)]

Registration of Pleasure Craft (Amendment) Regulations 2018 [[SD No 2018/0046](#)] [[MEMO](#)]

Harbour (Miscellaneous Provisions) (Amendment) Byelaws 2018 [[SD No 2018/0047](#)] [[MEMO](#)]

Customs and Excise Act 1993

Customs and Excise Acts (Application) (Amendment) (No.2) Order 2018 [[SD No 2018/0048](#)] [[MEMO](#)]

Audit Act 2006

Accounts and Audit Regulations 2018 [[SD No 2018/0053](#)] [[MEMO](#)]

Social Security Act 2000

TV Licence Payment (Amendment) Order 2018 [[SD No 2018/0078](#)] [[MEMO](#)]

Pension Schemes Act 1995

Pension Schemes Legislation (Application)(Amendment) Order 2018 [[SD No 2018/0077](#)] [[MEMO](#)]

Social Security Act 2000 and Pensions Schemes Act 1995

Pensions Act 2014 (Application) Order 2018 [[SD No 2018/0076](#)] [[MEMO](#)]

Tribunals Act 2006

Gambling Appeals Tribunal Rules 2018 [[SD No 2018/0052](#)] [[MEMO](#)]

Collective Investment Schemes Act 2008

Collective Investment Schemes (Fees) Order 2018 [[SD No 2018/0059](#)] [[MEMO](#)]

Financial Services Act 2008

Financial Services (Fees) Order 2018 [[SD No 2018/0060](#)] [[MEMO](#)]

*Report*

Harbours Strategy [[GD No 2018/0011](#)]



*The remaining items are not the subject of motions on the Order Paper*

Social Security Pensions Act 1975

Pensions Increase (Annual Review) Order 2018 [[SD No 2018/0055](#)]

Insurance Act 2008

Insurance (Fees) Regulations 2018 [[SD No 2018/0061](#)]

Interpretation Act 2015

Registered Schemes Administrators (Fees) Order 2018 [[SD No 2018/0062](#)]

Tobacco Products Duty Act 1986

Tobacco Products Manufacturing Machinery (Licensing Scheme) Regulations 2018  
[[SD No 2018/0071](#)]

Road Traffic Regulation Act 1985

Douglas (Various Roads) (Reserved Parking Places) (Amendment) Order 2018  
[[SD No 2018/0004](#)]

Parking Places (Onchan) (Amendment) Order 2018 [[SD No 2018/0005](#)]

Rural Roads (Speed Limits) (Amendment) Order 2018 [[SD No 2018/0006](#)]

Rural Roads (Various Roads) (Reserved Parking Places) (Consolidation) (Amendment)  
Order 2018 [[SD No 2018/0009](#)]

Douglas, Traffic Regulations Consolidation (Amendment) Order 2018 [[SD No 2018/0010](#)]

Hutchinson Zone (Douglas) (Parking Places Designation) (Amendment) Order 2018  
[[SD No 2018/0011](#)]

Windsor Zone (Douglas) (Parking Places Designation) (Amendment) Order 2018  
[[SD No 2018/0014](#)]

Douglas (Various Roads) (Reserved Parking Places) (Amendment) (No 2) Order 2018  
[[SD No 2018/0015](#)]

Douglas (Various Roads) (Reserved Parking Places) (Amendment) (No 3) Order 2018  
[[SD No 2018/0020](#)]

Ramsey (Various Roads) (Reserved Parking Places) (Amendment) Order 2018  
[[SD No 2018/0021](#)]

Onchan (Various Roads) (Reserved Parking Places) (Amendment) Order 2018  
[[SD No 2018/0022](#)]

Castletown (Various Roads) (Reserved Parking Places) (Amendment) Order 2018  
[[SD No 2018/0040](#)]

Merchant Shipping Act 1985

Merchant Shipping (Survey and Certification) Regulations 2018 [[SD No 2018/0088](#)]  
[[MEMO](#)]

*Documents subject to negative resolution*

Fisheries Act 2012

Sea Fishing Licensing (Amendment) Regulations 2018 [[SD No 2018/0069](#)] [[MEMO](#)]

*Appointed Day Orders*

Customs and Excise Act 2018

Customs and Excise Act 2018 (Appointed Day) Order 2018 [[SD No 2018/0075](#)]

Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018  
Gambling (Anti-Money Laundering and Countering the Financing of Terrorism) Act 2018  
(Appointed Day) (No 2) Order 2018 [[SD No 2018/0070](#)]

*Reports*

Report on the Accounts of Local Authorities, Burial Authorities, Elderly Persons Housing Committees and Joint Boards [[GD No 2018/0002](#)]

Update on the Delivery of the Recommendation of the Francis Working Group Report [[GD No 2018/0003](#)]

2017 Report for the Purposes of Section 65 of the Terrorism and Other Crime (Financial Restrictions) Act 2014 [[GD No 2018/0007](#)]

Report to Tynwald on Health and Social Care Complaints 2016/17 [[GD No 2018/0008](#)]

Isle of Man Financial Intelligence Unit Strategic Plan 2018/2019 [[GD No 2018/0010](#)]

Technical Information on Harbours Strategy [[GD No 2018/0012](#)]

Programme for Government Amendments for Year Two [[GD No 2018/0013](#)] [[MEMO](#)]

Council of Minsters' Response to the Standing Committee of Tynwald on Public Accounts First Report for the session 2017/18 overspending at Nobles Hospital – First Report [[GD No 2018/0015](#)]

Substance Misuse Strategy 2018-2023 [[GD No 2018/0017](#)]

Environment and Infrastructure Policy Review Committee First Report for the Session 2017-2018: Regional Sewage Treatment Strategy, Phase 2 – Peel [[PP No 2018/0038](#)]

Social Affairs Policy Review Committee First Report for the Session 2017-18: The consolidation of endoscopy services at Noble's Hospital [[PP No 2018/0027](#)]

*Draft Order*

Terrorism and Other Crime (Financial Restrictions) Act 2014  
Terrorism and Other Crime (Financial Restrictions) Act 2014 (Amendment) Order 2018  
[[SD No 20XX/XXXX](#)]

**Bills for signature**

25       **The President:** Hon. Members, I have to announce that the following Bills are ready for signature: the Dogs (Amendment) Bill 2016; and the Road Transport, Licensing and Registration (Amendment) Bill 2017. With the consent of the Court, I shall circulate both Bills for signing while we proceed with other business. Is that agreed?

30       **Members:** Agreed.

## Question of Urgent Public Importance

### HOME AFFAIRS

#### Old Police Station, Castletown – Statement on future

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

*If the Minister will make a statement on the future of the old Police Station in Castletown?*

**The President:** We turn now to Questions and I have agreed, Hon. Members, that under Standing Order 3.5(4), Mr Moorhouse can ask the following Oral Urgent Question: 'If the Minister for Home Affairs will make a statement on the future of the old Police Station in Castletown?'

I call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

I would like to ask the Minister for Home Affairs if he will make a statement on the future of the old Police Station in Castletown?

**The President:** I call on the Minister for Home Affairs, Mr Malarkey.

**The Minister for Home Affairs (Mr Malarkey):** Thank you, Mr President.

I am more than happy to make a statement in relation to Castletown Police Station and will do so to answer the Hon. Member for Arbory, Castletown, and Malew's Question.

My Department declared that the Castletown Police Station was surplus to requirements as a result of the successful move into the Commissioners' building. This move was designed to support neighbourhood policing, working closely with our partners in the local community. Therefore in accordance with, and as required by financial regulations, the building was circulated via the Strategic Asset Management Unit around all Government Departments for expressions of interest.

In this connection, the only expression of interest received was from Manx National Heritage. Subsequently, Manx National Heritage presented a business case to Treasury to transfer the building to the Manx Museum and National Trust ownership, followed by a sympathetic conversation and lease to a third-party, commercial-rent tenant.

The Treasury reply to the business case was that Manx National Heritage could purchase the building for the market price less 10% – that is a reduction of £25,000 – discount to reflect economic and social factors with the view of an early transfer. Treasury's decision was considered by Manx National Heritage Trust, who decided that they did not wish to proceed with it. Their statement in this regard has been aired publicly in the media for all to hear, and it states that there are more appropriate immediate requirements for the charitable fund.

Given the fact that no interest remained within Government for the ownership of the Police Station, the property, as a result of the Treasury and Manx Heritage trustees' decision and in accordance with financial regulations, was put on the open market for sale.

I believe it is important to stress that my Department is bound by and has to comply with financial regulations. It must be remembered that the building is protected by its registration and Manx National Heritage are going to be registered as an interested third party, which will give them added involvement in any planning application.

70 In addition and importantly, the Treasury and Government are bound by financial regulations to achieve fair value for disposing of Government assets, which is particularly important in these days of financial constraint. I am sure the Hon. Member would support the objective of achieving the best value for the taxpayer, wherever opportunities arise.

75 Following the statement issued by the trustees of the Manx Museum and National Trust on Thursday, Treasury have offered to provide an interest-free loan facility to the Manx Museum National Trust to facilitate the purchase, whilst also enabling the trustees to manage their charitable reserves. No doubt this will be considered by Treasury in due course so at this stage – it is quite early stages, Mr President – these are the latest developments that I am aware of.

Thank you, Mr President.

80 **The President:** Hon. Member, Mr Moorhouse, supplementary.

**Mr Moorhouse:** Thank you, Mr President.

And thank you, Minister – some very good news there, and hopefully it will go through.

85 I recognise that you already have a clear idea about what should happen. However, it has been suggested that a police museum would really benefit the town and more importantly send out a positive public message about what the Police do. Has the Home Affairs Minister been able to have discussions with Manx National Heritage about these possibilities?

90 **The President:** Minister to reply.

**The Minister:** Mr President, as I said in my statement, the first approach was to Manx National Heritage to purchase this property. It is them that have turned round and said they are not in a position to do so. It is not for me to say what the property should be used for. I am  
95 constrained by financial regulations. I have a property which is surplus to my requirement; it has been offered to the appropriate people and now has to go on the market for sale, sir.

**The President:** Hon. Member, Mr Moorhouse.

100 **Mr Moorhouse:** Thank you, Mr President, and thank you, Minister.

The building is described as ‘a handsome and much-admired building’ in the details for the sale. It also tells us that it is being sold freehold. Were alternatives considered which would have enabled the building to be returned to future generations and also possibly place more control over the building?

105 **The President:** Mr Malarkey.

**The Minister:** Mr President, the building is a registered building and it is controlled by Planning as to what happened with the building. Again, this is not up to me as the Minister for  
110 Home Affairs to start stipulating what the building must be used for. We will obviously, if we do have any offers, and nothing can come from Manx National Trust with regard to purchase, I would be extremely careful as to what I thought the building should be sold for, but the final word will come from Treasury because it is a Government asset.

115 **The President:** Hon. Member for Onchan, Mr Callister.

**Mr Callister:** Thank you, Mr President.

I will declare that I am a trustee on the Manx National Heritage so I will actually just put that on the record this morning.

120 Can I just ask the Minister: Manx National Heritage is part of the Government overall structure, through the Department for Enterprise, so I cannot understand – or if you could

possibly just explain – why it cannot just be transferred over to the Manx National Heritage, it remains in the Government portfolio, it is looked after by a third party, Manx National Heritage could have this property developed and back supporting Castletown, which is looking for regeneration.

So can I just ask a simple question: why can't it just be transferred over to the Manx National Heritage free of cost, for them to look after it on behalf of the rest of Government and for the people of this Island?

**A Member:** Hear, hear.

**The President:** Minister to reply.

**The Minister:** Mr President, as I said, I am restricted by Government policy in this.

I cannot see why I should suddenly have to transfer properties free of charge to other ... or to charities, which is also a part of Manx National Heritage, from external funding as well as internal funding they get from Government. It would put me in a very awkward situation to start with other properties that my Department are actually trying to free up, moving forward. I cannot start picking and choosing which people can get free properties and which people cannot, Mr President. That is not in my remit, sir.

**The President:** Hon. Member for Ramsey, Mr Hooper.

**Mr Hooper:** Thank you, Mr President.

I just want to pick up on something: the Minister has said that he is bound by financial regulations. FD29 is quite specific, in that where there is no change of use, transfers between Government Departments and Statutory Boards can be at nominal cost. (**A Member:** Hear, hear.) Now, in this instance, would the Minister accept that there will inevitably be a change of use – it is unlikely that someone is going to buy it and run it as a police station – and so what consideration was given to actually transferring the property at nominal cost, which would have been in line with FD29?

**Mr Callister:** Hear, hear.

**The President:** Minister.

**The Minister:** That decision was not for me to make, Mr President. That was a decision for Treasury to make, if that were to happen. It is not up to my Department to transfer properties free of charge.

**The President:** Hon. Member of Council, Mr Crookall.

**Mr Crookall:** Thank you, Mr President.

Would the Hon. Minister agree with me that now that his Department no longer needs this building, it has been transferred to DOI, the Strategic Asset Management Unit? And I think, before this degenerates into another Ramsey Courthouse situation, would he be happy to support the idea that this is taken off the market for the time being until this is sorted and for MNH to possibly look at finding ways of having it transferred across to them – which is what I think the public of the Island probably want at the moment?

**Two Members:** Hear, hear.

**The President:** Minister.

175 **The Minister:** Mr President, as I said in my Answer, I am happy to announce that I believe that Manx National Heritage are actually talking to the Treasury of a way of solving this problem at the moment. At this stage, I am not going to interfere in anything that is going on between Treasury and Manx National Heritage that might jeopardise this.

180 **The President:** Hon. Member for Middle, Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.

185 Is the Minister aware that the last audited financial accounts for the Manx Museum and National Trust, as at the end of March 2017, show substantial cash at bank of £2,668,325; whereas the creditors on the balance sheets – that is amounts falling due in less than one year – total a very small amount of £4,825?

This is one context for the ongoing discussions on this iconic and much-loved building.

**The President:** Minister.

190 **The Minister:** Thank Mr President.

No, I was not aware of the balance sheet, and to be perfectly honest, that is not anything that I would take consideration of. I am just following financial regulations with regard to my Department of disposing of property.

195 Yes, it is an important property. I do hope that it will get into the right hands, but that is not my decision to make, Mr President.

**The President:** Hon. Member for Arbory, Castletown and Malew, Mr Cregeen.

**Mr Cregeen:** Thank you, Mr President.

200 Would the Minister like to confirm that I have been in discussions with both the Chief Minister, the Treasury Minister and MNH to see if we can get this sorted out and negotiations are still ongoing?

205 **The President:** Minister.

**The Minister:** I can confirm that the Hon. Member did contact me last night with regard to this. That is why I am not in a position to say anything else on this subject until I find out what comes out of Treasury, Mr President.

210 **The President:** Hon. Member for Ayre and Michael, Mr Cannan.

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

215 Just to confirm with the Minister that as far as he is concerned, the offer has been made very clear from Treasury that we are very willing to engage with Manx National Heritage on this issue and in fact that Treasury did fully engage with Manx National Heritage on this issue when this building first became free; and at that time, business cases and discussions took place; and in the business case that we received at the time, the business case was clear that conservation and re-presentation as an historic police museum was not proposed, but ways to acknowledge and celebrate the Manx Police Service within the building would be sought, and Arts and Crafts have also been discussed by the heritage bodies, and a restaurant or catering are not to be encouraged, although niche crafts, including food and drink would not be excluded.

220 Would he agree with me, the best thing now is for the Treasury to engage properly with Manx National Heritage Trust and see whether indeed the Heritage Trust is willing to commit to purchasing the building and for Treasury to provide every assistance to them in doing so?

**The President:** Minister.

**The Minister for Home Affairs:** Mr President, I am happy to support what the Treasury Minister is saying. From the word go, Manx National Heritage were involved in this. They were offered the building. It is actually Manx National Heritage who were the first to put out a press release with regard to the fact that they were no longer interested to finance it. My understanding is that the Treasury has been fully co-operative with Manx National Heritage in this matter (**A Member:** Hear hear.) and they are still trying to help Manx National Heritage at this time.

So I really do not think that this conversation can go any further because this is still open for negotiation, as far as I am concerned. All from my Department that has been asked this morning is that I have complied with financial regulations, we have offered it round. If a deal cannot be struck with Manx National Heritage, then the property will have to go on the open market, Mr President.

**The President:** Hon. Member for Onchan, Mr Callister.

**Mr Callister:** Thank you, Mr President.

Again, it comes back to the original question: I would like to understand why Manx National Heritage has to buy the property. I am just asking the Minister again, why can't the building just be transferred to Manx National Heritage for the good of the nation?

I would also like just to mention that the £2 million that my hon. colleague from Middle – (**Mr Shimmins:** £2.7 million.) £2.7 million – I have not got the accounts in front of me, Mr President, but I think we have to distinguish the difference between what is held on charitable funds and therefore it is earmarked and it has a specific purpose for what those funds are used, and what can or cannot be used. This is a Government building which hopefully we are trying to transfer to another arm of Government to look after for the nation – that is all I am asking for. Why does another Government Department or another Government entity have to actually pay for something? That is all I am asking the Minister to clarify.

**The President:** Minister to reply.

**The Minister:** Mr President, I can only repeat: my restrictions are under financial regulations. I repeat it again – if this is something that Treasury wants to enter into, that is up to Treasury. We must remember in all our Departments, Treasury has the final word. They are the ones that look after the purse strings. They have to look after the money, so Treasury is talking to Manx National Heritage, which I think is good. They are being very co-operative with them, but we cannot go around making priorities, giving properties away that are owned by the taxpayer, Mr President.

**The President:** Hon. Member for Ayre and Michael, Mr Cannan.

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

Could I just actually support and ask for the Minister's further endorsement of the very comments he has just made. Police stations, courthouses, historic hotels, purchasing, giving things away – the taxpayer has a right to demand that the Treasury and the Government act in a proper mature financial way, and it is not just a case of transferring an asset. These assets need upkeep, they need maintenance, they need money spending on them, and whilst some Hon. Members in here just think the Government should be a giveaway machine, a lot of us want to maintain credible financial controls and it is not just a case of transferring this from one Department to another, because it is not departmental. The heritage organisations and bodies

are separate in terms of their intent and their operational value and value to society, but we have to work with these bodies in a proper, mature financial way.

280 Does the Minister agree with me therefore that it is right and proper that, whilst Treasury of course recognise the historical value of this building, it works with Manx National Heritage in such a way so as everybody receives the best possible outcome from any deal that is there to be had?

285 **The President:** Reply, sir.

**The Minister for Home Affairs:** I can only fully agree with what the Treasury Minister has just said, Mr President.

## Questions for Oral Answer

### CHIEF MINISTER

#### 1. Relocation of Government Departments from Douglas – Success of most recent move

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

*When a Government Department last relocated from Douglas; and whether this was a success?*

290 **The President:** Hon. Members, we move on to the printed Question Paper. Question 1, Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

I would like to ask the Chief Minister when a Government Department last relocated from Douglas; and whether this was a success?

295 **The President:** I call on the Chief Minister to reply, Hon. Member for Middle, Mr Quayle.

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

300 The last full Government Department to relocate from Douglas was the Department of Environment, Food and Agriculture, which relocated from Rose House in Douglas to Thie Slieau Whallian in St John's in 2010.

The Office of Fair Trading and the Road Transport Licensing Committee were also relocated to Thie Slieau Whallian in 2016 and have not reported any major issues.

305 Anecdotally, the move appears to have been successful. The new building is 75% more energy efficient than a standard office building and the building and surroundings are said to contribute to improved staff wellbeing and productivity.

**The President:** Supplementary, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President, and thank you, Chief Minister.



310 Richard Ronan stated, when referring to the DEFA building in St John's, it is about people and their talent, not about buildings and where they are located. Should that mindset be used to shake up the Douglas-centric focus which we now have?

**The President:** Chief Minister.

315

**The Chief Minister:** Thank you, Mr President.

Current Government policy remains that most offices will be located in Douglas; however, each case will be considered on its own merits. DEFA was a relatively small Department delivering functions that could be provided outside of Douglas. In addition, many of its customers and service users were not based in Douglas, which assisted the transition.

320

Creating a single Department office in an out-of-town location may not be possible for other Departments where there are different functions provided in different places, but obviously if the Hon. Member has a Department or an area in mind then I am more than happy to listen to his views and take them on board. Of course, the Hon. Member will also be aware that the Aircraft Registry has successfully relocated to the Airport in his constituency only recently! *(Laughter)*

325

**The President:** Mr Moorhouse.

330 **Mr Moorhouse:** Thank you, Mr President. Thank you, Chief Minister, for that wonderful answer, especially the last bit.

In the near future, the Ballasalla bypass is going to be completed, 500 new houses are going to be built in the Castletown area, the Airport Gateway is going to open up new opportunities and Castletown is hopefully going to continue to revive. Should this be the point where we start looking towards the south in terms of the new school – could Education possibly be part of that campus; in terms of the Airport – could Enterprise potentially be part of that development? You asked for suggestions and hopefully those two would work well.

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**The President:** Chief Minister.

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**The Chief Minister:** Thank you, Mr President.

Obviously, I am open to all ideas. As my constituency from Middle has traffic from the south and the west coming through it on a regular basis, the flow of traffic, I am sure my hon. colleague, Mr Shimmins, will support anything that stops business coming into Douglas and going around the rest of the Island. That is why I have been developing a telecommunications strategy, because if we are going to encourage business to relocate outside of Douglas then we have to ensure there is a proper megabytes-per-second download speed and proper connectivity for business.

345

So, yes, Government has an open mind and maybe nearer the time, if there is a proper business case presented as to why a Department could relocate or certain areas of a Department, then we have an open mind to that.

350

INFRASTRUCTURE

2. Buses –

Fitting of winter tyres during adverse weather

The Hon. Member for Ramsey (Dr Allinson) to ask the Minister for Infrastructure:

*Whether buses on the Island are fitted with winter tyres during periods of adverse weather?*

**The President:** Question 2, Hon. Member for Ramsey, Dr Allinson.

**Dr Allinson:** Thank you, Mr President.

355 I would like to ask the Minister for Infrastructure whether buses on the Island are fitted with winter tyres during periods of adverse weather?

**The President:** I call on the Minister for Infrastructure, Hon. Member for Peel and Glenfaba, Mr Harmer.

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

I can confirm the Island's buses are not fitted with winter tyres. Although the cost premium for winter tyres is less than 10%, moving to winter tyres would create significant additional cost, for next to no benefit. The costs are caused by the increased rate of wear suffered by winter  
365 tyres. Winter tyres wear very quickly when used on roads that are not snowy or icy. To avoid this, they would have to be fitted and removed based on forecast conditions. The costs of fitting and removing 450 tyres each time bad weather was forecast would be prohibitive as to the cost of providing indoor storage for 450, the bulk of the year.

The climate on the Island does not justify the use of winter tyres; they are not generally used  
370 in the UK, with buses remaining on general rated urban tyres. They are sometimes fitted to coaches undertaking ski trip charters to the Alps. Taking into account the Island's climate, our road conditions and the manufacturers advice, properly fitted and maintained generally rated urban tyres provide the best overall performance for our buses.

Hon. Members will know that the primary method of dealing with winter conditions is  
375 spreading of salt grit on our roads. Our gritting routes have been publicly available for many years, primary and bus routes are given priority for gritting. Gritting is not an exact science but DOI, staff in the Met Office and Ellerslie control work each winter night to balance the predicted timing of rain, snow or frost with the cost of gritting to make sure that the roads are treated at the right time, without the costs of gritting too early or the impact of gritting too late.

380 Despite these challenges, gritting the road so that every user can use the highways is a far better way to spend taxpayers' money than swapping buses on and off winter tyres. Even if the cost to the taxpayer was not a concern, a bus with winter tyres would all too soon be stuck behind a car without them.

385 **The President:** Supplementary, Dr Allinson.

**Dr Allinson:** Thank you, Mr President.

I would like to thank the Minister for his reply and also congratulate the gritters who were out during the recent very bad weather and kept the majority of the roads open.

390 The rationale behind this Question was, in fact, some of the disruption in certain areas that had stopped the buses running and had had direct implications for the education service where, at short notice, they had to cancel schools because children could not get to the schools.

Could I ask the Minister to look into perhaps – if we continue to have problems in certain areas – equipping certain buses that are doing the school run with winter tyres so that we do

395 not have the interruption of the education service, which has massive economic effects on  
parents, the children and the education service itself?

**The President:** Minister to reply.

400 **The Minister:** Thank you, Mr President.

There are no hard and fast guarantees when there will be a risk of snow and ice, as icy conditions can be reasonably expected to strike at any time between November and April, and we would have to fit winter tyres on all buses, there is not a particular bus route, unfortunately.

405 In terms of the recent snow, where there was difficulty moving buses safely through Douglas and Onchan, despite overnight gritting. A delay of an hour or so would have allowed us to start most services, though in fact it took until lunch time to get all of the services operating properly.

We have reviewed our processes for communicating with our colleagues in the Department of Education, Sport and Culture and had brought forward the decision so that the announcements were made no later than 7.30 a.m. Despite our best efforts, we cannot always  
410 know how conditions will change in the day, and our priority is always to make sure that we do not take to school any child that we may not be able to bring home again.

## POLICY AND REFORM

### 3. Charity organisations – Introduction of new legislation

The Hon. Member for Onchan (Ms Edge) to ask the Minister for Policy and Reform:

*When new legislation for charity organisations will be introduced?*

**The President:** Question 3, Hon. Member for Onchan, Ms Edge.

**Ms Edge:** Thank you, Mr President.

415 Can I ask the Minister for Policy and Reform when new legislation for charity organisations will be introduced?

**The President:** I call on the Minister for Policy and Reform, Hon. Member for Douglas Central, Mr Thomas.

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**The Minister for Policy and Reform (Mr Thomas):** Thank you, Mr President.

I am sure that this Hon. Court appreciates that Her Majesty's Attorney General has an oversight and supervisory role in respect of charities registered in the Isle of Man and probably also that some concerns have been expressed that the charities legislative framework needs to  
425 be improved.

I understand that Mr Attorney has been reviewing the framework of existing charities legislation and that he has been informally consulting, initially with the major stakeholders, regarding the oversight and governance arrangements and the practical application and efficacy.

430 I further understand that the changes emerging will be designed to modernise and strengthen the governance arrangements and they will require primary legislation. In line with normal practice, the current proposal is that a period of four-month public consultation on a draft Bill will be undertaken this summer. I understand that, subject to the outcome of that consultation and of course the approval of the Council of Ministers, the Charities Reform Bill will

be introduced as soon as possible after the next parliamentary year begins in October 2018, the autumn.

I fully support this reform being brought forward for consideration by the Branches and I look forward to reading the legislative proposals.

Thank you, Mr President.

**The President:** Supplementary, Ms Edge.

**Ms Edge:** Thank you, Mr President.

I am not sure whether the Minister will be able to clarify this, or the Attorney General: has consideration been taken to introduce a charities commissioner or ombudsman for any cases that may arise, or considering possibly extending the Tynwald Commissioner's role to review any cases to ensure the public money is going to the charities and being spent on what the people are expecting it to be spent on?

**The President:** Minister.

**The Minister:** Thank you very much, Mr President, and to the hon. questioner for her question.

Yes of course issues like the existence or the creation and then the subsequent operation of a charities commissioner will have been fully considered. Of course the extent to which issues can be raised and the mechanisms by which they can be raised will have been considered and when the legislation is available I hope that the hon. questioner, the general public and stakeholders will participate in the consultation with suggestions in terms of that legislation.

#### **4. Managing-out – Policy document for process**

The Hon. Member for Onchan (Ms Edge) to ask the Minister for Policy and Reform:

*Which policy document includes the process of managing-out?*

**The President:** Question, 4, Hon. Member for Onchan, Ms Edge.

**Ms Edge:** Thank you, Mr President.

Can I ask the Minister for Policy and Reform which policy document includes the process of managing-out?

**The President:** Again, Minister for Policy and Reform to reply.

**The Minister for Policy and Reform (Mr Thomas):** Thank you, Mr President.

Managing-out an employee is a somewhat pejorative term that describes practices that encourage individuals to leave their employment. This might be because perhaps they are not performing, there are personality clashes or some other form of employment dispute.

If an employee is not performing satisfactorily in a role, managers should normally follow the process set out in the relevant capability procedures. Similarly, in the case of conduct issues, the disciplinary procedures should be followed.

On occasions, however, employment disputes are resolved through a mutually agreed termination of employment, often accompanied by a settlement agreement overseen by the Manx Industrial Relations Service. The primary aim of the Manx Industrial Relations Service

(MIRS) is to help employers and employees to avoid or resolve disputes in the workplace, particularly those that might otherwise lead to employment tribunal claims. There is no policy document in place for this type of case, as each case is treated on its merits.

**ENTERPRISE**

**5. Manx Museum –  
Opening seven days a week**

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

*Whether the Manx Museum will be opening seven days a week from 1st April 2018?*

**The President:** Question 5, Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

I would like to ask the Minister for Enterprise whether the Manx Museum will be opening seven days a week from 1st April 2018?

**The President:** I call on the Minister for Enterprise, Hon. Member for Rushen, Mr Skelly, to reply.

**The Minister for Enterprise (Mr Skelly):** Gura mie eu, Eaghtyrane.

I am pleased to confirm that, following discussion between our Department and Manx National Heritage, support has been agreed for a one-year trial to open the Manx Museum on Sundays. (**A Member:** Hear, hear.) This will commence on 1st April 2018.

Admission to the Manx Museum on Sundays will be free, as it is during the week, and opening times will be 10 a.m. to 5 p.m. This is a significant opportunity to further promote the Island's heritage and culture, and is an exciting addition to the programme of events celebrating 2018 Year of Our Island.

Gura mie eu.

**The President:** Supplementary, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President, and thank you, Minister. That is good news.

The Manx National Heritage website suggests the castle, Rushen Abbey and other attractions in the south will be open from 26th May to 2nd September 2018 between 10 a.m. and 5 p.m. Is this a seven-day-a-week offering?

**The President:** Minister to reply.

**The Minister:** Gura mie eu.

Clearly, the question the Hon. Member was asking was about the Manx Museum; this is obviously other sites. They do have a significant portfolio and it is their policy to determine what the opening hours should be at each of those locations.

If the Hon. Member does not believe that is appropriate I think we need to take that up directly with Manx National Heritage. We as a Department are their sponsoring Department, as I stated, and we do support them particularly from a tourism perspective and a potential

economic benefit; but in terms of information on the website, I am not sure with regard to the opening hours whether that is answering the question or not.

**The President:** Hon. Member, Ms Edge.

**Ms Edge:** Thank you, Mr President.

Can I just ask the Minister, when he says he is supporting Manx National Heritage to open on a Sunday, whether there is any financial assistance, because clearly they do have financial difficulties and they are going to be having to pay staff etc.?

**The President:** Reply, sir.

**The Minister:** Gura mie eu. I thank the Hon. Member for that question.

Yes, indeed, there are financial implications clearly when you are opening a facility of this nature – which is a benefit, I would suggest, to the Island and to the tourism industry too – there are implications financially and staffing is one of those, especially when it is free entry.

As stated in the original Answer, we have agreed to support them financially for one year as a trial to determine whether this will be beneficial going forward and then we will sit down with Manx National Heritage to determine if they can afford to continue to maintain those opening hours.

**The President:** Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President, and thank you, Minister, for your previous answer.

Just extending into what you were suggesting, are you aware that this winter the Manx National Heritage offering in the south of the Island was closed for a third of the year and the castle itself, half of the year? Is it fair and appropriate when we get the Douglas offering open every day of the week in summer and into the winter – all year round – whereas in Castletown, as the regeneration is taking place, most of those attractions are closed?

**The President:** The Question on the Order Paper talks about the Manx Museum; you are talking about properties in the south which have been addressed, but Mr Skelly, I leave it to you, sir.

**The Minister:** Gura mie eu. I appreciate the guidance, Eaghtyrane.

Yes, I understand where the Hon. Member is coming from here with regard to should all the sites actually be open? This is a policy issue for Manx National Heritage. As we heard in a previous Question – the emergency Question – with regard to the old Police Station, they have a finite budget; they have got, as stated there, £2.7 million in charitable reserves. If they want to eat that up through a revenue commitment, then I think that is a challenge that they have to address.

Having said that, we as a Department are supportive of trying to extend the season, which we have been doing and you have seen that not just for Manx National Heritage, but also our Heritage Railways which have seen the season extended over these last few years, which is great news because that is generating benefit in terms of inbound revenue for the Island which is what our interest is as the Department for Enterprise.

EDUCATION, SPORT AND CULTURE

6. UCM catering –  
Operating costs and employee numbers

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

*What the operating costs, and Full Time Equivalent number of employees, of UCM catering were (a) when transferred to the Department of Health and Social Services and (b) now?*

560 **The President:** Question 6, the Hon. Member for Onchan, Ms Edge.

**Ms Edge:** Thank you, Mr President.

Can I ask the Minister for Education, Sport and Culture what the operating costs and Full-Time Equivalent employee numbers were of UCM catering when his Department transferred to the Department of Health and Social Services, and what they are today ?

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**The President:** I call on the Minister, the Hon. Member for Arbory, Castletown and Malew, Mr Cregeen.

570 **The Minister for Education, Sport and Culture (Mr Cregeen):** Thank you, Mr President.

The UCM effectively transferred to the DHSC's catering shared service in April 2014. A net operating cost budget of £91,300 was transferred at that time. This budget was made up of £281,500 of income target and a £234,100 employee cost, and other operating costs of £138,700. The employee costs related to 10.2 full-time equivalents, including one vacancy for one full-time equivalent.

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With effect from 1st March 2018 the UCM refectory was transferred back to DESC. The existing 2017-18 net expenditure budget for the refectory is £106,000, made up of an income target of £227,000, employee costs of £203,000 and other costs of £130,000. The employee costs related to 7.6 full-time equivalents.

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**The President:** Supplementary.

**Ms Edge:** Thank you, Mr President.

The Minister has just stated that the employee numbers have gone down and the basic budget has gone up to £106,000, so I am a little bit unsure about that. But you have also stated that the income target is reduced in 2018.

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I am a bit puzzled, if the place is in difficulty, why an income target would be reduced and why are they not being expected to create more profit to make sure there is not a deficit within the budget?

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**The President:** Minister to reply.

**The Minister:** Thank you, Mr President.

I think initially they thought that the income target was too high and what you have had is a number of people have transferred to a different site and they are trying to be more realistic. What we are trying to do at UCM is to try and make some efficiencies and to try and make it fit for purpose.

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**The President:** Supplementary, Ms Edge.

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**Ms Edge:** Sorry, Minister, you have just stated that you have transferred some people to a different site. So are we operating two facilities here? Can you explain?

**The President:** Minister.

**The Minister:** Thank you, Mr President.

What it is, is that some of the students have transferred on to a different site, not the catering.

### **7. UCM catering – Statement on proposed changes**

The Hon. Member for Ayre and Michael (Mr Baker) to ask the Minister for Education, Sport and Culture:

*If he will make a statement on the proposed changes to catering operations at University College Isle of Man and the associated impact on the hospitality and catering curriculum?*

**The President:** Question 7, the Hon. Member for Ayre and Michael, Mr Baker.

**Mr Baker:** Thank you, Mr President.

I would like to ask the Minister for Education, Sport and Culture If he will make a statement on the proposed changes to catering operations at University College Isle of Man and the associated impact on the hospitality and catering curriculum?

**The President:** The Minister to reply, Mr Cregeen.

**The Minister for Education, Sport and Culture (Mr Cregeen):** Thank you, Mr President.

I would like to take this opportunity to clarify some of the points that have been outed in public. It is proposed to merge the UCM refectory operations with hospitality and catering education and training, reduce costs and improve the learning environment and delivery model for this programme area at UCM. This will provide a broader range of high quality education and training opportunities and afford students the opportunity to experience real-world business models and learn about food production in a practical environment.

This proposal will offer greater value for money, by delivering efficiency savings, and will ensure that the refectory and hospitality and catering division are sustainable into the future. Currently there is a deficit position in the refectory and a high expenditure of staff to student ratio in catering and hospitality. The proposal will merge the current separate teams into one, under the responsibility of a commercial, education and training manager and head chef, the deputy manager.

The proposal has the support of the Chamber of Commerce Visitor Economy Group and a number of local employers, who recognise the opportunity for UCM to better meet their needs as a sector. Greater support could be offered for the 21st century dining experience, such as street food cafés, alongside fine dining, through courses at a range of levels and the potential growth of apprenticeships.

Current students will not be adversely affected by this. Courses and qualifications will continue next year and as they do now. Students will retain the opportunities they have to run the college restaurant and café; students will not be asked to undertake work that a paid member of staff should do. Members of the public will still be able to come to the UCM for dining.



Thank you, Mr President.

**The President:** Supplementary, Mr Baker.

645 **Mr Baker:** Thank you, Mr President.

I would like to thank the Minister for his Answer and for effectively answering a couple of my supplementaries in terms of what the expected impact on the catering students was going to be and what the financial impact was going to be, both of which look to be positive from the Minister's answer. So really it just leaves me to ask, broadly, when does the Minister expect  
650 these changes to take place?

**The President:** Minister.

**The Minister:** Thank you, Mr President.

655 We are currently in a stage of consultation with the staff. I would hope that we would be able to have these changes for the next educational year.

## MANX UTILITIES AUTHORITY

### 8. Electricity – Problem with re-charging system

The Hon. Member for Onchan (Ms Edge) to ask the Chairman of the Manx Utilities Authority:

*Whether there is a problem with the Key Meter or associated equipment in the re-charging system utilised for electricity by the Authority?*

**The President:** Question 8, Hon. Member for Onchan, Ms Edge.

**Ms Edge:** Thank you, Mr President.

660 Can I ask the Chairman of the Manx Utilities Authority, whether there is an issue with the Key Meter or associated equipment in the re-charging system utilised for electricity by the Authority?

665 **The President:** I call on the Chairman of the Manx Utilities Authority to reply.

**The Chairman of the Manx Utilities Authority (Dr Allinson):** Thank you, Mr President.

The Key Meter system to which the Hon. Member for Onchan refers is known at Manx Utilities as a prepayment system. Vending terminals at which customers can make an advance payment or prepay for electricity are installed at strategic locations throughout the Island. These  
670 locations are predominantly retail outlets although prepayments can also be made at Manx Utilities Headquarters.

This system used is 21 years old and consequently in recent years the reliability of the system has begun to diminish, but in the last three years problems have occurred when the operating system firmware has needed to be updated. The original equipment manufacturer normally  
675 carries out these updates at weekends. There have been a number of occasions where the system has had to be reset during the weekend following an update and this unfortunately has caused the disruption to the service to some customers. There have also been failures of in-store vending machines due to accidental damage. As the system is reaching the end of its

operational life, including its hardware components, Manx Utilities currently relies on spare stock to replace hardware and, where possible, repairs the damaged equipment.

Manx Utilities is currently reviewing system replacement options with the aim of installing an advanced design with enhanced functionality for the benefit of customers and business efficiency, enabling the long-term stability of this valued service. In the event of any failures, as with all customers, Manx Utilities 24/7 emergency response enables supply restoration in an expedient manner.

**The President:** Supplementary question, Mr Baker – Ms Edge, I beg your pardon.

**Ms Edge:** Thank you, Mr President.

Can the Chairman advise, has there been an increase in people who are having to use this type of meter which has put additional strain on the system? And also whether he is considering going to a smart-metering system whereby the Authority will be able to support people better?

I think there is a situation here where we have got a lot of people who are struggling and perhaps that is why there has been an increase in the uptake for using the prepayment meters.

**The President:** Dr Allinson.

**The Chairman:** Thank you, Mr President.

I can confirm that at current levels we have 7,524 Key Meter customers. We have not seen a major increase in the number of people using the Key Meters but we do have problems, as I said, with the maintenance of the system.

I can also announce that from last year the amount of emergency credit on the systems increased from £3 to £6, and we are also working on a special system to prevent any disconnection overnight. This is being rolled out to customers to try to prevent people running out of electricity when they cannot top it up.

In answer to her further question about a smart-metering system, as I am sure she is aware in the UK at the moment, by the end of 2020, 53 million smart meters will be fitted to over 30 million households. Manx Utilities and the board are currently looking at a similar project in the Isle of Man. Smart metering not only is more technically efficient, it gives people an ongoing version of their bill and they can know exactly how much they are using, and it does lead to extra energy efficiency. However, rolling that out to our over 40,000 customers would be a major infrastructure investment and we need to look at this very carefully. But certainly with a new system of prepayment meters the idea is that they will be linked into a smart-metering programme.

### **9. Balladoole Sewage Treatment Works – Environmental benefits expected and achieved**

The Hon. Member for Ayre and Michael (Mr Baker) to ask the Chairman of the Manx Utilities Authority:

*What environmental benefits are expected from the recently commissioned Balladoole Sewage Treatment Works; and to what extent improvements have already been achieved?*

**The President:** Question 9, Hon. Member for Ayre and Michael, Mr Baker.

**Mr Baker:** Thank you, Mr President.

I would like to ask the Chairman of the Manx Utilities Authority what environmental benefits are expected from the recently commissioned Balladoole Sewage Treatment Works; and to what extent improvements have already been achieved?

**The President:** I call on the Chairman to reply, Dr Allinson.

**The Chairman of the Manx Utilities Authority (Dr Allinson):** Thank you, Mr President.

The Isle of Man Programme for Government provides a commitment to complete the regional sewage infrastructure by the end of this administration. This target is the cessation of the discharge of raw sewage into the Isle of Man's marine environment and Manx Utilities takes its role in this programme very seriously.

Completion of the original IRIS scheme and phase 1 of the Regional Sewage Treatment Strategy have successfully resulted in the majority of our towns and villages having modern sewage treatment, either by pumping into Meary Veg or by utilising the regional treatment works.

Planning for phase 2 of the programme, which includes the final three locations at Peel, Laxey and Baldrine, is progressing well. This Hon. Court will, of course, be asked to sanction the necessary expenditure of this phase of the programme and we will shortly be able to debate the strategy for phase 2 by considering an independent report commissioned by Manx Utilities and comparing that to the conclusions in the Environment and Infrastructure Review Committee's report tabled today.

The final scheme in phase 1 of the RSTS programme was a new treatment works at Balladoole to treat sewage from both Ramsey and Andreas. The expected environmental benefits of this were the cessation of the discharge of raw sewage from normal operations into Ramsey Bay, and separately at Rue Point, and also ending the discharge of raw sewage into the marine environment. That has had some key benefits which include the prevention of biodegradable items – which can have an adverse impact on marine wildlife – entering the marine environment through the sewer system and the prevention of a build-up of sewage litter on the beach, which can have an adverse impact on wildlife and beach users. It has also led to an improvement of bathing water quality.

The new works at Balladoole was commissioned within budget during the summer of 2017 and is now fully operational and performing as expected. The final effluent quality is exceeding that required by DEFA for a discharge into the marine environment. There is now no discharge of sewage, treated or otherwise, at Rue Point. Feedback from our friends at Beach Buddies is that there is a significant reduction in the amount of sewage litter on Ramsey North Shore beach. Since the works was commissioned all the bathing water samples, as taken by DEFA, at Ramsey, have been rated as excellent under the 2006 EU Bathing Water Directive.

It should be noted that further infrastructure upgrades at and in the vicinity of the Vullan Pumping Station will also ensure that storm drainages are screened to the industrial standard of 6 mm to prevent anything other than storm sewage entering the marine environment. Designs such as this complement our 'Bin it, don't flush it' initiative, which is also intended to help protect the environment. Manx Utilities will be mounting a campaign to reduce litter and plastics being flushed into the sewerage system to try and start tackling the environmental damage they can cause.

In conclusion, the expected environmental benefits of both the new Balladoole works and all of the other regional works constructed under the RSTS project are being delivered.

Thank you, Mr President.

**The President:** Supplementary, Mr Hooper ... Mr Baker, I beg your pardon.

**Mr Baker:** Thank you very much, Mr President.

I would like to thank the Chairman of the MUA for a very comprehensive Answer there, and I would like to congratulate him and his team for delivering what, in environmental terms, is clearly a substantial enhancement to our Island's infrastructure.

Could he clarify please what the MUA's investment in delivering the scheme was? And could he also clarify, in a non-technical way, how the facility, or how the system, now treats those items which he described as end up littering the beach – which I think were items such as baby wipes, cotton buds and tampons – instead of releasing them into the sea, as was previously happening?

**The President:** Dr Allinson to reply.

**The Chairman:** Thank you, Mr President.

The first phase of the regional sewage treatment plant was brought in under budget and the exact figures are in our annual report.

In terms of screening for solid items that are flushed down the toilet, these are screened out at an early stage. Both these and the sludge are then taken to Meary Veg where they are dried and all that material is then burnt in the incinerator, creating electricity from waste.

**The President:** Supplementary, Mr Harmer.

**Mr Harmer:** Thank you.

Would the Chairman agree with me that the same approach would be valuable and make a massive difference to both Peel and Laxey?

**The Chairman:** Thank you, Mr President.

I would indeed. The Regional Sewage Treatment Programme has delivered for Ramsey, which relied on Victorian infrastructure that allowed raw sewage to be pumped out to the beach.

Beach Buddies only today announced that since the scheme has come on line they have found almost none of the litter that was washed up, in terms of nappy wipes and such, and the beach is much clearer as well as the beach water quality for bathing, meeting the 2006 EU standards.

The current scheme for Peel, although in its infancy, is meant to deliver similar benefits to the people of Peel and I also hope that the schemes at Laxey, which will also serve with Baldrine, will produce similar benefits, so that the people of this Island will both have cleaner beaches and safer water to bathe in.

**The President:** Mr Baker.

**Mr Baker:** Thank you, Mr President.

Final supplementary from me, would the Chairman agree with me that what Beach Buddies actually said was that bringing on stream the Balladoole Sewage Treatment Works has actually *transformed* the Ramsey shoreline and that at the previous beach clean in December they picked up more than seven and a half thousand baby wipes in a single cleaning event. Would he also agree with me that the continued discharge of sewage and associated products into the sea is very difficult to reconcile with the Island's biosphere status?

**The President:** Dr Allinson.

**The Chairman:** Thank you, Mr President.

I would agree with the Hon. Member, the benefits of sewage treatment go above and beyond just what the beaches look like. They enhance the infrastructure, they enhance the

820 environment, they enhance people's enjoyment of the environment and I add to that the biosphere status that we enjoy.

However, I do not think we can be complacent. One of the problems with beaches is not only what we are pumping into the sea but what is washed up on the sea and that is why the work of organisations such as Beach Buddies and organisations across Government to reduce litter and  
825 reduce waste going into the sea and onto our coastal environment is still very important.

## ENVIRONMENT AND INFRASTRUCTURE POLICY REVIEW COMMITTEE

### 10. Regional Sewage Treatment Strategy Report – Reason for issuing in advance of full independent report

The Hon. Member for Ayre and Michael (Mr Baker) to ask the Chairman of the Environment and Infrastructure Committee:

*Why the Environment and Infrastructure Committee issued its report on the Regional Sewage Treatment Strategy in advance of receiving the full independent report of the Regional Sewage Treatment Strategy Phase 2 commissioned by the Manx Utilities Authority?*

**The President:** Question 10, Hon. Member, Mr Baker.

**Mr Baker:** Thank you, Mr President.

I would like to ask the Chairman of the Environment and Infrastructure Committee, why the  
830 Committee issued its Report on the Regional Sewage Treatment Strategy in advance of receiving the full independent report on the Regional Sewage Treatment Strategy Phase 2 which had been commissioned by the Manx Utilities Authority?

**The President:** I call on the Chairman of the Environment and Infrastructure Committee,  
835 Mr Callister.

**The Chairman of the Environment and Infrastructure Policy Review Committee (Mr Callister):** Thank you, Mr President.

I would like to take this opportunity to thank the Hon. Member for Ayre and Michael, Mr Baker, for giving me the opportunity to clarify that the Committee has in fact seen the  
840 independent report from MW Baker Associates. We were sent a copy of the report on 14th February 2018. By that time we had largely finished our deliberations, and we concluded that the findings of the report did not substantially change our position, or our conclusions, or our recommendations. We were asked by the Manx Utilities to keep the contents of the  
845 independent report confidential and therefore I would prefer not to say any more at this stage.

Our investigation into the Regional Sewage Treatment Strategy began almost a year ago in May 2017, and it was subject to a number of delays. The independent review was commissioned by Manx Utilities after the completion of the Balladoole Sewage Treatment Works in Ramsey, and it also appears to have suffered from slight delays and taken longer than they expected. We  
850 did not therefore wish to delay our own Report any longer than necessary.

As we understand it, the independent report now has to be considered by the Council of Ministers' Environment and Infrastructure Committee and the Council of Ministers before it can be brought before this Court. We hope that this process will be completed in time for the Tynwald sitting in May 2018 which will give us an opportunity to debate our Report.

855 Thank you, Mr President.

**The President:** Mr Baker.

**Mr Baker:** Thank you Mr President.

860 I thank the Chairman for that clarification. Can he assure us that this Hon. Court will have full sight of that report in order to meaningfully digest the committee's report in good time before it is debated, presumably in May? And can he clarify the broad conclusions of the – I think it is MW Barber, not MW Baker – report that did not change the Committee's view?

865 **The President:** Mr Callister.

**Mr Callister:** Thank you, Mr President.

I take on board what the Hon. Member for Ayre and Michael has just said and I will take those away with me because it is realistically not our report. All I can do is ask the Court to accept that it would not be appropriate for me to answer any further questions until the Government has had an opportunity to publish its response to the Committee's Report.

870 The Court will have an opportunity to debate this matter in full when the Government response is before us all in May. I shall be able to deal with any of the additional questions or any further issues that this Court may have, and the Hon. Members, when that report is laid before this Court in May.

875 Thank you, Mr President.

**The President:** Now, taking into account the fact there will be debate on this matter in May, I am reluctant that we turn this Question into a further debate. However, Mr Harmer, you had a supplementary question, bearing in mind what I have just said.

**Mr Harmer:** Thank you.

885 Would the Chairman agree with me that obviously this is a very important matter, as we just outlined in the last question? Secondly, does he not find it unusual that any independent evidence would not be material to a report – I notice that the Report was delayed for another witness?

Would he not agree with me that it is unusual not to have considered the independent report fully?

890 **The President:** The Chairman.

**Mr Callister:** Thank you, Mr President.

I take on board what the Hon. Member for Peel and Glenfaba has just said, but as I said I think the Committee has already deliberated this. It is an interim Report, it is only our first report and I am certain that the Committee will be publishing additional reports and will look into this independent report in more detail.

900 As I say, we got hold of a copy of that report on 14th February, we had already done our deliberations, conclusions and recommendations; and what is in that report, there is not a lot of difference compared to what we have actually outlined ourselves. But we will take that report in more detail and probably have more to publish on our second report. But at this stage I think it is unwise for us to say anything more at this stage until the document is debated.

**The President:** Final supplementary, Dr Allinson.

905 **Dr Allinson:** Thank you, Mr President.

Will the Chair of the Committee also acknowledge that a Tynwald resolution was that where there was any proposal for capital infrastructure to be delivered over a period of 10 years or more, there should be a strategic review once every five years; and that our independent report

910 commissioned by Manx Utilities, with the co-operation of the DOI, is part of that commitment  
and so really it is an intrinsic part of your review to the RSTS Phase 2?

**The President:** Chairman, Mr Callister.

**Mr Callister:** Thank you, Mr President.

915 I take on board what Dr Allinson from Ramsey has just said. Realistically, yes that report  
should every five years – and it was slightly delayed. It should I think – if my memory serves me  
right – have been presented in 2016, so we are a good 18 months past that deadline.

We do have this independent report, it is not our document, it belongs to the Manx Utilities.  
They have given that report to the Committee so I need to take that away, I need to investigate  
920 it. That document forms ... it should be put into the public domain, and if it is not put into the  
public domain by May then what will happen is it will almost certainly be part of the review that  
we carry out on our second report when we look at Laxey and Baldrine as well, Mr President.

**The President:** Mr Baker, I will give you the final supplementary.

925

**Mr Baker:** Thank you Mr President.

Sorry, could the Chairman clarify, because he seems to have given two contradictory answers  
there. I took comfort from his previous answer that the report would be available in good time  
for this Hon. Court to digest by the time we debated the Committee's Report in May. Now you  
930 seem to be saying that you are not sure that that is the case.

So which is it, please?

**The President:** Mr Callister.

935 **Mr Callister:** Thank you, Mr President.

The MW Barber report, as I say we only received it on 14th February. That report was an  
independent report commissioned by the Manx Utilities, so we will need to speak to them in  
respect of how that fits in with our Committee structure.

As I said, we have looked at it, we have read it, and we had already done our deliberations.  
940 This is an interim Report that we are publishing now, and when we look at the second phase of  
this we may take that document into more consideration and deliberation. But at this stage, that  
independent report from MW Barber is not our document, so we need to speak to the MUA to  
get their authorisation if that should be put into the public domain.

What we were talking about this morning is our interim Report that we have laid here today  
945 and the document which will be debated in May, and we look forward to that debate in May.

**The President:** Hon. Members, that brings us to the end of Questions for Oral Answer.

## Questions for Written Answer

### TREASURY

#### **11. Employed and self-employed – Numbers classified as each in last 10 years**

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

*How many people were classified as employed and self-employed in each of the last 10 years?*

**The Minister for the Treasury (Mr Cannan):** It is not possible to extract and analyse either  
950 income or National Insurance data for the number of years requested without diverting limited  
operational resources for a significant period of time.

However, I would draw the Hon. Member's attention to the Isle of Man Census Reports for  
2006, 2011 and 2016 which contain employment statistics including numbers of individuals  
engaged in employment and/or self-employment by gender, age, area of residence and business  
955 sector, which is considerably greater detail than has been requested.

<https://www.gov.im/media/207878/censusreport2006.pdf>

[https://www.gov.im/media/207882/census2011reportfinalresized\\_1\\_.pdf](https://www.gov.im/media/207882/census2011reportfinalresized_1_.pdf)

<https://www.gov.im/media/1355784/2016-isle-of-man-census-report.pdf>

#### **12. TV licences for over-75s – Funding**

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

*How free TV licences for over-75s will be funded after April 2018?*

**The Minister for the Treasury (Mr Cannan):** The cost of providing free TV licences for over-  
960 75s in the Island from April 2018 will come in the first instance from the General Revenue and  
specifically the budget of Treasury's Social Security Division, as has been case with the Island's  
TV licence payment scheme.

As the Minister for Policy and Reform advised at the February 2018 sitting of Tynwald Cabinet  
Office officials – supported by officers from the Treasury – have been in contact with senior  
965 officials at the BBC for some time concerning what contribution the BBC may be prepared to  
make towards the cost of providing free TV licences from 1st April 2018 to Isle of Man residents  
who are age 75 or over.

Although it has taken longer than may have been hoped, this contact has been very  
constructive and good progress has been made, but until the necessary documents have been  
970 finalised and signed it would be premature to make an announcement.



**POLICY AND REFORM**

**13. Beneficial Ownership database –  
Cabinet Office staff roles with access**

The Hon. Member for Ramsey (Mr Hooper) to ask the Minister for Policy and Reform:

*If he will provide a list of staff roles within the Cabinet Office which have access to the Beneficial Ownership database?*

**The Minister for Policy and Reform (Mr Thomas):** Access to the Beneficial Ownership database is strictly controlled by legislation. The Cabinet Office has restricted access only for the purposes of maintenance or technical support and is granted on a case-by- case basis by the Department for Enterprise.

The following roles are able to access the database in the circumstances outlined above:

- Head of Operations
- Proactive Infrastructure Support Engineer 1
- Proactive Infrastructure Support Engineer 2
- Proactive Infrastructure Support Engineer 3
- Proactive Infrastructure Support Engineer 4

**EDUCATION, SPORT AND CULTURE**

**14. Home schooling –  
Procedures to be implemented**

The Hon. Member for Garff (Mrs Caine) to ask the Minister for Education, Sport and Culture:

- (a) When the Draft Isle of Man Elective Home Education Procedures will be laid before Tynwald and implemented;*  
*(b) why home educating families have to re-register their details annually and what will happen if they fail to do this;*  
*(c) whether children at fee-paying schools will be asked to re-register their details annually;*  
*(d) whether mediators, who would be selected from Department officers, home educating parents or Members of Tynwald, will receive training;*  
*(e) whether a human rights assessment of the policy has been carried out; and*  
*(f) whether proposals to include new legislation concerning home schooling in the Education Bill have been dropped?*

**The Minister for Education, Sport and Culture (Mr Cregeen):** The Department is still at the formulation stage with this policy and as yet has not determined where it fits under the new Education Bill. The new Bill has not been submitted for drafting yet, so we are unable to give a date when it will be before Tynwald. Points (a) to (e) may not form part of the final policy, therefore it would be inappropriate to provide answers to these points at this juncture.

**15. Home schooling –  
Specification of teaching methods or curriculum**

The Hon. Member for Garff (Mrs Caine) to ask the Minister for Education, Sport and Culture:

*Whether his Department has plans to specify or imply a requirement for any method of teaching, particular curriculum, or order of educational development to be used by home educating families?*

**The Minister for Education, Sport and Culture (Mr Cregeen):** The Department, as stated in response to other questions around homed education, to work with the Home Education Community to determine what needs to be provided to the Department to ensure that children  
990 who are home educated received a suitable education, which is defined in the Education Act 2001 as:

“suitable education”, in relation to a child, means efficient full time education suitable to its age, ability and aptitude and to any special educational needs he may have.

The Department does not have any intention of being prescriptive on method of teaching or particularly on the curriculum they follow.

**HEALTH AND SOCIAL CARE**

**16. West Midlands Quality Review Service –  
Cost of reports to date**

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

*How much the West Midlands Quality Review Service reports have cost to date?*

**The Minister for Health and Social Care (Mr Ashford):** The recorded cost of the services  
995 provided by the West Midlands Quality Review Service is £225,926.41 plus VAT. The additional cost of the most recent reviews is expected to be approximately £80,000 plus VAT.

## Matter of Urgent Public Importance

**Old Police Station, Castletown –  
Free transfer to MNH on behalf of nation –  
Debate commenced and adjourned for two months**

The Hon. Member for Garff (Mrs Caine) to move:

*That Tynwald is of the opinion that the Old Police Station in Castletown should be transferred to Manx National Heritage free of charge and thereafter held in trust for the nation.*

**The President:** Hon. Members, under Standing Order 2.8, I have received written notice of a motion for the immediate discussion of a definite matter of urgent public importance in the name of the Hon. Member for Garff, Mrs Caine.

1000 The Member having given notice, if four other Members rise, such motion shall with the leave of Tynwald take precedence over any other business.

*Several Members rose in their places.*

**The President:** More than four Members therefore having risen, with the leave of the Court, I propose to take this urgent motion now.

Hon. Member, Mrs Caine.

1005

**Mrs Caine:** Thank you, Mr President, and thank you, Hon. Members.

During Questions, I heard the Hon. Minister for Home Affairs state that selling the old Police Station, getting the best price was only following Government policy. Well, in this case, I believe that Tynwald should set the policy. The old Police Station is not just any building.

1010

The urgent motion before you today seeks to retain in public ownership a treasured example of Arts and Crafts architecture. Castletown Police Station has been on the protected buildings register since 1984. Manx National Heritage is on record confirming the architectural significance of this building. It is small but perfectly formed and being offered on the open market today for offers in the region of £250,000. While I would not describe that as pennies, it is an insignificant sum in terms of Government's annual budget. Transferring it to Manx National Heritage as the custodians of our heritage does not represent a loss, but in fact an investment in our cultural future.

1015

Although only dating from 1901, the old Police Station in Castletown is a significant historical asset to the nation, designed by an architect who developed his style here as part of a burgeoning international movement and in doing so established his own international reputation. Mackay Hugh Baillie Scott's final commission before moving to England was to design the old Police Station, the only police station he ever designed and one that references Castle Rushen in the use of local Castletown limestone and the cylindrical turret in the design.

1020

I could go into great detail about the finer points that make beyond any doubt the case for the old Police Station to be retained on its architectural merit, and in that there is undoubtedly potential for architectural tourism for visitors to come here and celebrate this building. But my main motivation in bringing this urgent motion before this Hon. Court today is to seek to retain what is unique, what is revered in our built environment by many residents of this Island.

1025

This is the Year of Our Island, a year to celebrate all that makes the Isle of Man a special place to live and work, and yet we apparently wish to sell off some built heirlooms. I am pleased to act as Vice-Chair of the 2018 Committee and I cannot square that with my conscience. It feels wrong and I would rue the day we allowed such an iconic building to slip out of national ownership.

1030

I think back to the days of the great debates over the Laxey Wheel, saved for the nation, as was the Gaiety Theatre, that Frank Matcham gem that has international significance today. Here is another example and I hear mumblings that the Police Station is not at risk because it has been registered since 1984.

Well, while the principles of registration are laudable, the whole planning system is under review. I fear enforcement of protection for those buildings with heritage status – with protected status – has not been exemplary in recent months or even years. I confess, I do not currently have confidence in our system.

The Castle Mona ballroom and dining room are registered – but there are holes in the ceiling and rain penetrates the whole building. I could go on. Unique buildings of historic significance, worthy of retention, protection – the Nunnery, the horse tram stables. Then we had Ramsey Courthouse, significant for its role at the heart of the community. Do we have to lean once again on a local authority to stump up the cash for historic buildings that rightfully should be the responsibility of our national heritage trustees?

Additionally, I have not seen any evidence from the Environment Department that the conservation officer posts have been filled and that our building conservation has been given the focus it merits. I do not have confidence that building conservation is being given the priority it deserves within DEFA at this time. I am not convinced architecturally significant buildings on this Island will be protected.

But these are arguments for another day. In the past week we have learned that the old Police Station in Castletown is being marketed for a quarter of a million pounds. So the question is: do we really want to throw away a hundred years of history for minimal short-term financial gain? Or do we want to ensure it is retained in trust for the people of the Isle of Man?

If it were to be sold, who knows how long before the Government would need to step in and restore the building to protect it from deteriorating? Indeed, I am given to understand, the Government has invested more than its current sale price in maintaining the building over recent years. Who can be certain a private buyer would continue to invest the necessary amounts to maintain this Victorian structure as it will need to be maintained in the future?

However, the issue today before us seems to be not that the building should not be retained by Manx National Heritage, but whether they should purchase it with charity funds or an interest-free loan.

Why should they? Why should charitable funds or legacies be used to pay Government for something that the Manx public wants to be held in trust for future generations? In my view, this should not be purchased by Manx National Heritage, and transferring the building does not represent a loss to Government. This building *is* a special case, and the old Police Station deserves to be recognised for its heritage value and transferred to the Manx Museum and National Trust. I am informed they would be happy to receive it and would be prepared to maintain it.

Today we have an opportunity to show that this Hon. Court acknowledges its roles as custodian of our assets for future generations, to demonstrate that Hon. Members have heard the clamour of public calls to maintain our built environment, and to support this motion to transfer one iconic building to Manx National Heritage to be held in trust for the nation.

Mr President, I beg to move.

**A Member:** Hear, hear.

**The President:** Hon. Member for Onchan, Ms Edge.

**Ms Edge:** I beg to second and reserve my remarks.

**The President:** Now, the motion having been proposed and seconded, I just want to make plain to the Court the text of the motion. It has been circulated, but the text of the motion is:

That Tynwald is of the opinion that the Old Police Station in Castletown should be transferred to Manx National Heritage free of charge and thereafter held in trust for the nation.

1085 Hon. Member, Mr Malarkey.

**The Minister for Home Affairs (Mr Malarkey):** Thank you, Mr President.

1090 Having answered the questions this morning with regard to the Castletown Police Station, I find this motion somewhat premature, as ongoing negotiations are currently taking place with Manx National Heritage on this issue. I think we set a very, *very* dangerous precedent today if Tynwald now suddenly decides to start jumping in, giving away properties belonging to the taxpayers. Manx National Heritage is not Department. It is not a Department.

1095 We are talking to Manx National Heritage at the moment. We are trying to find a way over to secure the future of the Police Station. The Police Station *is* protected and I would ask Members not to support this motion at the moment; allow negotiations to carry on which are happening at the moment. As I said, this is premature. I think this would just really muddy the waters in lots of ways and set a really dangerous priority for the future that maybe every time a building comes up that somebody thinks should be given to somebody else, we start giving them away.

1100 So I would urge Members today not to support this motion, Mr President, and allow Treasury and my Department to carry on talking to Manx National Heritage for the future of the Police Station. I think the clear messages have gone out today in all directions with regard to what people would like to see, but we do have to carry on with financial regulations. We do have to get what we consider to be best for the taxpayer of the Isle of Man, and we do want to get the best outcome for everybody out of this, Mr President.

1105 Please allow us to carry on with the process today, rather than jumping in and making a knee-jerk decision that you suddenly want to give away £250,000 worth of Government property.

1110 **The President:** Hon. Member for Douglas East, Mr Robertshaw.

**Mr Robertshaw:** Thank you, Mr President.

1115 I do recommend, Mr President, that Hon. Members ignore most of that rhetoric they have just heard from the Minister. (*Interjection by Mr Malarkey*) Much amused to listen to various Ministers *et al* and Members of Treasury disappearing up their own silos this morning – (*Laughter*) quite amusing!

**Mr Malarkey:** You haven't got one.

1120 **Mr Robertshaw:** It is a joy, incidentally, Mr President, to be able to stand up and for once, shockingly, support the Member for Garff in her very articulate statement. I am a huge fan of Baillie Scott. (*Interjection by Mr Malarkey*) It is also great to hear the Hon. Member for Arbory, Malew and Castletown to move on from squirrels and seagulls (*Laughter and interjections*) to really concern himself with something very important and I commend him for his passion on the subject. But I just want to particularly address the rather strange and dark comments that came from the Member for Treasury, the Member for Middle, when he stood up and talked about Manx National Heritage having a certain amount of money 'squirrelled' away – sorry, forgive me there! (*Laughter*) – and somehow trying to indulge himself in some sort of financial cannibalism.

Let's just step back from this just for a couple of minutes and get this into perspective.

1130 The Hon. Member for Douglas South, the Minister for Home Affairs talks about 'giving buildings away'. No! What is actually at stake here within this motion is Government itself taking a very important iconic building from the Government mainstream balance sheet and placing it into trust for the nation. (**A Member:** Hear, hear.) That is what is at stake here. Ignore, please, what the Minister was talking about.

1135 But if we want to talk about narrow financial matters and looking beyond for a second the  
issue of moving this important building from one balance sheet to another, because that is all  
that is in the motion here, look behind that for a second, and I am going to ask Treasury to  
address this from a financial perspective for a minute. Unless we do something particularly  
important with this building, it is going to continue to be a drain on the revenue account for the  
Department of Home Affairs, because that building must be looked after. What is being  
1140 suggested here around the room is that there is a quite exciting future for this building in the  
form of perhaps being an element of a Baillie Scott museum and perhaps a police museum.  
What a fantastic addition that would give us in terms of a future additional facility in Castletown!  
How welcome that would be! And a revenue earner, Mr President – a *revenue earner*.

1145 So let's this morning give something important in trust to the nation that can be converted  
from an expense to Treasury to an income for the nation.

Thank you, Mr President.

**The President:** Hon. Member for Garff, Mr Perkins.

1150 **Mr Perkins:** Thank you, Mr President, and I fully endorse the Hon. Member, Mr Robertshaw's  
remarks. It sounds to me that we know the price of everything but the value of nothing. (**A**  
**Member:** Hear, hear.) How often have we heard that said?

I accept Mr Malarkey's comments about how we cannot keep giving away buildings, but this  
is such a unique situation that I believe we have to look at it totally separately and I think that is  
1155 what has galvanised Members into putting these emergency motions forward towards the  
Court.

If you bear with me one minute, I would just like to take you on a historical trip around  
Castletown.

We go to the 'Peggy' Museum; we have the only armed yacht that is being preserved at the  
1160 moment. How unique is that? We come across the unique swing bridge; there are not many of  
them about. Okay, we go past the coffee house – we have got one of those – that is very nice,  
people can have a nice coffee. Then we go into the castle and what a little gem that is; one of  
the most perfectly preserved castles in the British Isles. We come out there and we go into the  
heart of democracy, the old Tynwald building. How unique is this? Then we have the  
1165 schoolhouse and I suggest that the icing on the cake is the Castletown Police Station. That is  
your historical tour.

The icing on the cake is a police station that gave the last birch – nobody else has got that in  
their armoury for tourism! (*Laughter*) It is unique in the fact, as I understand it, there are three  
Victorian prison cells. What a unique experience that would be. 'Come and spend the night in a  
1170 Victorian prison cell' – and give them some porridge in the morning!

But if it goes into the private sector – and I completely understand the Treasury Minister's,  
'We have to get value for money for buildings that we dispose of' – this is unique and if we let it  
go into the private sector we may well finish up with another coffee house.

I beg to support the motion.

1175 **A Member:** Hear, hear.

**The President:** Hon. Member for Middle, Mr Shimmins.

1180 **Mr Shimmins:** Thank you, Mr President.

I rise to support the remarks made by the Minister for Home Affairs, but I would also like just  
to ask Members perhaps to have a look at the financial accounts that are available, if you wish to  
Google the Manx Museum and National Trust financial accounts.

1185 So whilst you do that, I will also perhaps just address some of the other comments that have  
been made.

First of all, let's be clear, the proposal that was put to the Treasury by Manx National Heritage was not to create a police museum, it was not to create a fifth attraction to the lovely centre of Castletown; it was to receive the building free of charge so it could then be let out on a commercial basis. I understand that. That is a perfectly sensible thing for Manx National Heritage to want to do, but it is quite different to what is being proposed by a number of Hon. Members today. So I just want to just make sure that everyone is aware of the full facts.

If I could now, whilst we are on the subject of facts, ask you to just have a look at the financial accounts from the Manx Museum and National Trust. I mentioned in Question Time that if you look at the balance sheet as at 31st March 2017, the Trust is in a good position; it has cash at bank of £2,668,325. That is before we look at other investments, because clearly investments take time. Some of those will be illiquid. There are investments of £1.4 million. The creditors are in the single thousands.

So when Mrs Caine, in her motion, talks about £250,000 – and let's bear in mind that Treasury has already agreed to a very sensible reduction of £25,000, recognising the importance of this building, so really we are talking about £225,000 – is that not affordable when you look at these accounts? It is less than 10% of the free cash available.

But again Treasury, who I think supports very many of the emotional sentiments today, we recognise this is an important building – of course we do, it is a lovely building – and we are very supportive, I think, with the general tone of the discussion here today. But Treasury has also suggested that should the £225,000 – and let's remember that is less than 10% of the cash available in this charitable trust – if that causes cash flow difficulties for the Trust we would be pleased to look at an interest-free loan facility to smooth out any problems that they have.

So Treasury is very keen to work with Manx National Heritage to achieve what I believe is the outcome that I am hearing. The question about the motion is, I think, again setting a strange precedent, particularly when we are in the middle of negotiations, Hon. Members.

So I really just wanted to draw Members' attention to the full facts in this, because actually they are not necessarily the way that they are being presented. Obviously, Hon. Members will reach their own conclusions, but I would suggest Hon. Members reject the motion because the Treasury wants to preserve this important building for the future as well; we are just talking about the best way to do that. Active discussions are ongoing and I would suggest please let us work together to achieve the desired outcome.

Thank you.

**The President:** Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

Twenty-eighteen is billed as the Year of Our Island. At a time we should be celebrating our culture and heritage, instead we are having to view this. Thirty years ago, Castle Rushen was transferred in a similar way to what is suggested here. This is a historical building at the heart of our ancient capital. Offered with a guide price, somebody is going to get lucky – very lucky. One of my greatest concerns this morning is that despite the negotiations taking place we cannot withdraw it from the market to get some cool and calculated discussions. At the moment we seem to be rushing in two directions: one in the free market and the other where we are coming up with some form of solution.

In the Budget we heard again about the £50 million Enterprise Development Fund; all we are talking about here is 1/200th of that. Last month the Treasury Minister spoke with confidence about a better-than-expected result giving us more flexibility and a chance to direct additional spending in line with the Programme for Government and to better enhance our Island. Yes, to better enhance our Island! One month later we are doing this. People are asking what is going on.

Thank you, Mr President.

**The President:** Hon. Member for Rushen, Mr Speaker.

1240 **The Speaker:** Thank you, Mr President.

Having heard some wonderful contributions, I really cannot compete with them.

1245 In terms of the building itself, for those who have been inside and around the building, it is a higgledy-piggledy building on split levels so it is going to be difficult to maximise the value of that building in a traditional way and it is going to be difficult, whatever you do with it, in terms of the Disability and Discrimination Act and making reasonable adjustments to make that building fit for public use, whatever that might be, whether that is office space, whether that is a museum, whatever it might be.

1250 I would say that those who attended the Police exhibition in the courthouse of Castle Rushen in 2013 will have seen some of that wonderful, rich history of 155 years of the Isle of Man Constabulary that was put together by Dean Johnson and others – an absolutely fantastic opportunity there. Would it pay? I do not know; that is not what this motion is about. I think there is a bit of potential to celebrate the work that has been already done in the rich history of the Isle of Man Constabulary.

1255 What the hon. mover is asking for though is not unprecedented. I mean Rushen Abbey was bought by the Isle of Man Government in 1998 and transferred to Manx National Heritage. This is not something that is new or different. So I support the principle of this motion, I really do.

1260 However, what we are hearing a lot of is that actually there is not an awful lot of difference between the parties in terms of what we want. This is a statement of intent by Tynwald and I think that Tynwald has made its voice heard quite loudly today in terms of making sure that this building is protected for the nation and ideally remains in public ownership. When you look at the assets that Manx National Heritage own, I would be surprised if Castletown Police Station was less important than Thornbank, which is a property that was purchased in 2011. Important though it is, I think this would be far more iconic.

1265 So what I would like to propose to the Court today is an opportunity for both sides to get their heads together on this to give them a bit of breathing space, having heard the contributions so far that Hon. Members have expressed, and to propose an adjournment of two months on this debate, where we could come back after that time and continue this if things have not progressed.

1270 Of course at that point it would be subject potentially to any amendments, but it would mean that we end up with something that is less an emotional reaction to a problem that is before us right now, but is something where Government – all branches of Government, whether that be Treasury, the Department of Home Affairs, the Strategic Assets Management Unit – and Manx National Heritage, can get their heads together to come up with a more rational approach to this thorny issue and to come up with something which is a bit more thought through in two months' time.

1275 So I beg to move an adjournment, for two months, of this debate, Mr President:

*That this debate be adjourned for two months.*

1280 **The President:** Now, we are now into the position of an adjournment debate and the five-minute rule applies. The discussion shall be confined to the motion that the matter be adjourned for two months, that is what we are talking about now and I will take contributions from the floor.

Mr Malarkey.

**Mr Malarkey:** Thank you, Mr President.

1285 I rise to support Mr Speaker's motion of a two month delay to allow this to play out within the Department and Treasury. I think it is an extremely good move and I would urge Members today to support this adjournment, sir.



**The President:** Hon. Member for Ayre and Michael, Mr Cannan.

**Mr Cannan:** Thank you very much, Mr President.

1290 I am happy to support the Speaker's move to have this adjourned. I do think the intent has always been there, from Treasury, to work as closely as possible with Manx National Heritage on this particular building, recognising the value that it has and its history.

1295 But we also have to work carefully to ensure that we are not setting dangerous precedents that we are not going to end up giving away huge amounts of assets in the future or transferring assets to Manx National Heritage when they do not really know themselves what they are going to do with them. And this is another issue that needs to be resolved; we need to have that discussion. It would seem sensible because, whilst Members have not seen the business cases that were put to Treasury, there was no real strong desire that this should be retained as some sort of historical police station. And, as the Speaker rightly points out, there could be significant costs involved with taking on this particular building if it is going to be fit for proper public use and, of course, least of all making sure that it is fit to tie in with our equality legislation. So it does seem sensible to have this adjournment debate now supported, and for this to be taken forward in two months' time.

1300 I can give you the assurance that Treasury will continue to engage with Manx National Heritage but also Manx National Heritage will have to engage with Treasury, both to discuss how the building will be potentially used in the future and whether indeed they feel it is appropriate for them to take the building on, given the whole host of other properties that they have currently got on their books.

1305 So I would ask Hon. Members to support the Speaker's adjournment.

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**The President:** Hon. Member, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

1315 I can support the adjournment but only with a condition that the building is taken off the market for the two months whilst this is being discussed.

**The President:** That is not what the adjournment motion is about; it is the deferred debate, we defer debate for two months.

Mr Cregeen.

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**Mr Cregeen:** Thank you, Mr President.

1325 As I said earlier, I have been in discussions with one of the trustees since last Thursday, when I was made aware by the Hon. Member for Onchan, and I have also spoken to the Chief Executive of Manx National Heritage and they put a provisional offer in on the property, which is now sitting with Treasury as of last night. So I think the adjournment will actually see some good results coming out of this, so I would support the adjournment.

**The President:** The Hon. Member for Douglas Central, Mr Thomas.

1330 **Mr Thomas:** Thank you, Mr President.

I also support the adjournment, and I speak as Chair of Culture Vannin and also as a Minister who has had the privilege of attending the Castletown Regeneration Committee in recent months. As part of the habit of working on conservation on that Committee, Manx National Heritage is represented and I have heard some very exciting plans.

1335 So all I would like to say of relevance to the adjournment debate decision is additional issues that I would like considered during the two months of the adjournment are about the use of the building because what I am all for is creative reuse of buildings. **(Two Members: Hear, hear.)** Not just everything has to be a museum and so on.

1340 In Culture Vannin we have creatively reused a Police Station and jail in St John's and that is what I would like people to think about in the next two months – creative reuse of these important buildings so that they are conserved for the future, not just preserved in aspic.

**A Member:** Hear, hear.

1345 **The President:** Hon. Member for Council, Mr Crookall.

**Mr Crookall:** Thank you, Mr President.

1350 Mr Moorhouse has sort of made the point I was going to make. The point he made was that it be taken off the market during this adjournment and the reason for that was there is actually 'best offers before 27th April', which is before the deadline of two months, sir, so he makes a good point and I think it should be taken off the market.

Thank you.

**The President:** Mr Cannan.

1355

**Mr Cannan:** I take the points that have been raised. It might help if I could just have a quick point of order, Mr President.

Clearly the Treasury will be seeking to engage in the tone of this debate, with Manx National Heritage, to find and try and secure a way forward for this historic building.

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**The President:** Mr Malarkey, you have spoken, is this a ... ?

1365 **Mr Malarkey:** Yes, just to give the Court some reassurance, sir. As the key holder to the property I can give some reassurance that nothing will happen as there is an adjournment debate and no decision will be made until after that time.

1370 I also pick up on Mr Crookall's comment with regard to 'offers in by 27th April'. My strict instruction with that was for it to be withdrawn and it was not to be under those conditions, which I will look into. Obviously something has gone wrong with the website, yet again. It was open for offers, it was not up for any timescale, but the Court has my reassurance that nothing will happen before we have the adjournment debate, sir.

**The President:** We call on the mover of the adjournment to reply, Mr Speaker.

**The Speaker:** Thank you, Mr President.

1375 I think Tynwald has spoken, I think all sides have been apprised of the wishes of this House. Many people have spoken eloquently about some potential options for the future. I think there is a general move to support public ownership, in the right circumstances, to pick up Mr Thomas's point about creative reuse. Let's see what can be done and let's return in two months and see what has been done.

1380 I beg to move.

**The President:** Hon. Members, I am going to put before the Court the motion in the name of Mr Speaker, that the urgent motion under discussion, in the name of Mrs Caine, be deferred until the May sitting. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

1385 Thank you, Hon. Members.

## Order of the Day

### 3. Personal Capacity Assessment – Statement by the Minister for the Treasury

**The President:** We revert to our Order Paper, Item 3, Personal Capacity Assessment Statement by the Minister for the Treasury. Mr Cannan, please.

1390 **The Minister for the Treasury (Mr Cannan):** Thank you, Mr President.

At the November sitting of Tynwald, the Court accepted and approved the seven recommendations contained within the First Report of the Social Affairs Policy Review Committee for the session 2016-2017, the Operation of Personal Capability Assessments.

Recommendation 7 required:

That the Council of Ministers should report to Tynwald by March 2018 with its recommendations for helping people move into the workplace after a long illness, taking into account the conclusions and recommendations published in 2017 by Mr John Lancaster ...

1395 A project group from Treasury and the Department of Health and Social Care have reviewed the Lancaster Report and its recommendations in detail, and advised that the general flow of the processes outlined in that Report would produce improved outcomes for those looking to move back into the workplace.

1400 The Council of Ministers is therefore minded to implement the following: the complete removal of the existing personal capability assessment process; the introduction of a holistic approach to the treatment of long-term incapacity, in which there will be no separate access to benefit assessment – people will gain and retain automatic rights to benefits simply by positively engaging with medical professionals who are helping them return to work; the resources that would have been expended on benefit assessments will be made available for additional  
1405 treatment for long-term incapacity claimants – less checking up, more helping up.

Additional staffing will include a GP supported by an occupational health psychologist and a physiotherapist. The existing GP sick note will be changed with appropriate training for GPs to encourage patients to focus on the pathway back to work from the start of the process. This will support improved return to work times for short-term illness and prevent progression to long-term sick.  
1410

The Council of Ministers considers that this will address the concerns raised over the previous system and provide a patient-centred process that balances the need to ensure that properly directed benefits are accompanied with the need to support vulnerable people. The Council of Ministers has instructed Treasury and the DHSC to manage the implementation of the new system as soon as possible. The required changes to regulations are being considered and will be brought to the Court for consideration later this year.  
1415

Thank you, Mr President.

**The President:** Hon. Members, the statement having been made, Members are at liberty to put questions – and I do emphasise *questions* – on this Statement.  
1420 Mr Speaker.

**The Speaker:** Thank you.

I support the general direction of travel, but can the Treasury Minister tell us a bit more  
1425 about how he will monitor and evaluate the success of the new approach compared to the old approach, so we can see whether people really are getting that help up that we all really want for them?

**The President:** The Minister, Mr Cannan.

1430 **The Minister:** Yes. That mechanism and the results of this new process will be clearly seen, I hope, in the numbers of people who are on the long-term sick benefits, the incapacity benefits. We will of course be looking at this incredibly closely.

1435 It is a new way of doing things. We had a very stressful couple of years with Dependability and very rigorous assessments that were not entirely applicable to those people who were undergoing them. With this new approach ... and it is quite a holistic approach, so it is not particularly measured at every single stage of the way. There will be some finding of our feet, and of course the Speaker is right in that we will need to take a regular stock check to ensure that we are getting success rates from this.

1440 **The President:** Hon. Member of Council, Mrs Poole-Wilson.

**Mrs Poole-Wilson:** Thank you, Mr President.

1445 I wonder if I could ask the Treasury Minister whether the working party has given any consideration to how best it might, or Government might, engage with employers? My reason for asking the question is that in due course under the Equality Act, employers will of course have a duty to make reasonable adjustments to accommodate those in the workplace who have a disability. It is perfectly possible that we will have individuals who are assisted into the workplace, but who retain a condition which qualifies as a disability under the Act.

1450 I wonder what consideration, if any, has been given so far to how best we can engage with employers to help *them* play their part in rehabilitating people and retaining people into the workplace, in particular whether there is any interest in developing a more comprehensive access to work scheme that might facilitate employers accommodating people in the workplace with different disabilities?

Thank you, Mr President.

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**The President:** Minister to reply.

**The Minister:** Thank you, Mr President.

1460 I think the Hon. Member makes a very good point. The focus of the working group to date has been trying to resolve and work to ensure that we are going to have an effective administration process and an effective route both from Social Security through the occupational health system effectively, and then back into work. The focus really has been around the operation and administration of that, the GPs and how they are going to tie-in in terms of their sick notes.

1465 I think what I would say is that I take the very reasonable points the Hon. Member has said, and I will seek to discuss that with this particular working group as we now try to take this new system further forward into the future.

**The President:** Hon. Member of Council, Mr Cretney.

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**Mr Cretney:** Yes, thank you, Mr President.

As Chairman of the Social Affairs Policy Review Committee, I warmly welcome the actions of Government to follow up on this matter. Could I ask the Minister if he could be a little bit more specific about timescales?

1475 Also, one of the matters that were discussed was certain personnel that may be required in order to take these things forward. Is he in a position to say whether it will be possible to make those appointments which may be necessary?

**The President:** Reply, sir.

1480 **The Minister:** I have not got a timescale for these appointments, but what I will endeavour to do is I will update Hon. Members as soon as possible on our timescales. I will try and get that delivered out to you in the form of a communication by the end of this month, to let you know when we expect the relevant personnel to be in place who will then provide that additional support so we can get this process properly underway.

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**The President:** Hon. Member, Mrs Beecroft.

**Mrs Beecroft:** Thank you, Mr President.

1490 Again, I am delighted to see this on the Order Paper today. It has been a while coming but it is very welcome.

I am also very delighted to hear the Treasury Minister say that the new system is patient-centred; but I wonder, when he is saying that going forward it is going to be monitored – whatever the new system they come up with, a holistic system – to see if it is working, are they going to listen to the patient feedback this time? Is that going to be part of the monitoring, because that was a real failure with the last one? The people who were being assessed and who were being affected by it were saying it is not working, were complaining, and nobody was listening to them.

1495 So can he give the assurances that something will be built into this system so that the patients will be listened to and amendments can be made to the system if it is found not to be working as everybody would wish?

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**The President:** Mr Cannan.

1505 **The Minister:** Well, I would say to the Hon. Member that there were actually quite a lot of people listening, if I remember the debate in this Hon. Court. So to say that there was no understanding (**Mrs Beecroft:** The Department.) of what was going on is probably slightly misleading.

I think the point that the Hon. Member is making is that yes, certainly there will be continued and ongoing support for people who find themselves in these situations, and we will certainly be listening to what people have to say about the process that they are undergoing. I think it is very important.

1510 The question of monitoring has just been brought up by the Speaker in terms of yes, we want to get some results out of this. It is not always the easiest thing to get people back to work, and going through what is going to be quite a holistic approach we are going to have to be working closely to ensure that some of the staff involved in this are focused in terms of the outcome that we are eventually seeking, of getting people off benefits and helping them get back into the workplace and develop their lives. But we will be listening very carefully to patients and we will be seeking to ensure that we are delivering some sort of effective result to help people in these situations.

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**The President:** Hon. Member for Ramsey, Dr Allinson.

**Dr Allinson:** Thank you, Mr President.

1525 I – like I am sure everyone else in this Court – would like to thank the Minister for making his Statement, which is very welcome.

Specifically on the holistic way of treating illness, trying to increase people's self-esteem and recognising that being part of the workforce has real value for their mental and physical health, the new scheme he sets out will obviously help people get back to work, if possible, but also reduce the workload on GPs, whilst respecting their professional opinion. He mentioned that there will be a new sickness certification scheme and I wonder whether this will be along the

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lines of the fit notes in England or whether he can give any further details of how the actual certification and entry to this holistic approach will be made?

**The President:** Mr Cannan.

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**The Minister:** Yes, the existing GP sick note will be changed and training will be given to the GPs to assist them with that. That sick note will effectively start this process off and needs to be, and will be, designed accordingly to ensure that people have a clear outcome that this is about getting back to work. That process will start with that sick note and then will follow through, effectively that sick note will become the defining document that will lead somebody and keep everybody focussed, we hope – GPs, other professionals, in terms of delivering an outcome of getting somebody back to work.

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**The President:** Hon. Member, Mr Baker.

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**Mr Baker:** Thank you, Mr President.

I would just like to follow up on the point that has already been raised around monitoring, which I think we just need to take one step back in addition to what has been talked about. I would just like the Treasury Minister, and maybe this is more one for the Minister for Health, but we need to put in place some monitoring of the Island's long-term sick rate on a frequent basis, so it is not just specifically about these individual people returning to work but more broadly. And this really should be seen as a key indicator alongside other Programme for Government measures. I believe, anecdotally, our long-term sickness rates are pretty high relative to other jurisdictions and also actually disproportionate to our level of unemployed. As has already been touched on, getting people back into the workplace is –

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**The President:** Question, please.

**Mr Baker:** Okay, my question is what monitoring is intended to be put in place, together with the frequency, and will it focus more broadly on the whole long-term sick question rather than very specifically around benefits?

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**The President:** Reply, sir.

**The Minister:** Well, what I am hoping, Mr President, is that by adopting this new method we are actually taking a more positive approach to long-term sick. Ensuring that we have actually got processes in place that, whilst are sympathetic to their needs, also do put us into a proper pathway where we are helping and taking people back onto that journey to work.

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We are going almost from one extreme here to, I think, a much more balanced approach. Those Members who were around when we were going through the issues with Dependability will recognise exactly how difficult the situation was becoming.

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Let me also make this clear: these are not easy tasks. People are on long-term sick and short-term incapacity for a huge number of reasons and what we have to do is ... every case is almost going to be different, and we have to make sure that the medical professionals and the system, if you like, that is supporting them is properly geared to determining what sort of outcomes we should be seeking from each individual case.

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This is not something that can be put down in hard and fast rules, the key measurements I think the Hon. Members are going to be talking about are actually going to be the numbers of people that we are seeing on the long-term sick register or on short-term incapacity benefit. Also, I think I would pick up perhaps the Hon. Member for the Legislative Council, Mrs Poole-Wilson's point, that perhaps as well as putting all this in place we need to make sure the end

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outcome for people, when they actually get back into work, that employers are properly supporting that process as well.

1585 So there are a whole range of measures contained within this. And key to this actually, some of it, is getting some of the right staff in place to deliver this. It has been a bit of a slow process but we have had to really carefully put in place what we think are the right procedures and another reason why they will have to be monitored is because if things are not working then we are going to have to look at changing to get this perfectly right.

1590 I take the points that have been raised this morning, there is still quite a lot of work to be done here, but I think we have got the right path, we know where we are in terms of numbers and we have got to set out to get those numbers down and get people off incapacity benefit and back into the workplace as quickly, as smoothly and as sympathetically as possible.

**Mr Robertshaw and Mr Crookall:** Hear, hear.

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**The President:** Hon. Member, Mr Thomas.

**Mr Thomas:** Thank you, Mr President.

1600 I too welcome the balanced approach which this Statement has been about and I also welcome the almost explicit admission that we were in a bad place with Dependability in 2015-16.

1605 Three specific questions for the Treasury Minister: firstly, building on Mrs Poole-Wilson's point, and even Dr Allinson's point at the time, does the Treasury Minister agree that work can have therapeutic value as well as real value for the employer and that is a very important issue that this working group, and other people involved, take on board at this stage?

1610 Secondly, does the Treasury Minister agree – building on Mrs Beecroft's point – that at the time when we were in a bad place with all of this, the Social Security Tribunal was very helpful in unpicking some of the issues and that some of the *pro bono* advocates out there were also very helpful to cases, and would the Treasury Minister like to put on record thanks for the work of that tribunal and those *pro bono* advocates?

1615 Finally, does the Treasury Minister accept – building on the point that Mr Baker has raised – that it is not only the figures about long-term unemployed, we also need other dimensions to all of this and does he agree that we should start developing core data sets around all of these sorts of issues (**A Member:** Hear, hear.) as a matter of policy, so that we can have evidence on which we can base policy responses?

**The President:** Minister to reply.

1620 **The Minister:** Well, first point is, Mr President, I do absolutely support the comments that work is effectively good for you, that it carries a number of benefits, not least potentially some very good therapeutic benefits for individuals. And there are many studies that have shown, if you are capable of work, that it is good for you.

I am very happy to thank the Social Security Tribunal for the work that they do.

1625 And yes, in principle, it is absolutely right that we do get the data sets that we need to be able to properly drive Government policy, but sometimes it is also very important that we should get on and start delivering measures as well! It is clear to me that we do now need ... we will push this statement through, that we need to get on and I need to start coming back to Members with some facts now about the actual implementation, the confirmation about GP sick notes and then we can start to report back in terms of numbers of people and how effective the measures are being in helping them get back to work.

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**The President:** Thank you, Hon. Members.

**4. Investments and Reserves –  
Combined votes under Standing Order 3.19(1) –  
Parts (6) and (7) of February motion carried as amended –  
Amended motion as a whole carried**

*(Combined votes under Standing Order 3.19(1))  
(Extract from the February 2018 Votes and Proceedings)*

*Motion made –*

*[...]*

*(6) That Tynwald authorises the Treasury to replenish internal or external reserves from the General Revenue Operating Account by an overall amount not exceeding £5,000,000 in any one year, and to expend such sums arising from those transfers.*

*(7) That Tynwald authorises the Treasury transferring funding between reserves (whether internal or external, other than transfers out of the Reserve Fund) by an overall amount not exceeding £5,000,000 in any one year, and to expend such sums arising from those transfers.*

*Mr Cannan*

*[...]*

*Part (6) –*

*Court divided.*

*In the Keys – Ayes 18, Noes 5*

*For: Dr Allinson, Mr Ashford, Mr Baker, Miss Bettison, Mr Boot, Mrs Caine, Mr Cannan, Mrs Corlett, Mr Cregeen, Mr Harmer, Mr Malarkey, Mr Peake, Mr Perkins, Mr Quayle, Mr Robertshaw, Mr Shimmins, Mr Skelly, Mr Thomas*

*Against: Mr Callister, Ms Edge, Mr Hooper, Mr Moorhouse, Mr Speaker*

*In the Council – Ayes 4, Noes 5*

*For: Mr Corkish, Mr Henderson, The Lord Bishop, Mrs Poole-Wilson*

*Against: Mr Anderson, Mr Coleman, Mr Cretney, Mr Crookall, Mr Turner*

*Part lost.*

*Mr Cannan gave notice under Standing Order 3.19(1) that he intended to move this Part for a combined vote at the next sitting.*

*Part (7) –*

*Court divided.*

*In the Keys – Ayes 19, Noes 4*

*For: Dr Allinson, Mr Ashford, Mr Baker, Miss Bettison, Mr Boot, Mrs Caine, Mr Cannan, Mrs Corlett, Mr Cregeen, Mr Harmer, Mr Malarkey, Mr Moorhouse, Mr Peake, Mr Perkins, Mr Quayle, Mr Robertshaw, Mr Shimmins, Mr Skelly, Mr Thomas*

*Against: Mr Callister, Ms Edge, Mr Hooper, Mr Speaker*

*In the Council – Ayes 4, Noes 5*

*For: Mr Corkish, Mr Henderson, The Lord Bishop, Mrs Poole-Wilson*

*Against: Mr Anderson, Mr Coleman, Mr Cretney, Mr Crookall, Mr Turner*

*Part lost.*

*Mr Cannan gave notice under Standing Order 3.19(1) that he intended to move this Part for a combined vote at the next sitting.*



1635 **The President:** We now move on to Item 4, and that is a combined vote under Standing Order 3.19(1) on a matter brought back from last month's sitting on the motion of the Treasury Minister, Mr Cannan – Investments and Reserves. So I call on Mr Cannan to move the motion for a combined vote formally.

1640 **The Minister for the Treasury (Mr Cannan):** Mr President, as indicated at the previous sitting, in line with Standing Order 3.19(1), I would like to move a combined vote on part (6) of the No. 2 Order Paper under section 4, Investments and Reserves.

And sorry, Mr President, I would also like to move a combined vote on part (7) of the No. 2 Order Paper under section 4, Investments and Reserves, in line with Standing Order 3.19(1).

**The President:** Thank you, Hon. Member.

1645 I call on the Hon. Member for Ramsey, Mr Hooper.

**Mr Hooper:** Thank you, Mr President.

1650 I rise here to move amendments to both of the combined vote motions that are in front of us today. Quite simply put, I would like to add a reporting requirement onto the use of this expenditure. So I am simply proposing that we add the same words to both of the motions in front of us, that states:

; but when any funds from these transfers are used, a report shall be laid at the next available sitting of Tynwald on the expenditure and the reasons for it.

1655 Where I am coming from here is: comments that were made regarding this motion when it was originally moved last month were that sometimes there is a need to have the ability to move quickly when emergencies happen or unexpected circumstances arise. It is *not* my intention – and I make this clear – to cause delays when this happens, which is why I am not requesting that the Department or Treasury come back to Tynwald for pre-approval before using these funds.

1660 But that does not mean that there should be no Tynwald oversight, and so what my amendment is doing is introducing a requirement for timely reporting. Timely reporting is key here. The Hon. Minister for the Treasury mentioned last month that there is reporting in place by way of the annual accounts. Now, that is reporting but it is not *timely* reporting.

1665 The annual accounts are produced a substantial amount of time after these funds could be used, which is potentially too long for there to be appropriate or worthwhile oversight. So this amendment simply requires that a report be laid – not approved; be laid – for information at the next available sitting of this Hon. Court. That is the next available sitting after the expenditure has occurred.

1670 I am not anticipating here reams of information being provided by Treasury; simply enough information to adequately inform Tynwald the amount spent, what it was spent on, what it was needed for and why it was considered that the funding could not be met from the originally approved estimates. If Members then have any questions or issues, they can raise them off the back of that report, but the report itself does not need approval. I am not trying to get in Treasury's way to trip them up here. I am just trying to make sure that there is an appropriate level of reporting and oversight back to this Hon. Court.

1675 So with that, Mr President, I beg to move both of the amendments that are tabled in my name:

*In part (6), to add at the end the words ' ; but when any funds from these transfers are used, a report shall be laid at the next available sitting of Tynwald on the expenditure and the reasons for it.'*

*In part (7), to add at the end the words ‘; but when any funds from these transfers are used, a report shall be laid at the next available sitting of Tynwald on the expenditure and the reasons for it.’*

**The President:** Mr Cannan.

**The Minister:** Mr President, I beg to second and reserve my remarks.

1680 **The President:** Mr Speaker.

**The Speaker:** I admire the Treasury’s quick-footedness – I was about to second that!  
(*Laughter*)

1685 I do support the amendments in the name of Mr Hooper. I do think they address the accountability gap that there is at present with this money.

Again, this is something that is new. This is only the second year that this provision has been in the Budget. It is something that I did raise at the Budget, one of the issues, and I think this is a neat way of saving everyone the time of having to pick through the Light Blue Book line by line and see where there has been the overspend against Budget and try then to work backwards to find out where the money is gone. So a really neat approach and I commend the Treasury for adopting it so supportively.

**A Member:** Hear, hear.

1695 **The President:** I do not think that Standing Orders provide for a right of reply. I stand to be corrected by the Clerk – in the case of an amendment? (*Interjection by the Clerk*) I am correct.

I therefore put the amendments in the name of Mr Hooper. If the Court is content, I will put them together – unless the Court would like me to put them separately? (**Members:** Agreed.)

1700 The amendments therefore in the name of Mr Hooper to parts (6) and (7) as set out: please say aye; against, no. The ayes have it. The ayes have it.

Thank you, Hon. Members. We turn now to Item 5, the motion in the name of the Minister for Education, Sport and Culture on the extension, alteration –

**Mr Malarkey:** Mr President –

1705

**The Speaker:** Mr President, the amendment may have carried, but the motion needs to be put as well.

1710 **The President:** I beg your pardon. I am so sorry, you are quite correct. The amendment has passed. I now put for combined vote parts (6) and (7) as amended. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

**The Speaker:** And now the main motion.

1715 **The President:** Yes, for absolute clarity, I now put the main motion that includes parts (6) and (7) to the Court. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

**5. Extension and Alteration to St Mary's RC Primary School –  
Expenditure approved**

The Minister for Education, Sport and Culture to move:

*That Tynwald approves of the Department of Education, Sport and Culture incurring expenditure not exceeding £3,630,938 in respect of the Extension and Alteration to St Mary's RC Primary School Scheme.*

*[Reference: Scheme code G12-012 Items No 3 on page 34 of the 2017-18 Isle of Man Budget under the heading "Classroom Scheme Ph2 St Mary's"; Detailed Estimates of Government Departments and other Bodies 2017-18 Appendix 5 on page 94 of the 2017-18 Isle of Man Budget under the heading "Full Capital Programme including 2017-18 Approvals, Ongoing Schemes – Education, Sports and Culture – Classroom Scheme Ph2 St Mary's"].*

**The President:** I think I can risk proceeding now (*Laughter*) to Item 5 – my apologies, Hon. Members – the motion in the name of the Minister for Education, Sport and Culture.

1720 **The Minister for Education, Sport and Culture (Mr Cregeen):** Thank you, Mr President.

Under this proposed scheme we are to resolve three fundamental operational issues facing the school: a lack of disabled access across this multi-level school and site; a longstanding capacity issue which has been met through an unsatisfactory mobile classroom provision; and an inadequate hall facility, which is of unsuitable size for its multi-purpose use for assembly, performances, sports and dining.

1725 The core facilities are inadequate, with the single hall being too small for the roll and its various uses, disadvantaging the children and providing challenging conditions for staff. Furthermore, the aged mobile classroom accommodation must be replaced by permanent classrooms that are a pleasant learning environment and are truly part of the school.

1730 The school has a permanent notional capacity of 275 – 11 class-bases x 25 each. The school has three mobile classrooms – a remote, time-expired old double classroom, without toilets, located on part of the playground, and a more modern single mobile, with toilets, located on the school field, adjacent to the playground.

1735 The school roll in the current academic year is 288, with 13 classrooms occupied, including all the mobile classrooms, and one of the permanent classrooms used as a nurture base.

There is only one school hall – for assembly, dining, sports and other activities. It is of inadequate size and also includes the main circulation route through to the junior block. It can be out of action for dining use from 11.30 a.m. through to 2 p.m., allowing for setting up, the dining period and cleaning/drying off of wet floors. There is no separate storage for the dining benches and the demountable stage, which are stored at the perimeter, impacting on the usable area.

1740 There is no separate, central learning resource and library area at the school.

The site topography, building arrangement and levels at which the floors are set mean that there are a number of internal staircases and external stairs to overcome the changes in level. Access by disabled persons is therefore limited, with extremely limited access for wheelchair-users and limited toilet provision.

1745 The proposed capital works include: a four-classroom extension over two levels, two classrooms per floor, including new shared activity areas for new and existing classrooms and integral fire escape stairway; refurbishing of an existing classroom to create a flexible learning resource and a teaching base; extending and re-orientating the Year 1 class bases to provide improved accommodation, with shared activity area and learning resource area for the infant wing; a large hall extension to provide good sized multi-purpose hall for assembly, drama, sports and dining, with a dividing partition and new separate stores for sports equipment, dining

1755 tables/chairs and staging; an outdoor activity classroom, with toilets, adjacent to the main  
playground; an external sports equipment and resources store to serve the main playground and  
field; two new lifts, one between infants and the hall level and one between hall level and the  
junior block floors; reconfiguring and refurbishment of kitchen and servery area, including  
improving the kitchen staff welfare facilities; provision of disabled toilet facilities within the  
infant and junior block, together with other disabled access improvements generally throughout  
1760 the school.

Under the overall scheme, but funded separately by the Dol's minor capital budgets, we have  
also agreed that the existing classrooms, toilets, corridors and stairways will be refurbished.

Externally, the proposed works include: improving the staff parking and access, with new  
vehicular access from Woodbourne Road into enlarged staff car-park, with egress only onto  
1765 St Mary's Road; access improvements generally, with extensive ramping and larger accessible  
terrace areas outside classrooms.

The total recladding, glazing, and re-roofing of the existing building, so the extensions and  
the existing building will be unified, with an attractive modern appearance to protect ...  
completion: this will address existing maintenance issues, and will significantly improve thermal  
1770 performance, reducing energy usage and improving internal environments. It will also greatly  
improve the aesthetics of a tired building.

Under the overall scheme we are also to provide canopies around the building to provide  
covered play and teaching areas to the reception, Year 1 and the junior block level 1 classrooms,  
and main entrance area – they are to be funded separately from our separate canopies budget.

1775 The proposed works are shown on the drawings provided in the explanatory memorandum.

Mr President, I can confirm that following the two-stage competitive tendering, the  
Department proposes to enter into a contract with Auldyn Construction Ltd, in the sum of  
£3,857,023 with the works planned to commence on 31st March 2018, for construction  
completion by 16th August 2019.

1780 Other development costs are included of £710,130 for professional fees, site investigations,  
insurance, building regulation fees, site supervision and loose furnishings, fittings and  
equipment.

The total cost of the proposed development is £4,567,153, and the funding breakdown is  
detailed in the explanatory memorandum – capital motion of £3,802,938, minor capital of  
1785 £674,465 and capital canopies of £89,750.

The approved Pink Book budget provision is £3,803,000. The capital scheme cost is therefore  
currently just within the approved capital budget.

Tynwald has approved pre-contract expenditure of £172,000 and the Department therefore  
seeks approval to the construction cost of £3,630,938.

1790 Mr President, Tynwald approval for the proposed extension scheme will enable the  
Department to: transform the teaching and learning environment of St Mary's RC Primary school  
pupils and staff; allow future generations of children to flourish within modern and well  
equipped educational facilities; provide future capacity within an all-Island RC catchment area.

Mr President, I am pleased to confirm that the Archdiocese of Liverpool have committed  
1795 £100,000 for internal fit-out.

I beg to move the motion standing in my name.

**The President:** Mr Hooper.

1800 **Mr Hooper:** Mr President, I beg to second and reserve my remarks.

**The President:** Ms Edge.

**Ms Edge:** Thank you, Mr President.

1805 The Minister has just stated a few financial facts there, but what I would like to say to him is that I have got a condition survey report here from 2008, which is only 10 years ago, and the cost to actually bring school up to specification at that time was £55,000. We seem to have gone 10 years and we are now having to spend an additional £3.5 million, plus additional sums from various pots of money which I am not sure where they are sitting.

1810 I fully agree that we need to have fantastic learning environments and disabled access in all of our schools – I totally agree with that – but you also stated that you are going to be taking away some of the outdoor space to create additional car parking and an entrance off Woodbourne Road. I am just wondering, if your numbers are increasing, how can you afford to take away some of the outdoor space in this manner?

1815 Also, in the Social Affairs Policy Review Committee, you were asked the question with regard to the expected lifespan of the additional spend and the changes that have been implemented, which I am in support of, but you stated 30 years. However, the Director of Estates had advised me it is 50 years, so I think for the people of the Island, we need to know if this money has been spent and what the lifespan is and that you will not be coming back to Tynwald within a period of time to ask for additional funding.

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**The President:** Hon. Member of Council, Mr Cretney.

**Mr Cretney:** I would just like to ask the Minister: you said that the work would be started in March, and it is £3 million-plus work. I am just a little bit worried about what happens for the young people. Am I right that the work is going to go on with young people in situ; and if so, could you please give us a bit more detail about how arrangements will be made in that regard? Because £3 million worth of work seems a lot and it may cause practical difficulties in terms of running the school.

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**The President:** Hon. Member for Middle, Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.

I am supportive of this scheme. It will transform the learning environment for the children that are at St Mary's.

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I did note that once again, there is additional parking in this scheme, and given the increasing evidence that inactivity is causing long-term health problems for the Island, will he commit his Department to work with the Department of Infrastructure to encourage more active travel to and from St Mary's?

1840 Thank you.

**The President:** Hon. Member for Douglas Central, Mr Thomas.

**Mr Thomas:** Thank you very much, Mr President.

I too am fully supportive of this scheme. In fact, it was the subject of my maiden speech in the context of the great schools in Douglas Central – Ballakermeen, part of St Ninian's, Henry Bloom Noble School. I would just like to thank, on behalf of both constituency MHKs, the Education Department for fulfilling the promise I requested back five years ago that the primary schools would not suffer because of the huge amount of investment that has been made in the secondary schools.

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I would also like to thank the Department for enabling more students, through this transformation, alongside making the general learning environment better for all people.

Finally, I would like to join with the Hon. Member for Middle in saying that access issues are very tricky around this part of Douglas and it is my understanding the Department of Infrastructure is coming forward with a scheme around that part of our capital city. I would very much hope that all aspects to do with getting primary school children to school from around the

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Island – because this is a national school – are actually fully taken into account when those works happen.

1860       **The President:** Hon. Member of Council, Mr Henderson.

**Mr Henderson:** Gura mie eu, Eaghtyrane.

          I obviously support the scheme, but would just like to put a little more context into the background of it, having been a former departmental Member, and going back some  
1865 considerable time, there have been issues and structural issues with this school and the buildings going back many, *many* years.

          The design itself is classed as a Vic Hallam design which came out in the late 1950s and 1960s. As such it has held the school in good stead, as far as it has not fallen down and it has  
1870 been able to be patched up and patched up as they have gone forward. It is more than time that we had this scheme here today, and it should be celebrated, Eaghtyrane.

          I think mention was made to a report done a few years ago – 10 years ago. Well, those were 10-years-ago prices. I think if we look into that in more detail we will find that it was more of a  
1875 ‘What can we do to keep this building?’ kind of report, rather than how we can upgrade this to the 21st century and have a modern learning environment and an expansion and change the outlook of the school for the betterment of our students; and in doing so, giving value for money to the taxpayer and future-proofing it as far as possible, rather than in the old days in my time in the Department, when it was literally a patch-up and make-do job. I think now is the time to move on from that and provide the best environment we can for our young people.

1880       **The President:** Hon. Member, Mr Harmer.

**Mr Harmer:** Thank you, Mr President.

          I would like to just congratulate the Education Department in moving this forward and with the whole emphasis now of actually investing in our infrastructure, in our core facilities and I  
1885 have had numbers of people who have talked to me, that this has been ongoing for 15 years and it is great that finally the talking has stopped and we are actually dealing with action and that I think needs to be very much a principle of our administration.

          Just further to say with regard to active travel, I do think this is very important and needs to be part of every new infrastructure that we do. I look forward to working with the Department  
1890 of Education on this.

**The President:** Hon. Member, Mr Crookall.

**Mr Crookall:** Thank you, Mr President.

1895       Just to stand and say that I whole-heartedly support the Department, and this sort of scheme started in my time in Education. I welcome Mr Cretney’s questions regarding the safety of the children while this scheme is in operation, because it is an awkward site to work on, over three or four different levels.

          I look forward to the Minister’s reply, but whole-heartedly support this.

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**The President:** I call on the Minister to reply, Mr Cregeen.

**The Minister:** Thank you, Mr President.

1905       I would like to thank all those Members who have been supportive about this. Yes, it is a large sum of money, but if we go back to the Hon. Member for Onchan, who said 2008 – I think she said, £50,000 would have seen it up to standard. Well, I am sorry, but now you are in a position, it is going to cost more than £50,000 to replace the windows! We have got a building that has been dilapidated over that time and it needs to be improved.

1910 This is actually removing old mobile classrooms that are not fit for purpose. I think the large one there does not even have a toilet in – that is not acceptable nowadays, that you have got children out in a mobile classroom who cannot access a toilet.

This will give all those facilities inside the one building. It will give disabled access. Back in 2008, you did not have all the DDA compliant stuff. This is actually making it more compliant with the DDA regulations.

1915 As for losing space, we are removing the mobile classrooms which gives us a bit more space, we are utilising the space better. When you look at the front of the school, there is a big slope which is actually not usable. That area is going to be brought into use.

As the Member for Middle, Mr Shimmins said about active travel, we are both on an active travel working group and yes, it will be one of the things that we are encouraging the students to do, but I suppose in some areas, if you have people travelling ... I know the headteacher there, there are certain access things that he requires so we are working towards it.

1920 The Hon. Member of Council, Mr Cretney said about this work taking place: it will be when the children are in the school, but what we are doing is we are putting a classroom up there – a mobile so that they can move into that, so it gives us that bit of flexibility but we are in one of those situations where there is a vast amount of work that needs doing. It is more efficient to do it in one go. We will be very cognisant towards the safety of all the children during that work. That was all built into the programme.

So with that, Mr President, I would like to thank Members for their contributions, and I beg to move.

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**The President:** Hon. Members, the motion before the Court is that set out at Item 5. Those in favour, please say aye, against, no. The ayes have it. The ayes have it.

## **6. Harbours Strategy – Debate commenced**

The Minister for Infrastructure to move:

*That Tynwald approve the Harbours Strategy [[GD No 2018/0011](#)].*

*[[GD 2018/0012](#)] is relevant to this Item.*

**The President:** We turn to Item 6, Harbours Strategy. I call on the Minister for Infrastructure to move, Mr Harmer.

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

I am very pleased to be able to place before you today a comprehensive Strategy to take forward one of the single most important aspects of Island life. The Harbours Strategy being brought forward for your approval today by my Department seeks not only to provide for the future of our Harbours but also to seize a potential economic opportunity that has been under consideration but without action for too many years.

1940 Hon. Members, we all know that harbours are an integral part of our cultural and economic life. I suspect every one of us has at some point used the phrase, 'There's a boat in the morning'. I suspect few of us have considered how this Island would function if there were not to be a boat in the morning.

1945 Our three main commercial harbours dominate – Douglas, Peel and Ramsey. Although most people will recognise the key role played by the Isle of Man Steam Packet Company Limited vessels in moving people and goods between the Island and the adjacent jurisdictions, these

harbours also play a key role in importing the fuels and raw material that we all rely on. The Harbours Strategy of course addresses the future of these three commercial harbours.

Hon. Members will know that the Island's other harbours are important for commercial fisheries and for leisure activities. The Island has a very high level of boat ownership and the Harbours Strategy before you identifies ways that leisure boating can be used to drive economic growth both on Island and in our visitor economy.

Finally, the Strategy addresses the opportunity for a deepwater berth and the potential that visiting cruise liners will be able to make a very significant contribution to the future growth of our visitor economy.

Whilst I appreciate that Hon. Members will have read the Strategy and that many will have taken the opportunity to attend the presentation on these issues given by colleagues from both the Department of Infrastructure and the Department for Enterprise, I do think that it is important that I mention a few of the key points of this Strategy before asking you to support a motion to endorse it.

Much of the infrastructure in our key commercial harbours is ageing. It is in need of at least maintenance and in some cases significant improvement. Douglas is our main commercial harbour. Its infrastructure has been subject to professional assessment by Royal HaskoningDHV, a specialist engineering consultancy that has had many years of experience with the Island's marine infrastructure. Their report is enclosed with your papers.

I hope that Members will agree that the overall proposal to repair what we have and to make improvements is one that simply has to be accepted. The Island's ferries are now smaller than the typical ferry that you might see in the Irish Sea. It is important that we provide for a ferry as large as can be handled at Heysham Port. The Royal HaskoningDHV report identifies the improvements that we can make within our current breakwaters to provide for ferries of up to 142 m overall length, this being the maximum length of ferry that can be handled in Heysham. Members will also recall that the Department has committed to making any future Isle of Man Ferry Terminal in Liverpool adaptable for vessels up to 142 m in length.

The other type of vessel that is affected by this growth trend is the type of tanker used to bring liquid fuels and compressed gas to the Island. The Royal HaskoningDHV report shows how we can expand our current tanker jetty to cope with these larger vessels. Some Members will know that there are concerns that the small vessels of the sort we currently rely on will soon cease to be operated in our vicinity. This therefore is an improvement that really has to be made.

I should, at this point, mention the impact of this scheme on some of the more important users of Douglas Harbour. Many of us are rightly proud that the Island is the birthplace of the RNLI. The Douglas Lifeboat Station is a prominent part of the harbour and I am pleased to confirm that my Department has been in lengthy negotiations with the Royal National Lifeboat Institution as to the future of the lifeboat station.

I am now confident that the RNLI will re-equip Douglas Lifeboat Station with one of the latest Shannon Class all-weather lifeboats and that the new slipway required to launch this vessel from a cradle will be built alongside the existing facility. I am sure that none of us would want to be without the comfort of the Douglas Lifeboat, nor without the pride that comes from being the birthplace of this fantastic institution. **(A Member: Hear, hear.)**

The Isle of Man Steam Packet Company has been operating from Douglas since 1830. It can claim to be the oldest continually operating passenger shipping company in the world. Members will have noted that the Royal HaskoningDHV report recommends improvements at the Victoria Pier.

The Victoria Pier is the one used by the Steam Packet's SeaCat vessel. That vessel is accessed by a linkspan owned by the Steam Packet. This report proposes improvements in the pier itself and improvements to the facilities used to give foot passengers access to the vessel, but does not include any investment in the linkspan itself.



2000 The Steam Packet has the right to maintain its linkspan in place until the end of its current Linkspan User Agreement. At that point, it will either have to be removed or will pass to the Department under some form of agreement. Although funding for a new linkspan is not proposed, the Steam Packet linkspan has been in service since the 1970s and is likely to require replacement in the next decade or so. The current cost of a new linkspan is in the order of  
2005 £10 million. I stress that this Strategy does not make provision for a new linkspan, but I feel that I should draw it to your attention. The Island's interests are better served by having two linkspans, especially as the Department's linkspan on the King Edward VIII Pier is now at mid-life.

I should like to move to talking about Ramsey. Ramsey is both a commercial harbour and a leisure harbour, with commercial vessels dominating the outer harbour.

2010 The HaskoningDHV Report identifies the potential for Ramsey Harbour to offer a wide range of marine engineering services. To this end, I am pleased to advise that my Department is currently completing the transfer of ownership of the Ramsey Shipyard from the Department for Enterprise and that we will be investing in the slipway to bring it back into use. We are working with interested marine engineering businesses to ensure that the engineering works building is brought back into use for marine engineering and to make sure that any businesses that need to use the slipway can do so. I am confident that there is a real future for Ramsey and its harbour as the marine engineering hub, not just of the Isle of Man but potentially of the north Irish Sea.

2015 Hon. Members are well aware of the problems that my Department is facing in the Peel Marina. The Member for Ports, the Hon. Member for Ayre and Michael, Mr Baker, has spared no effort in identifying and progressing solutions for the problems caused by river silts and I am confident that we will soon be making progress with this problem. The Department was able to dredge the outer harbour last year and again I am confident that this harbour will continue to contribute to the social and economic wellbeing of the Island as a whole.

2020 This mention of marinas suggests that I should address the leisure marine sector. The Island's other main harbours are used for commercial fisheries but are perhaps dominated by leisure activities. The report identifies a fantastic opportunity for a non-tidal marina in Port St Mary, where investment in the Alfred Pier could be linked to the creation of a new non-tidal marina.

2025 Government is a significant land owner along the shore, so I am hopeful that we could attract a private sector developer who would want to invest not only in a marina but in the associated facilities that boat owners would use. This of course becomes a much wider regeneration opportunity for the harbour side if the people of Port St Mary were willing to support plans of that sort.

2030 The opportunity is identified in the report. If approved, my Department will build on the work it has already undertaken through the issue of a Prior Information Notice and will work with the Department for Enterprise to identify any interested parties. I should, at this point, make it clear that I am not ruling out the development of any new marinas in other places, and indeed I would very much welcome any privately funded proposals that Government can facilitate. I am aware that there is real interest in a new marina in Ramsey and sensible suggestions for a new marina in Port Erin. Again, I would stress that my feeling is that developments of this sort should be led and funded by the private sector.

2035 Finally, I would like to turn to the issue of the deepwater berth for Douglas. The idea of providing a deepwater berth for visiting cruise vessels has been discussed for the best part of 10 years on this Island. There is no doubt that the cruise market is a rapidly growing one and no doubt that our current offering is limited by the need for larger vessels to remain at anchor in the bay whilst passengers are brought ashore on small tender vessels. This limits not only the number of vessels that book a call here but also means that weather conditions can cause the cancellation of booked calls.

2040 The Harbours Strategy incorporates significant work done by the Department for Enterprise to identify the business opportunity and assess the potential costs and benefits. I am well aware that some people will feel that Government should be more daring and should go for the more ambitious proposals to build a new breakwater beyond the Princess Alexandra Pier to provide a  
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deepwater berth 450 m long. With the largest cruise vessels in the world being slightly over 360 m long, this certainly would allow any vessel to call both now and into the foreseeable future.

2055 Building such a development would be very expensive and would require significant new infrastructure, both in terms of the harbour operations but also in terms of our visitor economy. The largest vessels have capacity for 6,780 passengers. The Deloitte's Report summarised in the appendix to the Strategy, provided by the Department for Enterprise and published on the release of the Order Paper for this sitting, suggest that 80% of cruise passengers could be  
2060 expected to leave the vessel. For these largest vessels, this could see over 5,000 people getting off the vessel in a single day. Whilst this would be a fantastic opportunity, it would also require a significant change in the facilities we have to entertain and trade with these visitors.

Members will have noted that my Department is proposing a more modest approach as a first step. I can absolutely assure you that I am not ruling out the investment in a larger facility if  
2065 the cruise business takes off, as we hope it will, but the improvement works that I have already referred to give us the opportunity to provide a 240 m deepwater berth alongside the Victoria Pier at a much more affordable cost.

The opportunity exists to deepen the water between the Victoria Pier and the Tower of Refuge and to purchase the two tugs that would be necessary to safely manoeuvre visiting  
2070 cruise vessels onto such a berth. A berth of this size would be able to handle 75% of the cruise vessels that can be expected to pass near the Isle of Man. A berth of this sort should be able to increase the numbers of cruise passengers reaching the Island from 6,000 to ultimately 40,000. If we do indeed see a rapid increase in cruise visitors we can then assess the viability of investing in the facility that would allow us to grow.

2075 The opportunity to provide this berth at reasonable cost exists because the Douglas Harbour improvement plans I have referred to will allow any rock removed from the new deepwater berth to be reused on the other side of the harbour to facilitate and support the new developments.

Furthermore, irrespective of this Strategy, the Victoria Pier is in desperate need of  
2080 maintenance. Even if Members were to decide not to invest in the improvement of Douglas Harbour – which I, of course, sincerely hope will not be the case – the Department will have to petition Tynwald for the funds needed to maintain the Victoria Pier in good order.

The age of the pier and the movement of vessels on and off the berths have created structural problems that will cost between £3 million and £5 million to fix. So if the deepwater  
2085 pier is provided as part of the general improvement of the harbour, we can not only save the £5 million cost of removing and potentially importing excavated rock, but can avoid a significant further expenditure in basic maintenance. These figures significantly reduce the headline cost of £16 million for the construction cost of a new deepwater berth against the Victoria Pier.

Hon. Members, I have to say that to me that seems to be too good an opportunity to miss. I  
2090 know that there are other important demands on Government reserves and I am aware that some of you may feel that we should be spending money elsewhere rather than on visitors. Of course, Hon. Members will realise that the visitor economy is a significant contributor to our overall wealth and I hope that you will agree with me that building a deepwater berth alongside the Victoria Pier will help improve our long-term financial wellbeing for a comparatively modest  
2095 cost in the scheme of the sort of sums needed for our harbour infrastructure.

I can also reassure Members that the money will not have been wasted if we later invest in a much bigger facility. Not only would it have to be spent on proving beyond all doubt that there is a case for a more significant investment, it will provide us with a significantly improved berth that can be used for the sort of vessels that we regularly see calling into Douglas Bay for replenishment, or crew change associated works, on the various wind farms and gas platforms  
2100 off our shores.

There are many calls not to invest in our harbours at all, and not to invest in a cruise berth, but with an ageing infrastructure we will not be able to meet the opportunities and needs in the

2105 future. There are others that believe that we should be braver and that we should start with building a new, larger harbour. Of course we do not have the full figures for a scheme that we are not proposing, but very simply we would, as an estimate, suggest that we might need to spend at least £150 million on a new larger harbour.

2110 In many ways, the new harbour idea is attractive, but it is certainly expensive. I am not ruling out this sort of plan as an option for the future, but I am not recommending it as an option for the present. What I am, however, happy to commit to is an undertaking that whilst we are doing the survey and assessments works for the schemes that I am recommending, we will include in our scope the areas that would be developed in a larger scheme so that we can move swiftly if the cruise market takes off and we can then justify the extra investment.

2115 Hon. Members may have seen the recent press release of the Isle of Man Shipping Association. That Association has done a lot of good work with the Department and our discussions with it have shaped very much of the Strategy that is before you today. I very much welcome the support of that Association to the Strategy as a whole. I note that the Association would like to see further studies of the outer harbour at Douglas in the engineering and environmental feasibility stages and hope that its members will welcome the commitment I have made today. This will also give us the opportunity at the feasibility stage to assess future demand scenarios so that we can make appropriate judgements about the very long-term future and how our current plans fit with that.

2120 Hon. Members, in conclusion, the Strategy today provides a clear direction in setting forward the case for investment in our existing marinas in Douglas and Peel as well as the case for new 24-hour marinas, our ferry services, facilities for boat and marine maintenance in Ramsey, facilities for oil and cargo ships and improvements for pleasure craft. It makes the case for providing berthing for cruise ships after there has been much deliberation over the past 10 years.

2130 Hon. Members, I very much hope that you will be able to support me in agreeing that we need to adopt the overall policy listed in the motion before you and that we continue to invest in our harbours so that they can continue to function as the absolute bedrock of our social and economic wellbeing.

2135 Ships have been crossing the Irish Sea for a thousand years and I have no doubt that they will continue to do so long after the investment I am seeking today has been depreciated away in our accounts. We often talk about investing in the future of our young people and of the importance of sustainability. I have to put it to you that there can be few better ways of sustainably investing in the future of our Island than by making sure that our harbours continue to be available to serve all those who live here and all those who wish to visit us.

2140 If I am able to gain your support in this endeavour, I will look at the options for the very long term before returning as soon as I am able to with full financial motions that seek your explicit authority to expend capital moneys on the first of these projects.

Hon. Members, I beg to move the motion standing in my name.

2145 **The President:** Hon. Members, the motion has been moved and we shall adjourn the debate until 2.30 p.m. and I will call the Hon. Member for Rushen, Mr Skelly, to speak.

The Court will now stand adjourned until 2.30 p.m.

*The Court adjourned at 1.05 p.m.  
and resumed its sitting at 2.30 p.m.*

**Harbours Strategy –  
Debate continued –  
Strategy approved**

**The President:** We resume our debate on the Harbours Strategy and I call the Hon. Member for Rushen, Mr Skelly.

**The Minister for Enterprise (Mr Skelly):** I wish to second and reserve my remarks, Eaghtyrane.

**The President:** Hon. Member for Douglas East, Mr Robertshaw.

**Mr Robertshaw:** Thank you, Mr President.

It should be a good day today. It should be a day to celebrate an important step forward for the Council of Ministers. Producing a strategic document such as this is important and it should be something we should be able to welcome and support. Sad to say, its launch has been mishandled, its content far from complete, its detail seriously misrepresented in public by Ministers, and as something that should be the basis of our actions for the next hundred years it is being rushed embarrassingly quickly through this Hon. Court. I have been so alarmed by this and the inadequacy of the analysis surrounding our main arterial port that I have not even yet had the chance to consider the rest of the document now before us.

The very recent presentation given to Hon. Members was biased and partial, the time given to deliberate on the matter ridiculously short. There has not even been any consultation. We consult on everything, including things like bovine diarrhoea, (**A Member:** Hear, hear.) but we cannot deliberate on something as profoundly important as this – beyond belief! There has been no opportunity for parliamentary scrutiny; in fact, there has been a desire not to have any parliamentary scrutiny before this important matter comes before this Hon. Court. The Minister shakes his head. He is incorrect – I will explain to him later, if he wishes. Perhaps the fact that the CoMin block vote and the vote of Members from the two Departments, Department of Infrastructure and Department for Enterprise, combined ensure a majority in this Hon. Court has encouraged the Minister for Infrastructure to act in this irresponsible fashion.

Public utterances of both the Minister for DoI and the Chief Minister have of late been disgracefully and alarmingly inaccurate. They did not even both use the same wrong numbers; they used different incorrect numbers, which is verging on the laughable. The general public should not be treated in this highly disrespectful manner, and this morning it was made even worse. There is some sort of strange public bidding war between the Minister for Infrastructure and the Chief Minister as to how expensive this other thing, which we have not properly analysed, actually costs. It started at £80 million, the Chief Minister came into the media with a bid at £100 million and now it is £150 million. Any rise on that? Hon. Members are being misled, perhaps unintentionally but misled nonetheless; quite disgraceful and I have, in all my time in this Hon. Court, never quite been more annoyed by a motion before us than this one.

Let us look at this for a moment, at where the Department say they have consulted. They say, and it was mentioned this morning, with the Shipping Association. Members of the Association, who are ship owners, ship managers, marine engineers, naval architects, former captains with experience in the Irish Sea, have said please look seriously and fully at a deepwater harbour. That is what they have said. Do not let the Minister allow you to think that the Association are content with this report; they are not, but the Department choose to brush that aside. Such conduct is either intentional, in which case it is unforgivable, or it is ill-informed incompetence, in which case it is embarrassing.

The methodology used to construct the Strategy was faulty. DoI decided what they wanted at the outset and then directed external consultants to advise on that and no more. I do not know how many times in recent years I have tried to argue this is not the right way round to do

strategic matters; it is not. The consultants' – Royal Haskoning – report is therefore incomplete by design and intention on the part of the Department. In other words, 'Consultants, you will look at what we want you to look at and nothing more.' Is that strategic thinking or a desire of a Department to drive its own agenda forward? Consultants Deloitte have actually been criticised because they had the audacity to come out with the wrong conclusions.

The essence of Dol's core argument is deeply flawed. Most Hon. Members I think now have heard it – it runs like this: get the small facility right first, test the water, prove it is a success and then move on. Let me try and explain why this is frankly complete and utter nonsense – and in a way it goes to the heart of the matter.

Regardless of what we are taking about, be it ferries, cruise ships, bulk carriers, maintenance vessels, etc., our current harbour is not fit for future purpose, simple as that. It is constrained and it is shallow. The pretence is that it just needs maintenance. That is nonsense. It is *much* more serious than that. They talk of needing £80 million – although the Chief Minister talked of £90 million, so CoMin really are not sure what the number is – to fix it. That is the current harbour. But you have probably already read the Haskoning report – I hope you have – where the actual amount of rock to be removed from our current harbour facilities is not yet known because the survey has not yet been commissioned. In reality they do not know. The Department skip over the running costs, which I am advised could come out at about £1.5 million annually for dredging, so over the next 40 years we are talking about £60 million worth of dredging fees. I have not heard that figure presented by the Minister. Despite all of this, you are today being required to sign up to it now. You are being asked to sign a blank cheque. The Dol simply do not want you to look at the alternative but at a strategic level we absolutely must, even if ultimately it is to reject it. It is unquestionably our duty to do so before we make such profound decisions which will impact upon the Isle of Man, as I have said, for the next hundred years.

So let's look now at the proposed extension for the Victoria Pier. For starters, we note from the report that it will not be accessible in certain weather conditions. We note that a 240 m berth would break even after 48 years, according to Deloitte, whilst a 450 m berth, which we are told is expensive, would break even after 28 years, almost half the time. And incidentally, we note that it will not actually be a 240 m berth in the first place; it will actually be available for vessels up to 210 m, not 240 m. There is a reason stated in the report why that is the case, but I have subsequently heard other evidence which suggests there are other reasons why it can only be 210 m, not 240 m. We also know that it will be susceptible to silting up. Little surprise there, really, considering we are digging a hole at the end of a sandy beach – it is not rocket science at the end of the day. As I have said on the radio, as a child you take a bucket and spade down to the beach and dig a hole and the tide comes in and it fills in. Have we got a special sort of sand here – I do not know – that refuses to go in holes that the Department are going to build?

Let's turn now from the size of the berth to the size of vessels that can access it. Here too the Department is very clearly trying to lead you up the garden path. Look at the Deloitte report on the SWOT analysis for the 240 – sorry, 210 m berth regarding the size of vessels. It says, and we know it to be true, that new-build cruise ships are getting bigger. It says smaller older vessels are progressively being scrapped. Let me address that in a little bit more detail. Normally these type of ships have a standard working life of 30 years. Currently the average age of these existing smaller vessels upon which we are going to place so much reliance is 26 years. In other words, just as we complete our new cruise facility the ships it is designed for will be progressively taken out of service. You know, if it was not so serious, that would be funny. Yet miraculously and somehow – and I have still to work this one out – we will use this as an evidence-based process to decide if we really want to go on and build a larger facility. What absolute nonsense. That insults the intelligence. You know, you really could not make this up. It completely defies logical thought, and I suppose you could say perhaps that is why they want to rush it through. I hope not.

Let's now turn to the real world of cruise shipping and what is really happening out there. I had the opportunity to talk to a chap called Pat Ward the other day. He is the director of ports in Dublin and currently cruise director for Cruise Europe. That guy knows what he is talking about. I was fortunate to talk to him because it was the night before St Patrick's night and he had other things on his mind, but I was asking him how things were going over in Dublin. It was so refreshing to talk to a progressive leader with a clear vision for the future, who recognised the world is changing and rapidly.

He told me that Dublin is investing €500 million in its deepwater port facilities for a range of vessels but that they are particularly upbeat about the growth of their cruise ship market. They are investing heavily in the Port of Dublin to ensure it becomes what is called a home port. I do not know how many Hon. Members, Mr President, are familiar with that phrase but it is not a transit, a pass-through port; it is a port where you start your cruise and you finish it. They want to compete directly with Southampton and they are deadly serious. It will be delivered in the next few years and all of this is just a short sail away from us. Their main target market is the US, where they expect to get 80% of their traffic, with around 5% coming from Ireland and the rest from other parts of Europe. They are particularly well blessed to access this market because of their special passport and customs relationship with the US, which some of you may be familiar with. Pat was explaining to me that the northern cold water resort cruise ship business is a major growth market and that the operators like fairly short distances between ports of call because the fuel and operating costs when measured by distance travelled between passenger port of call experiences are more attractive. I asked him the other day whether he would come over and talk to us Hon. Members about the opportunities that lie ahead and he has indicated he would be very pleased to do so. So you will be able to talk to him yourself; you do not need to rely on me.

I should explain that part of Dublin's plans revolve around working with cruise ship companies to bring in new large cruise ships, ones that will not be able to call into the Isle of Man because DoI's proposed cruise berth will be too small, even though they would wish to call. Mr President, forgive me for being just a little sarcastic, but perhaps we as Hon. Members should take it in turns to stand on Douglas Head and wave to them as they pass by, showing them that we really would like them to call.

And then we had also in that presentation – this killed me – the fairy story, I call it, about the tender vessel taking up to 200 people. Think about it: we have not got the confidence to develop a deepwater berth, we will not get all of that growth market, but actually we will provide some millions of pounds for some sort of tender boat and hope that they will come. They tell you clearly they will not be interested in ports with a tender vessel, so who is kidding who here? Is the DoI kidding us Members? Do they not know themselves? And then in the report – I do not know where it was – somebody says something somewhere about, 'Oh, well, we'll do round-the-Island tours.' I gave up at that point. How does the logic go? The more I think about it the worse it gets.

Most cold water resorts and destinations that are committing to this visitor business are reaching and passing 100,000 visitors per year. You name it, they are succeeding. Clearly our esteemed leaders are either genuinely not interested in tourism or cannot be bothered, or they fundamentally lack confidence in our ability to attract visitors. Which of those is it? Or is it them all? Whatever the reason, I think it is very sad.

I now wish to turn my attention to the Department for Enterprise and their equally depressing contribution to the presentation made to Members in the Barrool Suite. It was, to put it mildly, verging on the pathetic. Let's deconstruct it. Effectively what was said is that we cannot cope with a progressively growing market reaching and eventually passing 100,000 visitors, and hopefully a lot more, per year. In very simple terms that is, say, 50 visits spread over a summer with packs of 2,000 passengers on average in number over the summer period. Let's say two vessels a week. Did the Department responsible for tourism really say we could not build up our competence and capacity over those years in order to meet the demand? Is that

2300 what they told us, or did I mishear it? Do they really not wish to direct more visitors to our horse  
trams, steam trains, electric trams, Bus Vannin and Manx National Heritage ...? The Minister is  
nodding, saying no. Clearly not. Those facilities produce current annual losses, all of which are  
being supported each year by our taxpayers. Did the Department really intend that? Do they  
believe our main shopping centre, our coffee shops, our restaurants are doing so well that we  
really cannot cope with more business? Is that what they think? Do they believe that? Do they  
2305 think that the equivalent facilities in Castletown, Ramsey, Peel, Port St Mary and Port Erin feel  
they cannot cope with more visitors? Before answering that, please remember that this is a  
Government that has been preoccupied and has ignominiously fallen flat on its face in the  
process over Vision Nine – telling us how hard they have been working trying to get those sort of  
numbers to the Isle of Man in just seven days: ‘We can get 100,000 visitors, people; but, oh, no,  
2310 we cannot deal over years to come with 100,000 over the summer.’ Work that out; I cannot. You  
know, if it was not really happening I could not make anything like this up myself, I really could  
not.

I would now like to talk to you and turn this over to what this is really all about. Granted,  
cruise ships are an immediate and self-evident business opportunity which we appear to be  
2315 doing our very best to run away from, but really this is only a lead indicator of something literally  
and metaphorically altogether deeper. As I have said, our main sea port, our main arterial route,  
is not fit for future purpose. The one thing I can congratulate the DoI on, thank goodness, is that  
the report quietly accepts that fact. It is too small, too constrained and too shallow. It is not a  
maintenance issue – do not believe that – other than perhaps in passing, so please do not  
2320 believe cock and bull stories. The question that should be before us is both very simple and very  
complicated. It is this: should we outlay capital spend on our existing inadequate facilities that  
will not be capable of meeting future needs, or should we spend this money on new facilities  
that will serve us well for many years to come?

Today you are effectively being rushed, bounced, frogmarched into a decision without the  
2325 full facts – there are some being made up on the hoof as we speak. A decision today will have  
extremely long-lasting consequences for our long-term future. Once we start to go down what  
could very well be the wrong road it will be difficult and very expensive to change direction. We  
need to have two clear strategic options placed before us in a properly well-constructed and  
researched manner. These two options are a choice between: (1) spending a great deal of  
2330 money on trying to make the best we can of our current small harbour facilities; or (2) start  
building over time a new deepwater berth harbour and in so doing open ourselves up to a range  
of new opportunities over the century ahead.

I am tempted to start outlining a whole range of opportunities I believe might very well lie  
ahead if we go for the second option as major changes unfold in the Irish Sea in other harbours  
2335 and in other investment programmes which at this present time cannot be seen, but that  
full analysis really belongs as part of the missing option which we must consider before going  
any further at all. That must include an understanding of what others will be doing in the  
decades ahead with regard to their investment. What I will say is this: those who believe I am on  
my feet now concerned simply with growing our tourism sector through cruise ship visitors  
2340 would completely and utterly misunderstand my position. That sector happens to be the lead  
indicator of what is to come, the first swallow of spring with much more to follow, a world of  
larger vessels in all sectors.

Our history is a deep and fascinating one. We are all here today as result of that long history,  
that relationship with the sea; it is in our DNA, it affects our lives directly on a daily basis. The  
2345 most significant relationship with the sea lies through our main arterial harbour. It has fallen to  
us through a process of strategic analysis to decide what a fit for future purpose harbour would  
look like. Thus far you have been presented with but one option with no alternative. You have  
been presented with a deficient cost analysis and but a few days to make up your mind. In so  
doing, this Hon. Court has been treated with great disrespect and, I would say, even with  
2350 contempt.

Over time our harbour has grown and responded to changing times. We even moved our capital in recognition of the need for a bigger harbour, and this Hon. Court moved as a direct consequence of that action. That is how the harbour size dictated that we are sitting here talking amongst ourselves in this place today. We must now be given a proper opportunity and the right information to decide what we think that future should look like. We must apply careful due diligence to those duties.

Mr President, that is why I have tabled an amendment that simply requires this Hon. Court to receive the document before us rather than agree it, because to accept the motion as it stands is to brush aside the second option before being able to even consider it properly whilst effectively giving the green light to the single option before you.

Mr President, I beg to move the amendment in my name:

*To leave out the word 'approve' and to insert the word 'receive'.*

**The President:** Members may remove jackets, if they wish.  
Hon. Member, Mrs Beecroft.

**Mrs Beecroft:** Thank you, Mr President.

I will second this amendment. I have not been asked to, I did not know if anybody else was going to, but I am glad for it because I do not feel I have had enough time to get my head around everything that is in all those documents and discuss it with people who are more qualified as far as engineering and marine things go. I do not feel comfortable saying yes, it is the right way to go.

I am very much in favour of a deepwater berth – Liberal Vannin always have been, it was in our manifesto in 2006 – but I am not sure that this is the right way that we are doing it. Should we be just doing it for this short-term measure, or should we be looking and saying, 'Right, we're bold enough, let's go for something that's going to provide us with a facility for the next 50 or 70 years', rather than going halfway and dipping our toes in the water? Round the world it is proving that it is working everywhere else. I am not quite sure why we should be so hesitant and feel that we could be different and that nobody would actually want to come and make it worthwhile for us doing it.

Liverpool is gearing up for 90 cruise ships a year and if we do not have a ship terminal that will attract some of those ships we are going to be losing out an awful lot. We have always been very close to Liverpool – and we still are, obviously, our boat goes there – and we are hoping to attract the cruise ships here. And the news about the Dublin one: it would be interesting to hear that chap, Pat Ward, what he has to say.

My gut instinct is that we should be having a new jetty and this outer harbour that will accommodate and take us forward confidently for the next I do not know how many years, but I would like to have time to see how the figures stack up both ways. I have not had time to consider those documents and take outside advice, or anybody's advice even – and I know I could have come to the Department but I had not even finished digesting those two documents properly to make coherent questions for you, or I know you would have been accommodating enough to allow me to come and visit you, because you always do.

So really I was just glad when the amendment came round that said we receive it today but we are not approving anything. Let's receive it. Let's take our time, because this is something that is going to tie us down for an awful long time and if we make a mistake over it, it is going to be an expensive mistake and one that we are going to regret, and I think taking a bit more time over it and making sure that we are all satisfied that we are on the right road would be a very sensible way to go.

**The President:** Hon. Member for Ramsey, Mr Hooper.



2400 **Mr Hooper:** Thank you very much, Mr President.

So far, the Hon. Member for Douglas East has focused almost exclusively on the Douglas Harbour, so I am not going to talk about that. I would perhaps unsurprisingly like to talk about some of the other harbours that we have but exclusively, almost, Ramsey Harbour.

2405 The opportunities that the strategy outlines include a wide array of marine services and support services that could be provided from Ramsey. My concern really with the strategy here is that the statement itself focuses exclusively on the shipyard – it does not seem to mention the rest of the harbour area. I am sorry, but I would hate to lose out on any potential opportunities or redevelopment simply because the strategy seems to focus us on one part of the harbour. So I would appreciate some comment (**The Minister:** Yes.) perhaps from the Minister on the wider plans really.

2410 The Isle of Man Shipping Association, who have been mentioned already, do seem to welcome the Department's proposals for Ramsey and for the other harbours to help stimulate some of the rejuvenation of our marine engineering that is going on up there, and I quite welcome those as well. I appreciate the strategy itself is going to have to move in stages but really the other thing that concerns me here is the strategy for Douglas has almost a timeline, it has some figures attached to it, it has some scope, but for the other harbours there is not so much detail, not so much information. So I am expecting – hopeful, rather – that the Minister will be coming back with a second iteration of the strategy that has some more detail, perhaps some work plans in these areas to outline, actually, what direction does he see us going in?

2420 Again it all comes down to opportunity. If an opportunity arises in Peel and Port St Mary, in Ramsey, there is no funding outline, there is no work plan outline. Will that be parked, will it be put to one side while we fix Douglas and sort that out first? Just a bit more context, really, on how this will be brought forward I think I would greatly appreciate.

2425 So basically what I am really asking for here is if the Minister would put a little bit more meat on the bones when it comes to the other harbours outside of Douglas – there is a great deal of potential there and to me that is the only thing that is missing from the strategy. There is not really any identification of those potential opportunities and it does seem to highlight the risk that we may lose some opportunities outside of Douglas if we are focusing too heavily on just the one.

2430 Thank you, Mr President.

**The President:** Hon. Member for Ayre and Michael, Mr Baker.

**Mr Baker:** Thank you, Mr President.

2435 I rise to my feet to respond to what has been said before; and before I turn to the very eloquent Mr Robertshaw, I am just grateful to Mr Hooper for reminding the rest of us who are not from East Douglas, that this is an Island strategy about all our harbours. The reality is that most of the harbours do not propose anything particularly controversial, but they do highlight opportunities to move forward, and there are some good things in there.

2440 Clearly, Mr Robertshaw's comments refer very much to Douglas and it is clear to contextualise the comments. The existing harbour is lacking investment, everybody acknowledges that. It has been underinvested in in recent years. We need to recognise that even without this strategy being brought forward the Department would be needing to invest significant expenditure to address the dilapidation of the existing port and particularly around the Victoria Pier – and I will come back to that a bit later on. But it is clear that doing nothing is not an option that is palatable to the Department, and it would be a real shame if this debate got side-tracked by the discussion and ended up with an outcome where things did not happen. So please hold that thought.

2450 I believe that the proposed scheme in Douglas Harbour is sensible, proportionate and controlled. It will not have escaped Hon. Members' attention that each of the stages will require individual Tynwald sign-off – there is A to G defined in the strategy. It is an overarching strategy

which sets out the direction of travel, but it leaves the control completely within the hands of this Hon. Court. So, contrary to Mr Robertshaw's assertion, we are not starting off down a path that is going to lead to blank cheques being written and the thing running out of control. Every single stage will come to Tynwald for sign-off, with a business case, with detailed support, and it can be stopped at any stage.

So we have a migration path through the plans that are identified and that could lead to Mr Robertshaw's vision of a 450 m deepwater cruise terminal off the Alexandra Pier.

**Mr Robertshaw:** Will the Hon. Member give way, Mr President?

**Mr Baker:** No, I will not! You have had your say, Mr Robertshaw. (**A Member:** Hear, hear.) You have. So no, I will not give way.

This strategy is about investing in what we have already got and it can lead to a migration path to a 450 m cruise berth off the Alexandra Pier if the cruise market opportunity is proven, and we have got a properly thought-through implementation plan to that. It seems to me that we are accused of lacking vision, lacking ambition and lacking belief. Mr Robertshaw mentioned very nicely earlier about fairy stories. I draw his attention to a fairy story in old Copenhagen written by Hans Christian Andersen with the *Emperor's New Clothes*, where the children spotted that the Emperor did not actually have any clothes and all the adults were accused of lacking vision, belief and ambition ... sorry, if they did not see the Emperor's new clothes they were accused of lacking those things.

I think that is the case in this situation. The reality is we have got a business which is bringing in 6,000 to 7,000 passengers in 2017, and that was something like 25% below the forecast level. It was growth, admittedly, but 6,000 to 7,000 passengers are coming to the Island on cruise ships at the moment.

We have got a choice. We either take a pragmatic approach and actually allow ... well, we have got three choices, actually. We have got a choice of doing nothing, but I do not think that is sensible. So we have got the choice of investing in a cruise berth as part of a harbour refurbishment strategy, which is what is in front of you today, or we have got a much more ambitious, bolder plan which Mr Robertshaw highlights has a shorter payback period but is much more capital intensive. But the point is: that payback period is entirely a function of the number of passengers that are projected to come, and to pay back it will require 150,000 to 200,000 passengers a year landing on the Isle of Man.

We are getting 6,000 to 7,000 at the moment. Mr Robertshaw's vision talks about ships carrying 6,000 passengers (**Mr Robertshaw:** No, I did not.) all landing in one go. (**Mr Robertshaw:** I did not.) That is what the big ships – (**Mr Robertshaw:** They do not.) the big cruise ships carry those sorts of orders of magnitude. (**Mr Robertshaw:** Rubbish!)

What Mr Robertshaw talked about was boats carrying 2,000 passengers in one go. Well, they will fit on the Victoria Pier and it will bring them right into the heart of Douglas. The Alexandra Pier option requires a completely new construction – it requires the relocation of Manx Gas and the Manx Utilities fibre optic, and Manx Petroleum. It requires a new terminal building out at the end of the Alexandra Pier. So that is why the costs that are being talked about are varied, because it depends on how you look at it and what you include.

The reality is that the strategy of a new harbour will cost several times what the refurbishment strategy will cost. And the £150 million that was mentioned in the Minister's speech is a very prudent assumption to deliver the same functionality as the refurbishment strategy delivers for £80 million.

So the question is: are we, as a Court of Tynwald, prepared to sign off that sort of level of expenditure for basically a start-up level of business? It would be like deciding to set a shop up and deciding that actually you have got the takings of a corner shop right now, but you could be the next Tesco, so you build it now to cope with that number of customers. That is not a very prudent approach and, quite rightly, I would believe the public of the Isle of Man would be

extremely critical if we were to engage in a vanity project of this sort of magnitude which would be seen as not stewarding the public's money in an appropriate way.

What we have in front of us today is the opportunity to dip our toe in the water, to get a facility which, as the Minister has said, will cope with up to three-quarters of all the cruise ships in the market at the moment. It will allow significant growth to prove that the Isle of Man can become a significant cruise ship destination and it will prove one way or another whether we have got the potential – and, if we have, there can be a further scheme subsequently to upscale that. But to go from where we are now to a 450 m berth would be extremely bold and, arguably, irresponsible.

So with that, Hon. Members, I am going to sit down. But this is a serious issue and in Mr Robertshaw's push to go to the vision that he is looking for, the big risk is that we end up doing nothing again.

Thank you, Mr President.

**The President:** Hon. Member for Ramsey, Dr Allinson.

**Dr Allinson:** Thank you, Mr President.

I would like thank the Minister for bringing this strategy forward. I think we are getting in a little bit of a problem between what is a strategy and what is a detailed plan. This is a strategy for the entire Island. The planning of some of the constituent parts will come later. I do have some problems with some of those minor points and we will discuss those when we talk about the money coming forward for them.

As my other Hon. Member for Ramsey, I would like a little bit more definition about some of the other ports. Again, this is all about the Isle of Man, the whole coastline, so it is not just Douglas – it is Ramsey, Peel, Port St Mary, Port Erin. Obviously my own constituency in Ramsey has a fine history of shipbuilding, going right back to the *Star of India*, and whilst I am very encouraged by the emphasis on investing in the slipway and having a wide range of marine engineering services at Ramsey, I also would like to reopen the thorny point of a marina in Ramsey. I can quite understand why the Department might not want to touch that with any sort of barge pole because of its history and some of the local reticence of commissioners, but we live in different times now and I think people have got much more of an open mind after seeing what can be achieved in other parts of the Island. As long as we have a sustainable atmosphere in Ramsey which creates jobs, and which creates prosperity for that, I think people would look at such options again. So I welcome the overall strategy.

There were also a few bits of the Harbour Strategy which I thought were really interesting, that 95% of vessels berthed on the Island are locally owned – that is surprising. In one way that is great because you are catering for local people, but it also shows an opportunity to get people berthing their boats here. I do not want us to turn into a Monaco, apart from the good weather, (*Laughter*) where people just dump their boats here for the summer and then go away. But that sort of industry does create a lot of service jobs for local people to service those yachts, and I know that some of the parts of the plan in Douglas are to create pontoons for visiting ships and I think that is obviously an untapped market.

The other bit was that the marina berths here, at £145 per metre per annum, are amongst the cheapest in the UK, and perhaps we should advertise that – or perhaps we should not, I do not quite know. I do not think that should be carte blanche to put up the prices, because again we are catering for local people and their vessels, but that does show that perhaps there is some leeway there to increase fees, particularly for visiting boats, and create income.

I do not want any discussions to get into personal arguments with people who have very strong views about tourism because again this is a harbour strategy and we are lapsing into tourism strategy. Going back to Douglas and some of the arguments about a deepwater berth, I intrinsically have some reservations about a tourism strategy that concentrates a lot on very large cruise ships coming into the Island, and that is partly because a lot of the investment that is

being talked about for extensive deepwater berths is not for people on the Isle of Man, it is purely for visitors. The sort of boats that would be arriving here, if they are 450 m, would not be taking on board passengers and they would purely be for day trippers. The Isle of Man has never really catered for day trips, certainly not to that extent. We are not the Isle of Wight –  
 2560 **(A Member:** What?) we are very different to that. I have worries about the sustainability of that form of tourism; and I am not alone in that.

There seems to be this idea that if you build a terminal, they will come. Well, they might; on the other hand they might carry on going past, however hard we wave at them. The reality of the cruise ship industry is three companies – Carnival, Royal Caribbean and Norwegian Cruise  
 2565 Lines – control 90% of the market. They dictate where they go, they sometimes have been accused of playing one port off against another, and they can in fact skew local tourism by their dominant presence. Now, we are not Haiti, we are not Vanuatu, we are the Isle of Man and we have a lot more to offer than just day trips for people to get on and off a very large ferry very quickly.

I know the cruise industry have been doing an awful lot in terms of their environmental impact – I have been talking about sewage most of the morning so I will not talk about those, because they have cleaned up their act. They are doing a lot of work in terms of emissions because of the diesel engines and switching to gas, but there is still an inherent problem when you get large monopoly providers coming into a relatively small island with a dominant market  
 2575 presence. Successive studies have shown that as much as 70% of what passengers pay for shore excursions is actually kept by the cruise company themselves and only quite a small amount goes to the local economy. When they visit various places they will often give shopping maps and ask either for people to pay to be on those maps or for commissions. I suppose the key issue is whether this form of tourism gives a reasonable return to local economies; and there are quite  
 2580 a few local economies that are struggling with this now.

Whilst the projections for the growth of cruise companies are very impressive – and Deloitte go up to 200,000 that might be coming here – that is only a projection, we do not know. There has been a massive growth within cruising and the Isle of Man has capitalised on this already. We have gone from 3,200 cruise passengers in 2004 up to the latest figure in the Deloitte report  
 2585 which was 9,700. So we are quite successful in attracting some of the smaller, more boutique, more expensive cruises to this Island already. We have always concentrated here on niche markets rather than mass tourism, on getting people who are willing to spend large amounts of money here rather than package deals. I think we are already being quite successful with that in terms of cruising.

So I think, although it is very tempting to spend large amounts of money on big berths we will never be a home port for some of these big companies, we will only be a stopover, and I think this a real danger of spending huge amounts of public money for a facility that the public cannot use. We are not talking about Baillie Scott any more, we are talking about a large berth that is catering for people coming here for day trips. So overall, I think the Harbour Strategy balances  
 2595 that – it is not saying no, it is not saying never; it is just saying let's experiment now with what we can do in a relatively short period of time with a relatively reasonable amount of money and then, if that is successful, grow that. I think concentrating on the harbour which, as the Hon. Member, Mr Robertshaw has said, is a key part of Douglas – that is how people arrive a lot of the time, that is how goods arrive almost invariably. Let's expand that, let's improve that, let's  
 2600 keep that; but let's not do that at the expense of a scheme that would not cater for any of the needs of local people, apart from some retailers who may in the long term end up regretting their involvement in an industry which can be, in other jurisdictions, quite fickle and quite manipulative.

Thank you, Mr President.

**The President:** Hon. Member, Mr Skelly.

**The Minister for Enterprise (Mr Skelly):** Gura mie eu, Eaghtyrane.

2610 Following the previous speakers I would just like to bring it back to what we have before us here: Tynwald is asked to approve Harbours Strategy. That is a national harbours strategy. So we have five harbours that have been assessed by the Department of Infrastructure and it has already been highlighted the importance of Ramsey and I accept that, especially with its history, the *Star of India* – and I know very well, I used to live in San Diego, and the recognition that has with regard to our marine maritime expertise, and it is great to see that that will be regenerated very shortly with regard to the plans the Department of Infrastructure have, working with us, the Department for Enterprise.

2615 Clearly we have leisure activities in Peel, where we have a marina already; and Port St Mary has been mentioned with regard to a marina. I would suggest, similar to the previous speaker, Dr Allinson, the mere mention of a marina will be controversial because we have been there before as a Government. If we are to consider marinas, whether it be in Ramsey, whether it be in Port St Mary, we do need to engage with the community first and foremost to understand what we can actually achieve that would sit alongside in our case, in Port St Mary, a working harbour, the fishing industry, which we should not forget is obviously in Port St Mary and in Peel.

2625 So a lot of focus here obviously on Douglas, our gateway, and that is understandable. It has been a long time coming, this strategy, and of course there has been a lot of commentary with regard to the deepwater berth. And this is not rushed, Hon. Members, not rushed at all. There is a vast amount of publications: the DOI had their own report, Economic Affairs had their own report, internal Government reports; then you had the GP Wild report. You have had here the Deloitte report, which is the economic report, Royal Haskoning. We have seen technical reports commissioned by the Isle of Man Shipping Association – and I have to say we have worked alongside them, we have liaised with them, we have engaged with them all along the way in bringing a strategy together that you have before you here. So this is not rushed. There is a lot of documentation before you, but it is a high level strategy.

2635 The Member responsible for Ports, Mr Baker, pointed out something very important. In the Douglas Harbour review there is a recommendation here for seven different business cases. Each of those business cases will have to come back to this Court for approval. You will be able to go over the detail and do the scrutiny that we all wish to do on each individual case.

2640 But sticking with the deepwater berth issue: what you have before you here is a recommendation that will see the opportunity to attract more cruises to the Isle of Man. I would suggest we have a great opportunity in this particular area, there is no doubt about it. We have been 20 years trying to attract the cruise industry to the Isle of Man. We have seen numbers increase from 3,000 to 6,000, and last year we had over 9,000 passengers booked. But very clearly 2,700 had to cancel because they could not tender because of the weather – and that is the main principal reason why you want a deepwater berth, so you can ensure that cruise vessels can actually come and dock alongside.

2650 Cruise companies want this. Why? Because they have a big reliance on secondary revenue from tours. We benefit from it, approximately £44 per passenger, a lot lower than the EU average I might add which is nearer €90. We think we can get more of that, but how do we get more of that in a sustainable manner? So the deepwater berth will increase our capacity in this area. It will allow us to focus our attentions on vessels that bring higher spend. Dr Allinson picked up that point, it is not actually about the visitor numbers, it can also be about the higher spend. We know our attractions here are appealing to cruise vessels, as well as general tourists – and obviously we talked about Heritage today in this sitting. So we recognise that value.

2655 What we have before us here is a high-level strategy for approval by this Court, and this is all about our harbours, obviously. So what I would suggest to you is that we have something here I think that is realistic and I believe it can be managed in a measured manner.

But I would like to go back to the Shipping Association. As I said, we have engaged with them all along here. They have issued a statement here that they have warmly welcomed this Harbour

2660 Strategy. They have highlighted concerns – as highlighted by my good friend, Mr Robertshaw – with regard to particularly the technical aspects of that. So when the business case comes forward that will be the time to scrutinise that; that will be the time to test that; and that will be the time for us to ensure that we have got the right evidence before actually making a decision.

2665 What I heard last of all, was the Minister for Infrastructure saying he is not ruling out that sort of plan for the future. What this does do, this allows us to potentially grow in a sustainable manner. So I do recommend you support the strategy that is before you and approve it.

Gura mie eu.

**The President:** Hon. Member of Council, Mr Henderson.

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**Mr Henderson:** Gura mie eu, Eaghtyrane.

2675 I just want to put a few words into the debate and a couple of observations. Much has been said about the capacity and infrastructure of our Island, should we increase the cruise shipping business here, and there has been some downplay to that, where we should only be coping with what we can reasonably see as achievable. I see that as aiming too low and it is not as visionary as we could be. If we are not going to have a vision in the first place what we are actually saying is well we really want to succeed 50%. Some of the input is definitely not trying to aspire to 120%, have a proper vision, targets and objectives to have some drive and enthusiasm to get where we should be.

2680 Now, I am not knocking the strategy in any shape or form, but I am making a response to some of the commentaries here which I thought were – not quite damning it with faint praise, Eaghtyrane, but it is not far off in some places. The issue of ‘we can’t cope’: well, I join with the Hon. Member who said, ‘How on earth do we cope in TT week?’ How does that happen? And the issue of ‘we just can’t cope’ in general – how come the Isle of Man was the hub of the north-  
2685 west holiday trade to start with from the 1850s going forward and up to and after the Second World War, how on earth did we manage that – and keep busy in the 1960s, although it was starting to tail off? How did we manage in the 1970s? Yes, it was getting less, but it was still busy, and possibly a lot busier than it is now. So how on earth did all that happen? How was the Isle of Man the centre of the Irish Sea holiday trade at one point? How did we cope with three  
2690 quarters of a million tourism visits here from 1910 onwards when we did not have the technology or some of the things that we have now, how did we cope with that? We rose to the occasion, we rose to the challenge. And what I would say to Hon. Members is: do not shut doors on yourselves, do not be talked down.

2695 I have come across this situation some time ago, shall we say, when a large aircraft operator was wanting to come here and start a small business hub in connection with one or two other business hubs it had around the UK and, to my astonishment at that time, we were having the same arguments that have been put forward now, to a point – how do we cope; how do we get the infrastructure; how do we do this; how do we do that? And in the end, after their senior executives were here for visits to meet with senior people to discuss a way forward with the  
2700 business hub idea for their aircraft carrier business, it got cold water and they left, and I was astonished. So I would not want the same thing to happen now.

2705 I agree with the Department that we do need a staged approach in what we have looked at, and what Treasury has looked at, that you have put through. Which is fine, Eaghtyrane. But I would like to see something that can easily progress towards Mr Robertshaw’s direction, the Hon. Member for East Douglas, because I would not want to see all the doors shut.

2710 Something else I know for absolutely certain, Eaghtyrane, is that the fuel ships coming here in the future will be too big because the old boats they are using now are going to be phased out, so we are going to definitely need something there, we are going to definitely need maintenance to the piers and jetties within Douglas and elsewhere. When I watch some of the cruise ships that do park in the bay trying to tender our visitors to Douglas Harbour, I am surprised they bother to stop at all, to be quite honest, because you have got a 50% chance of

weather risk. And watching some of those tenders or the lifeboats that they use bouncing from almost Onchan Head side across Douglas Bay, behind the Tower of Refuge, and they finally manage to get to the Victoria Pier or Battery Pier, how on earth those visitors can actually get up the steps and manage to see anything of the Island is beyond me. So the fact that we need something is without question.

I see the Department logic, and I would urge Hon. Members also to look at the future, be visionary in what we are doing here. I would also support what the Hon. Member for Ramsey was saying, Mr Hooper, inasmuch that it is an Island strategy too so we must not forget the other links into this picture here.

Gura mie eu, Eaghtyrane.

**The President:** Hon. Member, Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.

Broadly, I am supportive of the national strategy which has been outlined by the Minister for Infrastructure and I resonate with the Hon. Member for Ayre and Michael's comments about this is a kind of measured step and are the goals achievable in terms of the cruise ship visitors. I am also pleased that there are great opportunities across the Island: in Port St Mary, Peel, Port Erin and Ramsey. We have heard some calls already from people in these locations and I guess the question from me will be to the Minister how will he balance these competing demands from local communities and local politicians on a national, strategic basis? And also to look at the growth opportunities for some of the marinas in these locations, because previously they have not been welcomed by local residents, who want to keep things absolutely as they are and preserved in aspic, and can we take that long-term view in some of these leisure opportunities?

A point that I want to raise – which no one else has raised – is pollution. Pollution from cruise ships is becoming an increasingly important issue. There has been tremendous growth in this industry over the last few years, but there is also increasing concern about some of the negative side effects from that. And, depending on which survey you look at, it is suggested that each day cruise ships emit as much pollution as anywhere between one million and 13 million cars. So the fuel that cruise ships use is really filthy, it is heavy duty diesel, it is unfiltered. And if you go to places like Southampton, who have received some economic benefits from cruise ships, there is increasing concern because, despite all the improvements that generally most places in Europe have seen with clean air controls and different types of cars and technologies, Southampton's air quality has got worse and it is actually regularly exceeding all the international health air quality levels. This is not just a UK issue. The New South Wales Environmental Protection Agency has warned that docked cruise ships pose a health risk to those that live near them.

I am raising this just so that we understand that with everything there are some pros and cons. And whilst we are looking at this at a strategic level, which is correct, we do need to be aware that many cruise ships emit high levels of fine particles and these contain sulphur dioxide, nitrous oxide, both of which can be very harmful to health. Tiny airborne particles are linked to premature deaths; they are very damaging to human lungs.

So, Hon. Members, I rise just to ask that, whilst we are looking at this from an economic perspective, and rightly people are concerned about how we spend very large sums of taxpayers' money, I also ask that we, in our deliberations, consider the environmental aspects of this.

Thank you.

**The President:** The mover to reply, Mr Harmer.

**The Minister:** Thank you, Mr President.

Firstly, I would like to thank Hon. Members for this debate. I would like to thank my seconder, Minister Skelly, and Member for Ports, Tim Baker, as well as the officers in Dol,

Department for Enterprise and Treasury. I would like to thank all of those who have worked so hard over the strategy over the last many years, in particular the last four years, and with me over the last two years and all of those that have contributed, as such, with the Isle of Man Shipping Association.

This strategy is an important milestone and finally means that we can deliver on our harbours, improving the facilities in Douglas and Peel, invest in Port St Mary and Port Erin and redevelop an industry in Ramsey and work towards a 24-hour marina for the Island.

As I say, this is an exciting strategy; this is a strategy for the whole of the Island. I am aware the debate has got side-tracked down one alley but there is much more to this strategy than simply the cruise terminal. It is about our harbours, it is about all of our harbours that need to be improved. Both Members for Ramsey, Mr Hooper and Dr Allinson, are quite right, they talk about what can be achieved in Ramsey and I would like to start the Marina debate. That may not be within the harbour but actually outside the harbour. I think marine engineering fits in very well; we have interest, interestingly enough, linking in with the South and Port Erin, with some businesses that could potentially go into Ramsey, so this has exciting opportunities for Ramsey.

One of the first things, when I started as Infrastructure Minister, that was really important was to look at our overall infrastructure, and that is why we brought an Infrastructure Strategy last year. We then turned into each of those strategies, and one of those that is key is our Harbour Strategy, we are coming forward with other things such as our Waste Strategy and so forth. To me, the Island has an incredibly exciting opportunity to build a marina. It is not just about cruise ships, it is about a marina – it is about boat building, ship building, it is about looking after the people that are on our Island right now, 95% is used, so it is obvious we need to balance and then go forward with our visitor economy.

In terms of our harbour we have said, boldly, it is fit for purpose. We know where we can exploit opportunities in terms of oil, in terms of cargo, in terms of fuel, in terms of vessels such as wind farms, for cargo ships and all of those kinds of good things. It is fit for purpose. Excitingly as well, we know that we need to develop the harbour, we need to maintain the harbour, but we can expand its use.

I am just going to pick on a few different points. I think your passion is totally admirable and is fantastic to see, but I do believe that some of that is misguided and I believe some of it, you have not listened to actually what has been said. There is no blank cheque here, there is no rush to this – this has been going over a number of years. And we certainly do not accept that the harbour is not fit for purpose, it is absolutely fit for purpose. What we are talking about or where, if you like, the disagreement ... and I have an open mind; we have all had an open mind. The Department for Enterprise has had an open mind from the word go. Actually, if the numbers are stacked up and we felt that it was right to go for a large deep water berth today, that is what we would be bringing to you, but we didn't. I noticed – it may be a slip of the tongue – but the Hon. Member for Douglas East talked about a deep water berth harbour, the word has been changed from a berth to a harbour but it is essentially the same thing, it is about Alexander Pier and if and when we develop that. By developing that it could last into many hundreds of years, but it is about timing and it is about seizing the opportunity that presents us today or looking at something that seems in the future, but actually will achieve nothing.

So what I am asking today is for Members to seize the opportunity, to seize the market in cruise passengers, to actually achieve what the Member for Douglas East is so passionate about. In actual fact, the very thing that he is saying to do is the very thing that will not deliver what he is actually looking for, and the irony of it is astounding but it is absolutely true. It is about this invention and looking over here, about looking about what is real. And of course the numbers are higher because you have got to look at all of the things we need for the harbour. It is not just about a cruise ship, it is not just about a cruise terminal; it is about making something real, concrete and deliverable.

This administration is about delivering and that is why I am proud to be part of an administration that delivers, that does not debate as it has done for the last 10 years. It was



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interesting to see the infrastructure spend over the last five years and it was actually quite small, we have not invested, we have not delivered and I would want us to be part of a new team, a new team that delivers and that is in part almost a statement. Are we going to be part of that team to deliver or are we going to just talk about it? I thank all the Hon. Members for their contribution but with that I beg to move.

**The President:** Hon. Members, the motion is that set out at Item 6, I first put the amendment in the name of Mr Robertshaw, those in favour of the amendment please say aye; against, no. The noes have it.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 3, Noes 20*

**FOR**

Mrs Beecroft  
Miss Bettison  
Mr Robertshaw

**AGAINST**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mr Boot  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge  
Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Shimmins  
Mr Skelly  
The Speaker  
Mr Thomas

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**The Speaker:** Mr President, in the Keys, 3 votes for, 20 against.

*In the Council – Ayes 3, Noes 5*

**FOR**

Mr Crookall  
The Lord Bishop  
Mrs Lord-Brennan

**AGAINST**

Mr Cretney  
Mr Henderson  
Ms Humbles  
Mrs Poole-Wilson  
Mrs Sharpe

**The President:** In the Council, 3 votes for and 5 against. The amendment therefore fails to carry. I put the motion as printed. Those in favour, say aye; against, no. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 23, Noes 0*

**FOR**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Beecroft

**AGAINST**

None

Miss Bettison  
Mr Boot  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge  
Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Robertshaw  
Mr Shimmins  
Mr Skelly  
The Speaker  
Mr Thomas

**The Speaker:** Mr President, in the Keys, 23 votes for, none against.

*In the Council* – Ayes 8, Noes 0

**FOR**

Mr Cretney  
Mr Crookall  
Mr Henderson  
Ms Humbles  
The Lord Bishop  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

None

**The President:** In the Council, 8 votes for and none against. The motion therefore carries.

**7. Public Accounts Committee –  
First Report 2017-18: Overspending at Noble's Hospital –  
Amended motion carried**

The Chairman of the Public Accounts Committee (Mr Speaker) to move:

*That the First Report of the Public Accounts Committee for the Session 2017-2018 – Overspending at Noble's Hospital [[PP No 2018/0004](#)] be received and the following recommendations be approved:*

*Recommendation 1*

*That the Department of Health and Social Care should focus on a single strategic document that outlines prioritised goals, service provision, budget and expected outcomes based on a target operating model with underpinning plans detailing the implementation. This should be brought to Tynwald for approval by October 2018.*

*Recommendation 2*

*Significant Departmental change programmes such as integrated care, or a shift to community care must be allocated dedicated financial and personnel resources, and be subject to proper project management.*

*Recommendation 3*

*That services should not be expanded or new services introduced until the Department is back in financial balance, unless a substantial risk to patient safety has been identified.*

*Recommendation 4*

*That the Department needs to articulate a vision for its financial and non-financial management information, including its measures for establishing the effectiveness and efficiency of Noble's hospital in order to provide a sound basis for decision making going forward.*

*Recommendation 5*

*That a five year financial plan for the Department of Health and Social Care, incorporating funding for the strategic plan, should be brought to Tynwald for approval by October 2018.*

*Recommendation 6*

*That Treasury examines how effective the current budget process is in supporting Departments with their requirement to deliver public services and reports to Tynwald with recommendations by July 2018.*

*Recommendation 7*

*We recommend that needs analysis and training is routinely offered to Ministers and Members of Departments to assist them in the business of leading a Government Department.*

*[[GD No 2018/0015](#)] is relevant to this Item.*

**The President:** We turn to Item 7, the Chairman of the Public Accounts Committee, Mr Speaker, to move.

2835 **The Chairman of the Public Accounts Committee (Mr Speaker):** Thank you, Mr President.

The 1991 Strategy for Health and Community Services reported that while the departmental budget was in balance overall it masked an overspend at the Hospital reflecting the developing cost pressures within the acute service. The strategy also contained an aspiration that within a decade there would be a move to integrated care delivered through a main acute centre with  
2840 three regional community hubs.

Twenty seven years later, our acute service is still overspending and integrated care focused on regional hubs is still an aspiration. So is this strategy too difficult, too expensive, has there been a repeated failure in strategic leadership? Why is the 1991 vision not the 2018 reality?

2845 During this part of our inquiry we took a broad strategic view and resisted the temptation to reflect too much on the past. It is done. We cannot change it, but we can learn from it and so in talking about the recommendations which we will vote on today, I would like to highlight what we believe can be done to avoid the need for a similar report in 2045!

2850 We set out to explore why there is a consistent overspend at Noble's Hospital and the true answer to that question has to be that nobody knows whether the Hospital is spending more than it should because nobody knows what services it should be providing, or at what cost.

Mr Cannan picked up on this in his speech in January and presented it as evidence of the need for a further review. In fact, as we went on to explain, what this is telling us, what almost

all of the reviews we read about the Hospital – and there have been many – told us is that the lack of management information about the services, costs and outcomes is a fundamental issue for Noble's.

If we do not know where we are now, we cannot measure the effects of change and so how will we know when we have got to where we are planning to go?

Recommendation 4 of our Report talks about the need for management information and we are pleased to note that the Department has accepted this recommendation.

Having highlighted that fundamental issue, let me now deal with the new review agreed by the Court in January. You heard what I said then, and the reservations I have remain in part because I believe without the management information another review, however well-intentioned, is compromised from the start.

Another important lesson we learned from the past is that doing a review is the easy part; there have been many of them and it is difficult to disagree with the recommendations of most of them. That is because they have been saying the same things, time after time, for many years. If the then management had carried out the recommendations of the 2006 Review of Healthcare provided by Noble's Hospital, I firmly believe we would not be having this debate today.

Since then there have been successive reviews undertaken by well-regarded consultants: Beamans in 2013, Deloitte in 2015 and a local assessment of how the recommendations of the Francis Report might be applicable in the Isle of Man, a number of reviews carried out by the Merseyside Internal Audit Agency and of course the ongoing work of the West Midlands Quality Review Service.

There have been a number of strategies and a number of reviews, all at considerable cost and diverting resources from frontline services, and still we do not have a working definition, never mind a clear vision of the future for integrated health and care services in our Island.

The Council of Ministers' response suggests that the new review will supersede Recommendations 1 and 5 of the Report before you today. I do not know how to respond to this because we have not seen the terms of reference for this new review. I would suggest that if it is anything less specific than a target operating model with a supporting financial plan then it too is doomed to join its predecessors on a dusty shelf. As such, the PAC is happy to support amendments to ensure these recommendations are folded into the impending review and support Council of Ministers in this action.

So what needs to change to prevent this from happening again?

We would simply suggest that this review must avoid reviewing at all costs. To make a difference it needs to be a vision, a future model for integrated health and care services. It should not think about how we improve what we have, it should paint the picture of what health and care services need to be for our Island population; how many people it will take and where, how much money and how it will measure success.

In reading some of the many previous reviews, one of the things which shines through is the dedication, commitment and professionalism of many of our health and care staff. We would echo these comments. But we are failing these people time and time again because we have a system where concerns are not listened to, issues have been swept under the carpet and where nothing has been done to break down the barriers between the various fiefdoms that have existed. We place this squarely at the door of the successive leadership teams.

This is why our first recommendation talks about a target operating model, expected outcomes and service provision – our people need a leadership team that will work collectively to help each and every person involved in delivering health and care services to understand *what* the future model is and *how* everyone will work together to deliver the health and care outcomes we need.

Of course we know the reality; this cannot come at any cost. We have limited resources and recommendation 5 proposes a five-year financial plan to underpin the work that has been identified.

We are not so unreasonable to recognise the challenges that this presents everyone, especially Treasury. However, defining the service, the staffing and the systems will give a reasonable idea of what our NHS will be and what it will cost. If, for whatever reason, it cannot be afforded, we should at least be able to explain that and where the reductions in costs will come from. The present system of unknown savings targets has been a recipe for disaster.

The other challenge that exists is that this transformation work must take place alongside the continued 24/7 delivery of services. We heard about the difficulties in recruiting sufficient staff to fill vacancies which is making it extremely difficult even to deliver current services.

Our second and third recommendations propose dedicated resources and proper project management for change and, until financial balance is achieved, not to expand or introduce new services unless they are required to mitigate a considerable risk to patient safety.

The Department accepts recommendation 2, 'within the limits of available resource' and talks of the recent creation of a Programme Manager for Business Change and maximising the use of the Healthcare Transformation Fund in the future. This does not yet inspire confidence. However well-meaning, 'we acknowledge the need and will make best efforts to respond' is what we have been hearing for over 20 years.

So to attempt to shift the focus from tinkering round the edges and delivery of pet projects, however individually worthy, to one of all focusing on the shared vision for the future, we suggest in recommendation 3 that expanding existing services or introducing new ones is put on hold until financial balance is achieved. This has been rejected; the Department feels that in a demand-led service such a recommendation may prevent the delivery of statutory obligations or stifle the ability to introduce innovative new services. It is not a recommendation we have made lightly, but we need to face the fact that it is far harder to hit a moving target.

Our last recommendations, 6 and 7, were much broader. Both were matters which came to our attention as matters of concern during this inquiry but in fact have a much wider application. We are pleased to learn that Treasury will be piloting a revised approach to budgeting and look forward to seeing more about that.

Similarly, we welcome the news that additional training is being developed to support Ministers and departmental Members in their leadership roles. We come to our positions in Tynwald with a huge variety of experience and we can all benefit from continuing professional development activities.

They have had sights of the Government's amendments and it may help the Court to know that these are all fully supported by the Public Accounts Committee. Our only difference appears to be around recommendation 3 when we find each other narrowly on opposite sides of a fine line regarding new services.

Mr President, as Chairman of the Committee, I want to place on record my thanks to the members and staff of the Committee: Mr Crookall, Mr Cretney and Mr Callister. Thanks also to Mrs Poole-Wilson, who we very much hope will be re-elected in her post and stay with us on the Committee. Also, a final thanks to Mr Coleman whose in-depth knowledge of the Hospital gleaned from his time as a Member of the Independent Review Body, Chairman of the Francis Working Group and a Member of the Department have been invaluable.

With that, I beg to move the Report in the name of the Public Accounts Committee and I look forward to the contributions of Hon. Members.

**The President:** Hon. Member of Council, Mr Crookall.

**Mr Crookall:** Thank you, Mr President. I beg to second and reserve my remarks.

**The President:** Hon. Member, Mr Ashford.

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

Before I comment on the content of the response to the Committee's Report, I would like to place on record my thanks to the members of the Committee for the work they have done to consider some of the issues facing my Department and coming to the recommendations in front of us.

Turning to those recommendations, and specifically recommendations 1 through 5 which relate directly to the operations of the Department of Health and Social Care, I confirm that two recommendations, numbers 2 and 4, are accepted in full or within the limits of available resource. By 'within the limits of available resource' I obviously mean within the limits of our financial resources.

I am sure the Department would welcome significant dedicated resourcing to deliver transformation programmes. However, in the current financial climate this is just not practical. We must continue to weigh cost against value and utilise our existing resources effectively. That is why Members will see an amendment circulating in my name that simply, for clarity, adds the words 'within existing financial resources' to the end of the recommendation.

In January this year, this Hon. Court approved a fundamental review of the Island's health system. I believe that decision superseded recommendations 1 and 5, particularly in terms of the reporting back in October this year. Any consideration of a future operating model, plan or financial budget should progress alongside that review; to do otherwise risks wasting significant amounts of resource and time.

The recommendations would require us, if accepted, to lay before Tynwald the detailed document for the Department's future some three months prior to the deadline for the production of the document which analysed the future for the Island's health system. I understand the reasoning of the Committee for making these recommendations and indeed it is accepted that we do need a robust overall single strategic plan and a five-year financial plan; but I believe they have been superseded by subsequent decisions in this Hon. Court and progress alongside the review not be developed in isolation.

I know having spoken to the hon. mover of this Item, Mr Speaker, that he also accepts that this is a sensible way forward and that is why Members have two rather simple amendments from me in relation to those recommendations, simply replacing the deadline of October 2018 by saying they should be progressed in tandem with the Health Review.

Finally, as Mr Speaker has already alluded to, Mr President, there is one recommendation that is recommended for rejection. It is important that I explain the rationale behind this position. Clearly, everybody in the Department understands the importance of living within our means. I have said as much in this place recently, in fact, I seem to have stated it so much recently that Hon. Members are probably sick of hearing me say it. **(A Member:** Again and again.) *(Laughter)* I should have expected that!

However, the Department is subject to statutory duties which it must follow. The recommendation, if accepted, would, in my view, unduly fetter the Department's decision to manage its operations. Firstly, the recommendation seems to come from the point of view that any new service introduced must, by necessity, be an additional financial burden. That is not necessarily the case, Mr President. New services could well be developed that provide efficiencies or deliver health care in a community setting rather than in an acute setting, thereby saving money in the longer term; the development of such services would be held back by this recommendation.

Acceptance of this recommendation could also inadvertently prevent the Department from introducing improved services, which might even save money, if the overall forecast is to overspend. I recognise that there is, quite rightly, a rider placed on the recommendation for a substantial risk to patient safety, but this in itself begs questions such as what is 'substantial' risk? We know there have been debates recently, both in this Hon. Court and also in the House, in relation to what does pose a substantial risk. Who decides that definition? Would the Department have to come to the floor of this Hon. Court for that to be decided on services being brought forward?

I am afraid that, although I understand the intention of the Committee's recommendation, I cannot support it, given the potential impact on the vital demand-led services that are being provided. Equally, we currently have the Abortion Bill in the Keys and there are certain services to be provided for in that Bill, such as post-termination counselling which will need to be put in place and this recommendation could well have repercussions on that.

Mr Speaker stated in his opening remarks that we should not be simply looking at improving what we already have and I fully agree with that, but what this recommendation and the impact of this could have is that that is all we are doing – looking at improving what we already have. We should be being bolder than that, Mr President, we should be looking at if there are new innovative services that the Department can deliver, and it delivers better healthcare for the residents of our Island, then we should be bold enough to actually take on those services and try to deliver them.

I accept that it is vitally important that the Department remains accountable for the services and the costs of those services that it delivers. I am the first to recognise that, and I am sure the Public Accounts Committee will be taking a detailed view of things going forward, but I cannot stress enough that as a Department whose services are mainly demand-led that the fact the Department has the ability to be able to develop and introduce new, what maybe in some cases, transformative services is absolutely essential and we cannot in those cases put up with delay.

I personally believe that if we were to pass this recommendation today we would also be discouraging the Department from looking at new and innovative ways of doing things. As I have said, I am sure the Committee brought forward the recommendation with the best of intentions, but there are wide ranging implications and so I do urge Hon. Members to vote against recommendation 3.

Moving on, Mr President, I note the responses to recommendations 6 and 7 and I fully and wholeheartedly support them.

In closing, Mr President, I would like again to thank the Hon. Members of the Public Accounts Committee for their work and the vast majority of recommendations have been, and are, accepted. But I really would urge Members once again to carefully consider their vote in relation to recommendation 3 and the potential impact it could have on the Department innovating and modernising the services that we provide. I have said many times in this Hon. Court, Mr President, that we need a Health Service that is fit for the 21st century, one that is looking forward and not backward, and I really believe that if we approve recommendation 3 today all that we will end up with is us looking to improve our existing services and, as Mr Speaker has rightly said in his opening remarks, we should be looking further than that.

Thank you, Mr President. I beg to move:

*Replace the words in recommendation 1 'This should be brought to Tynwald for approval by October 2018' with the words 'This should be progressed as part of the ongoing health review agreed by Tynwald Court on 16th January 2018.'*

*To add at the end of recommendation 2 the words 'within the limits of available resources'.*

*Replace the words in recommendation 5 'This should be brought to Tynwald for approval by October 2018' with the words 'This should be progressed as part of the ongoing health review agreed by Tynwald Court on 16th January 2018.'*

**The President:** Hon. Member, Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President.

I would like to second the amendments and reserve my remarks.

**The President:** You cannot second your remarks, but you second.

Mrs Beecroft.

3050 **Mrs Beecroft:** Thank you, Mr President.

I am not going to repeat everything that the Minister has just said with regard to recommendation 3, but I wholeheartedly support what he said and would urge everyone not to vote for that one, as has been very clearly explained.

3055 I would also like to congratulate the Committee on the amount of work that has been put into this Report. It has been obviously very thoroughly done, very well put together. The only thing I do say is I hope they will not take it as a criticism against them because it is not intended to be the case. Some of what I am going to say actually backs up what they discovered in their report, so again I make no apologies for that because that is what you would expect. I am going to try to limit what I say because as previous Minister it would be all too tempting to go into a  
3060 big long ramble and a rant and go into everything. So I shall be brief.

In my opinion, for any organisation to work effectively and efficiently, the very basic things that you need are a clear picture of the outcome you are striving for and a plan for achieving it. I think that is pretty much what the Speaker said earlier on so we are in agreement.

3065 When I was appointed Minister, it quickly became apparent that this was not the case in the Department. I could go on at length as to why I believe that the Department is not fit for purpose, but I will keep to just a couple of examples.

The first one. When I was appointed Minister, the five-year strategy that the previous Minister, now Chief Minister, had brought to Tynwald, was supposed to lay out the aims for the Department and two of the main themes were integrated care and the community hubs. When I  
3070 queried the progress made in each of these areas I discovered that there was no lead person responsible for driving each of the areas, and what I found incredible was that there was not even a definition for either of these things. So you did not know what you were doing and you did not know who was supposed to be doing it. How can a strategy go to Tynwald for approval when those who have to implement it, who have not even been appointed or decided on, do not  
3075 even have a clear vision of what it means? Maybe that was why there was no lead appointed. What would have happened that day if somebody had said to the now Chief Minister, 'What do you mean by "integrated care" and what do you mean by "community hub"?' He would have looked a bit foolish when there was no definition for either of them.

My second example is something that happened on 31st May last year. We had a meeting  
3080 regarding financial options and where we should make efficiency savings. It was all about budgeting and where we could possibly cease certain activities. I was given a document and to say that I was frankly appalled by the standard of the information that I was given, or should I say, lack of information, would be an understatement. Most of the items were just one-liners and often contained no information about the possible effects of these actions, and many did  
3085 not even specify what the anticipated saving could be or what the downside could be, what the benefits could be. Quite frankly, it looked like something a school child could have thrown together.

It is a document that belongs to the Department so I am now going to ask the Minister if he will undertake to circulate this document to Tynwald Members so they can see for themselves  
3090 the quality of information that I was given. Should the Minister not wish to do this, then I will apply for a copy under the Freedom of Information Act.

I obviously felt I was banging my head against a brick wall. I did meet with the Chief Minister to ask his advice and look for his support. Unfortunately, the only advice I got was to make sure that everything was documented and he never gave me his support. In a nutshell, I genuinely  
3095 feel that I was set up to fail.

I have a lot more information and evidence. I do not think that today is the time or the place, but I would like to put on record that I am willing to give this to the Public Accounts Committee should they so wish. But until the culture in the Department changes, the same behaviours and



results are going to continue. That is why I am bringing this to the floor of Tynwald today, because it is very important that it changes in there – *very important* for all of us.

I would also like to put on record my sincere good wishes to the new Minister, Mr Ashford, and I do wish him well and I wish him success.

Thank you.

**The President:** I call on the mover to reply. Mr Speaker.

**The Speaker:** Thank you very much, Mr President.

To go in reverse order, thanking the former Minister for her unique insight, the Committee deliberately set out not to focus on any one Minister, any one administration, any one part of the management team, but to look at the systems, the practices and governance that surround all this to ensure that when you set out a vision as a Department, as an administration, as Tynwald, it is actually delivered on the ground – because that was where the failure was; it just was not actually hitting the ground.

I would like to thank Minister Ashford as well for his engagement and also would like him to take our thanks to his staff for the openness and engagement that they have demonstrated in providing absolutely every bit of information that we have asked for in delivering this Report to the Court today.

With regard to recommendation 3, it most certainly is not the Committee's intention to restrict the Department's ability to reconfigure services, to deliver them in a different way, to deliver them in an innovative way, but we have seen the width and breadth of services grow at enormous cost over the years and I do not think anyone is going to deny that. Trying to find the form of words to turn that into a specific recommendation has been the hard part, but we did want to give the Minister perhaps even a little bit of political support and cover to be able on occasion to say no and to have the backing of Tynwald in doing that on occasion, so that we do not get this continual mission creep that means that it is just impossible to get a firm grip of your financial situation when you continue to expand the remit, and that is one of the things that has been at the core of the growth in financial issues over certainly that period we have gone back as far as, 1991.

**Mr Ashford:** Anything to try and say no.

**The Speaker:** Mr President, our Health Service is too important to become like *Groundhog Day*. It needs bold leadership all the way up to the Council of Ministers. It needs a clear vision underpinned by a strong system of delivery comprising the plans and milestones, people and money and what it needs to make it happen. It needs better information, financial and non-financial, it needs more certainty and we need to ensure that our excellent public servants have the tools to deliver the National Health Service the people of the Island deserve.

I beg to move.

**The President:** Hon. Members, the motion is set out into seven recommendations. Dealing with them individually, recommendation 1 has an amendment in the name of Mr Ashford replacing the words referring to approval by October 2018 with the words, 'This should be progressed as part of the ongoing health review agreed by Tynwald Court on 16th January 2018.' Those in favour of Mr Ashford's amendment, please say aye; against, no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 23, Noes 0*

**FOR**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Beecroft  
Miss Bettison  
Mr Boot  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge  
Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Robertshaw  
Mr Shimmins  
Mr Skelly  
The Speaker  
Mr Thomas

**AGAINST**

None

**The Speaker:** Mr President, in the Keys 23 votes for, none against.

*In the Council – Ayes 7, Noes 1*

**FOR**

Mr Cretney  
Mr Crookall  
Mr Henderson  
Ms Humbles  
The Lord Bishop  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

Mrs Lord-Brennan

**The President:** In the Council, 7 for and 1 against. The amendment therefore carries.

Recommendation 1 as amended: those in favour, say aye; against, no. The ayes have it. The ayes have it.

3150 Recommendation 2. I put the amendment to add the words ‘within the limits of available resources’ as moved by Mr Ashford. Those in favour of the amendment, please say aye; against, no. The ayes have it. The ayes have it.

Recommendation 2 as amended: those in favour, say aye; against, no. The ayes have it. The ayes have it.

3155 Recommendation 3: those in favour, say aye; against, no. The noes – (**A Member:** Divide.) Division called.

*Electronic voting resulted as follows:*

*In the Keys – Ayes 3, Noes 20*

**FOR**

Mr Callister  
Mr Robertshaw  
The Speaker

**AGAINST**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Beecroft  
Miss Bettison

Mr Boot  
Mrs Caine  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge  
Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Shimmins  
Mr Skelly  
Mr Thomas

**The Speaker:** In the Keys, 3 for, 20 against.

*In the Council – Ayes 2, Noes 6*

**FOR**

Mr Cretney  
Mr Crookall

**AGAINST**

Mr Henderson  
Ms Humbles  
The Lord Bishop  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**The President:** And in the Council, 2 for and 6 against. Recommendation 3 therefore fails to carry.

Recommendation 4: those in favour, say aye; against, no. The ayes have it. The ayes have it.

3160 Recommendation 5. I first put the amendment in the name of Mr Ashford referring to replacing the words ‘approval by October 2018’ with ‘this should be developed as part of the ongoing health review agreed by Tynwald Court on 16th January 2018’. Those in favour of that amendment, please say aye; against, no. The ayes have it. The ayes have it.

3165 Recommendation 5 as amended: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Recommendation 6: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Recommendation 7: those in favour, say aye; against, no. The ayes have it. The ayes have it.

I put the motion as amended: those in favour, say aye; against, no. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 23, Noes 0*

**FOR**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Beecroft  
Miss Bettison  
Mr Boot  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge

**AGAINST**

None

Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Robertshaw  
Mr Shimmins  
Mr Skelly  
The Speaker  
Mr Thomas

**The Speaker:** Mr President, in the Keys 23 votes for, none against.

*In the Council – Ayes 8, Noes 0*

**FOR**

Mr Cretney  
Mr Crookall  
Mr Henderson  
Ms Humbles  
The Lord Bishop  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

None

**The President:** In the Council, 8 for and none against. The motion as amended therefore carries.

3170

**8. Communications Commission Appointments –  
Dr Juan Brown, Mrs Shirley Corlett and Mr Robert Frize appointed**

The Chief Minister to move:

*That in accordance with the Communications Commission Order 1989, Tynwald approves the appointment, by the Council of Ministers, of Dr Juan Brown, Mrs Shirley Corlett and Mr Robert Frize to the Communications Commission for a term of five years. [[MEMO](#)]*

**The President:** We turn to Item 8, the Communications Commission appointments. I call on the Chief Minister to move.

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

3175

The Council of Ministers is pleased to nominate Dr Juan Brown, Mrs Shirley Corlett and Mr Robert Frize for appointment to the board of the Communications Commission for a term of five years. The Communications Commission is a Statutory Board with responsibility for licensing and regulating telecommunications and for broadcasting in the Isle of Man.

3180

The Communications Commission Order 1989 requires the Council of Ministers to appoint at least and no more than five members subject to the approval of Tynwald. In addition, the Order requires Council, when appointing Members, to have regard to the need for the Commission to include members who are appropriately qualified by experience or otherwise in the exercise of the Commission's functions.

3185

An advertising campaign for the board commenced mid-December 2017 and 14 applications were received by the closing date of 15th January 2018. Following the interview process, the

Council of Ministers agreed to recommend Dr Brown, Mrs Corlett and Mr Frize for appointment. Mr Frize will be reappointed having served one term. Mr Frize is a highly regarded member of the Commission. Dr Brown and Mrs Corlett meet the requirement of the Communications Commission Order and also have the skills and experience to complement those of the existing members of the Commission. Their appointment will provide the Commission with a balanced, committed and knowledgeable team. I therefore request that this Hon. Court approve the appointment of Dr Brown, Mrs Corlett and Mr Frize to the board of the Communications Commission for a term of five years.

Hon. Members, Mr Nigel Cordwell and Mr Maurice Mawdsley are the outgoing members of the Commission and I, on behalf of the Council of Ministers, would like to thank them for their significant and valuable contribution to the Commission.

Mr President, I beg to move.

**The President:** Hon. Member for Douglas South, Mr Malarkey.

**The Chairman of the Communications Commission (Mr Malarkey):** Thank you, Mr President.

Whilst rising to second these appointments – and I would echo the words of the Chief Minister – I would like to take this opportunity to thank the two retiring members of the Commission.

Nigel Cordwell joined the Commission in 2001. Nigel is an advocate and a notary public of the Manx Bar specialising in medical negligence. He brought a wealth of legal experience to the board over the past 17 years.

Maurice Mawdsley was appointed to the Commission in 2007, having previously been Head of Government Information Systems Division. Maurice's knowledge of broadcasting, telecommunications and ICT also brought a wealth of knowledge to the board, Mr President.

Both will be missed and the remaining and returning staff of the Commission would like to thank them for their services over the past years.

With that, I beg to second the appointments today, sir.

**The President:** Mr Speaker.

**The Speaker:** Sorry to sound like *Groundhog Day*, but I am happy to support the motion. In my five years at the Commission I have to say I found both of the members who are leaving an absolute pleasure to work with. Maurice would happily regale us with the days when computers would fill a room and Nigel Cordwell is certainly someone who prides himself on being a source of good, cheap legal advice to the Commission, and they will both be very much missed around the board table.

I think it is also fair to add to that roll of thanks Dr Carmel McLaughlin, who has recently retired and has been a mine of information on every aspect of the Commission's work during almost a decade of service with the Commission and I would like to pay tribute to her as well, Mr President.

Also, in doing so, I would like to thank the continuing members for their service and wish them all good luck. The Commission has lost 37 years of experience in this turnover. That is a threat for the Commission but it is also a great opportunity and I wish the Chairman and the members all the very best of luck going forward.

**Mr Malarkey:** Thank you.

**The President:** I put the motion. Those in favour, say aye; those against, no. The ayes have it. The ayes have it.

**9. Culture Vannin Appointments –  
Manx Heritage Foundation –  
Prof. Angela Little and Mr Christopher Williamson appointed**

The Chief Minister to move:

*That in accordance with the Manx Heritage Foundation Act 1982, Tynwald approves the appointment, by the Council of Ministers, of Professor Angela Little and Mr Christopher Williamson to the Manx Heritage Foundation for a term of five years. [MEMO]*

**The President:** Item 9, Culture Vannin appointments. Again, the Chief Minister to move.

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

3240 The Council of Ministers is pleased to nominate Prof. Angela Little and Mr Christopher Williamson as members of the Manx Heritage Foundation, trading as Culture Vannin, for a term of five years.

Culture Vannin plays an important role in our Manx society to promote and to assist in the permanent preservation of the Island's cultural heritage and to provide facilities for people to enjoy and learn about our Island's culture.

3245 An advertising campaign for appointments to Culture Vannin commenced mid-December 2017 and nine applications were received by the closing date of 15th January 2018. Following the interview process, the Council of Ministers agreed to recommend Prof. Little and Mr Williamson for appointment. Hon. Members, the explanatory memorandum includes a short summary of the relevant career experience of Prof. Little and Mr Williamson. Prof. Little and  
3250 Mr Williamson displayed a clear understanding of the principles required for a public appointment and were outstanding in providing the skills and experience required by Culture Vannin. I therefore request that this Hon. Court approve the appointment of Prof. Little and Mr Williamson to Culture Vannin for a term of five years.

3255 Hon. Members, I would like to thank Mrs Pat Skillicorn and Dr Brian Stowell for the significant and invaluable contribution they have made as members of Culture Vannin.

Mr President, I beg to move.

**The President:** Hon. Member, Mr Thomas.

3260 **Mr Thomas:** Thank you very much, Mr President.

I thank the Chief Minister and the Council of Ministers for selecting such admirable replacements for the two departing members and I appreciate, as I am sure they will, the kind words from the Chief Minister.

3265 As Chair of Culture Vannin, I would just like to add thanks on behalf of the board of Culture Vannin to the other three retiring members, specifically: David Wertheim, who served for a great number of years as a representative of the Arts Council on the Culture Vannin board; and also the two political Members, Geoff Corkish, formerly MLC, who has had a great contribution to arts and culture, especially in our community, throughout the communities of the Isle of Man, and Phil Gawne who was a Chair at a difficult time in Culture Vannin and worked particularly  
3270 with David Wertheim and Geoff Corkish to begin the process that led to us having a 10-year strategy for the development of arts and culture developed between all the key bodies involved in this.

I beg to second.

3275 **The President:** I put the motion: those in favour, say aye; against, no. The ayes have it. The ayes have it.

**Announcement of Royal Assent**

3280 **The President:** Hon. Members, I can announce that Royal Assent has today been given to the Council of Ministers (Amendment) Act 2018, (**Mr Thomas:** Hear, hear.) the Dogs (Amendment) Act 2018, (**The Speaker:** Hear, hear.) (*Laughter*) and the Road Transport Licensing and Registration (Amendment) Act.

**A Member:** Hear, hear. (*Laughter*)

**10. Electronic Transactions Act 2000 –  
Electronic Transactions (General) (Amendment) Regulations 2018 approved**

The Minister for Enterprise to move:

*That the Electronic Transactions (General) (Amendment) Regulations 2018 [[SD No 2018/0083](#)] [[MEMO](#)] be approved.*

3285 **The President:** We turn to Item 10, Electronic Transactions Act. Minister for Enterprise to move. Mr Skelly.

**The Minister for Enterprise (Mr Skelly):** Gura mie eu, Eaghtyrane.

3290 The Electronic Transactions Act 2000 established the legal validity of electronic communications for businesses and the public sector in order to encourage e-business and uptake of other electronic services in the Island. The Act removes any uncertainty about the legality of, for example, electronic submission of an application form, tax return or contract, given that certain conditions are met.

3295 One aspect of the Act is that whereas the private sector may accept electronic communications, in certain cases public authorities are required to accept them. However, public authorities in the Isle of Man cannot accept such transactions owing either to particular obstacles or to the lack of suitable facilities to do so. The Regulations therefore establish certain exemptions for public bodies. Instead, where public bodies can accept relevant electronic transactions, such as in the case of work permit applications or Income Tax returns, these are listed individually in the Schedule to the Regulations. The Regulations before us renew the exemption for public authorities and update the list of transactions that can be provided electronically. It should be noted that not all electronic services or transactions necessarily appear in the Schedule to the Regulations. The list in the Schedule applies to a subset of services where the law requires or allows provision of information in writing, a signature or production of a document to a public authority.

3300 When the last set of regulations was approved in Tynwald in 2017 I notified Tynwald that the Department intended to consult on changes to the Act that would put the public sector in the same position as that of the private sector in relation to electronic transactions, in other words removing the requirement that public bodies accept electronic transactions and amending it so that public bodies simply accept electronic transactions with consent. That consultation will take place shortly.

3305 Eaghtyrane, I beg to move the motion standing in my name.

**The President:** Mr Speaker.

3315 **The Speaker:** Mr President, I am happy to second, but a brief word from the ongoing fight against unnecessary bureaucracy. I have no concerns about what the order does; however, I do

have an issue with how we achieve it. These amendment regulations come to us about annually. They are regulations that amend regulations that list exclusions from the exemptions under Regulation 6 of the Regulations made under the 2000 Act. Yes, Minister? Yes, Minister. Yes. You can see the confusion, and what is actually needed here is some primary legislation to tidy this rather confusing state of affairs up, and I hope that the Minister will agree to look into that and avoid the need for these Regulations in the future.

**The President:** The mover to reply. Mr Skelly.

**The Minister:** Gura mie eu, Eaghtyrane, and gura mie eu, Loayreyder; I appreciate his input there. Yes, absolutely, which is exactly how I ended the statement, that consultation will take place shortly, which will be the start to remove this necessary need to come to Tynwald again.

With that, I beg to move, Eaghtyrane.

**The President:** The motion is set out at Item 10. Those in favour, say aye; those against, no. The ayes have it. The ayes have it.

**11. Education Act 2001 –  
Employment of Children Regulations 2018 –  
Item not moved**

The Minister for Education, Sport and Culture to move:

*That the Employment of Children Regulations 2018 [[SD No 2018/0066](#)] [[MEMO](#)] be approved.*

**The President:** Item 11 is not to be moved today.

**12. Education Act 2001 –  
Performances by Children (Amendment) Regulations 2018 approved**

The Minister for Education, Sport and Culture to move:

*That the Performances by Children (Amendment) Regulations 2018 [[SD No 2018/0068](#)] [[MEMO](#)] be approved.*

**The President:** So we move on to Item 12, Education Act, Minister for Education, Mr Cregeen to move.

**The Minister for Education, Sport and Culture (Mr Cregeen):** Thank you, Mr President.

The Performances by Children (Amendment) Regulations 2018 amend the Performances by Children Regulations 2004. They seek to address issues raised by some members particularly on behalf of brass bands by introducing the idea of an approved body.

This measure will allow organisations to have rehearsals and undertake performances without having to go through the process of applying for licences. Approval may be for a period of five years. There are requirements placed for an approved body, along with specific conditions, particularly with regard to safeguarding procedures.



3345 Mr President, I would like to thank the Hon. Members, Mr Ashford and Mr Baker for their assistance. They had raised a number of issues and I would like to thank them for their assistance.

I beg to move.

3350 **The President:** Hon. Member, Mrs Corlett.

**Mrs Corlett:** Mr President, I beg to second.

3355 **The President:** I put the motion at Item 12. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

### 13. Financial Provisions and Currency Act 2011 – Pig Premium Scheme 2018 approved

The Minister for Environment, Food and Agriculture to move:

*That the Pig Premium Scheme 2018 [[SD No 2018/0019](#)] [[MEMO](#)] be approved.*

**The President:** Item 13, Financial Provisions and Currency Act, Minister for Environment, Food and Agriculture, Mr Boot to move.

3360 **The Minister for Environment, Food and Agriculture (Mr Boot):** Thank you, Mr President. This scheme will revoke and replace the Pig Premium Quota Scheme 2009 and the Pig Industry Restructuring Assistance Scheme 2011.

3365 It has long been recognised that pig producers on the Island are severely disadvantaged compared to producers in the UK and the rest of the EU, who benefit from high efficiency achieved through large scale and intensive production methods. Previous support measures have addressed this, accepting the need for the Island's pig producers to be subsidised by the Government. However, the level of support must be commensurate with the value of the industry to the economy and the environment, whilst ensuring the industry continues to focus on efficiency to remain as competitive as possible to compete with imported produce.

3370 The new Scheme specifies conditions under which premium payments can be made by the Department for pig carcasses meeting certain qualifying criteria. The Scheme provides for a maximum annual budget of £120,000 along with a maximum rate of premium per pig of £40, which may be subject to *pro rata* reduction if the budget is exceeded in any year.

3375 The Scheme will retain the viability of the pig industry on the Island whilst focusing on consumer confidence through strict criteria on eligibility of carcase classification primarily through the Red Tractor Farm Assurance Scheme.

Mr President, I beg to move the motion standing in my name.

**The President:** Mr Baker.

3380 **Mr Baker:** Thank you, Mr President. I beg to second and reserve my remarks.

**The President:** I put the motion as set out at Item 13. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

**14. Social Services Act 2011 –  
Adult Social Care Services (Charges) Regulations 2018 approved**

The Minister for Health and Social Care to move:

*That Tynwald approves the Adult Social Care Services (Charges) Regulations 2018 [SD No 2018/0079] [MEMO].*

3385 **The President:** Item 14, Social Services Act, Minister for Health and Social Care to move, Mr Ashford.

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

3390 The Social Services Act 2011, the majority of which came into effect on 1st December 2014, placed a duty on the Department to assess adults who may be eligible for social care services.

The Act enables the Department to make a charge for that social care service to meet any assessed need. Changes may be made for a social care service which is either provided by the Department or secured with an independent care provider where the Department is meeting the cost of that social care service.

3395 As Hon. Members will be aware, following the approval of the Budget in February, the amount of Social Security benefits will be increased from April. The charges for social care services are aligned with several Social Security benefits to ensure no person in receipt of an adult social care service is charged more for that service than they receive in Social Security benefits. Any charge made by the Department for social care services under the Social Services Act 2011 must be in the form of regulations which are subject to Tynwald approval each year. 3400 Those increased charges are contained in the Adult Social Care Services (Charges) Regulations 2018, which are before the Court for approval today.

In addition to the regular operating of charges in line with benefit increases, Hon. Members may wish to note that the Regulations also make charging provisions to reflect the repurposing of two specialist elderly mentally infirm units, known as EMI units, to dementia care accommodation. Those two units are Gansey Unit in the south of the Island and Reayrt Skyal in the north. The reason for this change is that those premises which provide specialist EMI services have not been fully occupied and have been carrying vacancies, whereas demand for other dementia care accommodation has historically always been high. Additionally, the repurposing of the units addresses the consideration that there are currently no equivalent residential dementia care facilities in the north of the Island. It is anticipated that the repurposing of these two units will result in better service utilisation for people requiring dementia care accommodation. 3410

3415 Mr President, I beg to move that the Adult Social Care Services (Charges) Regulations 2018 be approved.

**The President:** Mrs Corlett.

3420 **Mrs Corlett:** Mr President, I beg to second.

**The President:** Mr Speaker.

**The Speaker:** Thank you, and thanks again to the Minister and his staff for engaging on this one.

3425 With regard to the specific instance of the Gansey Unit at Southlands and that repurposing, will the Minister just confirm that repurposing will mean that dementia care units such as these do have a higher staff-to-client ratio both in the day and at night time, and that there is specialist dementia training, and particularly clinical assistance, available to those staff 24 hours

3430 a day, seven days a week to ensure, shall we say, that the clients who are in there are getting what they need, because they are certainly being charged for it?

**The President:** Mover to reply.

**The Minister:** Thank you, Mr President.

3435 I am happy to confirm for the Hon. Member, Mr Speaker that in relation to the dementia care units they do have a higher staff-to-client ratio. For example, in a residential unit there is one member of staff on each unit during the night with a member of staff allocated as appropriate to cover breaks, but in relation to a dementia care unit there are always two members of staff on at a night time. There is also an increased number of senior support workers as well, and I am  
3440 also happy to confirm that these particular staff do have enhanced training around dementia care.

**The President:** I put the motion at Item 14. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

#### **15. Licensing and Registration of Vehicles Act 1985 – Vehicle Duty Order 2018 approved**

The Minister for Infrastructure to move:

*That the Vehicle Duty Order 2018 [[SD No 2018/0045](#)] [[MEMO](#)] be approved.*

3445 **The President:** Item 15, Licensing and Registration of Vehicles Act, Minister for Infrastructure to move, Mr Harmer.

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

3450 The purpose of this Order is to maintain recovery of income, at current levels for vehicle duty, for road maintenance. Vehicle Duty is budgeted to achieve £13,298,423. If approved, the provisions within the Vehicle Duty Order 2018 are expected to realise approximately £13,300,000 if volumes and average yield are maintained.

3455 The income target is the same income target as last year. However, to achieve this target, it requires the rates to increase as the move continues from older to newer less polluting cars which attract lower levels of duty. To that end, the Order provides for a general increase of 3.1% over the rates for last year. The Order continues to have a zero rating for vehicles such as ‘welfare vehicles’ which provide a non-emergency ambulance service operated by organisations dedicated to the care or welfare of sick, injured, disabled or infirm people, and provides for police, ambulance service and fire service vehicles to retain a zero rating.

3460 The Department is conscious of the confusing array of rates for vehicle duty and has just completed a consultation which will inform a review of the duty rates, of which there are over 80. However, it will take time to develop the change which is why a simple increase in rates is proposed today. The Department is also committed to other changes such as providing payment by instalments.

3465 Treasury concurrence has been obtained for this Order at a Treasury meeting held on 7th February 2018.

3470 Whilst the Department understands that vehicle operating costs are continuing to increase when general standards of living are not, I am sure that Hon. Members will understand that many highways need to be repaired and therefore it is essential that the income generated from this duty continues to meet expenditure costs.

I beg to move the motion standing in my name.

**The President:** Mr Moorhouse.

**Mr Moorhouse:** Thank you, Mr President. I would like to second it.

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**The President:** Second the motion.  
Mr Hooper.

**Mr Hooper:** Thank you, Mr President.

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I find great difficulty here supporting this motion in front of us and it is not because of the amount and it is not because of the continuation of the policy; it is rather because of the process and method by which we find ourselves here. This will be the same for the next few Items as well, so I will not speak to them, but these comments are equally valid.

3485

Last month, this Hon. Court approved a Budget that included income targets for all the Departments, including the Department of Infrastructure, and at that point, at that time I half expected the Minister to stand up and to outline how his Department was going to meet those income targets. He did not do this because we do not have a holistic Budget process. I am assuming then the reason the Minister did not do this is possibly because he was unaware last month that these increases would be forthcoming. He possibly was completely oblivious to how he was going to hit his income targets, how he was going to match the Budget that he supported.

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I do not really believe this to be the case. I believe the Minister is the victim of our piecemeal approach to budgeting and I think that approach needs to change. It does absolutely nothing for the public perception of this Hon. Court if we approve a Budget one month and then immediately follow with fees and charges the next month. Would knowledge of how Departments propose to meet their income targets impact on the Budget debate? I would suggest, yes, it would and actually it is relevant, if nothing else.

3495

The Minister himself, in his Budget speech, said the Budget was almost like an onion and I would agree there. The more we peel away, the more of these layers we peel away, the more of this secondary legislation, these secondary orders with fee increases come to light. That should not be the case. Our Budget process should incorporate this information from the outset.

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So I would like a commitment from the Minister at least that he will consider these comments for his next Budget speech and whether or not the Treasury will also consider this in light of the Budget process as well.

3505

Thank you, Mr President.

**The President:** Member of Council, Mr Crookall.

**Mr Crookall:** Thank you, Mr President.

3510

The Hon. Minister and other Members will remember last year – and in fact I think I started off by apologising to my Chairman at the Manx Utilities because whilst we are here to encourage people to use electric vehicles, I find that today we are doing exactly the same as we did last year and I think we are going to do the same again next year. So I find myself in the same position that I cannot support this because we are going to allow people to use the roads without charging them.

3515

We have found we have a financial shortage across Government and certainly in the DoI, we have huge problems on the roads, we had a figure the other week of £45 per pot hole, so every vehicle you are letting off here, to me, is basically a pot hole because I think if you had to find a fee to put on electric vehicles it would be around about £40 to £45. There is an administration charge – and I am repeating myself from last year, but there is an administration charge – for every vehicle, and that includes electric vehicles to register and yet they are not paying for that. We are giving them free electricity on the roadside to provide them for services in the future to

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encourage electric vehicles in the future. They are not paying for that but that is okay. But we are still not going to charge them.

3525 Yet some of these vehicles – and I used the example last year the BMW i8, which weighs probably the best part of a tonne and a half, two tonnes, it is getting on for a super car, but it is £5 a year; that is not fair. That just is not fair. The system is not fair at all and while we continue to do this ... and if you do it again next year, Minister, I will not support it again.

3530 I was talking to somebody recently who said that he imports vehicles – vans particularly – for trade. He brings in vans that have category Euro 5 engines – over here £520; it is done on the CO<sub>2</sub> emissions. In the UK they are £175. But it says the Euro 5 is not just about CO<sub>2</sub>; it is about the other things that it takes out, but we do it just on the CO<sub>2</sub>. So they get clobbered over here.

3535 I know there is one courier over here that bought into those vehicles, found out what it was costing and sent them back; £520 a vehicle – he sent them back. He actually went out and got smaller vehicles which were a lot cheaper but now you have got more vehicles doing more damage on the road.

3540 The eight-legger wagons over here – £1,800; in the UK, £720. It is just not fair and we are paying for all those extra services when people are going out delivering things. So we need to make this whole system a lot fairer and by letting people off and paying nothing, to me, is absolutely not fair in this day and age, irrespective of whether it is good for the environment or not.

Thank you, Mr President.

**The President:** Mr Speaker.

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**The Speaker:** I just want to pick up on the comment made by Mr Hooper. It is a fair point and it is one that was in a report that I wrote in 2015 about budgetary reform, and it is one of the vast number of things I want to sweep into budgetary reform. Fortunately, I am looking forward with keen anticipation to meeting the Treasury Minister on Monday morning and this will be one of the things that I very much look forward to picking up with him.

3550 So at the moment I am maintaining an open mind about this, so I will not be voting against this on that principle. But it is part of the package of budgetary reform that we do need to look into.

3555 **The President:** Hon. Member, Mr Peake.

**Mr Peake:** Thank you, Mr President.

3560 After hearing Mr Crookall's comments there, I must say it is quite fair at the moment for myself; I do have an electric car and taking advantage of the zero road tax is quite good. *(Laughter)* But it is just a nudge though. It is just a nudge to try to encourage people to use electric vehicles. That is what it is about.

I agree the system is not completely fair at the moment, but I think they are trying and the idea is to raise awareness and get people to use more electric vehicles. So at the moment the road tax is free, but I am sure in the future we will have to pay for it.

3565 So I will support this at the moment.

Thank you.

**The President:** I call on the Minister to reply, Mr Harmer.

3570 **The Minister:** Thank you for a number of comments.

Thank you, Mr Hooper, for his comments. I actually had hoped it would be in the Budget speech but I will certainly make sure for the following year that it is part of it. We were fully aware. In some ways it was the good news that I was trying to talk about when ... 'onion' is not the right word at all, but in terms of there is a lot of depth in the Budget that I had a lot to

3575 contend with in terms of our visitor economy in terms of footpaths; there is a lot of benefit in terms of health – the tax allowance. There was lots of good in there and I was trying to make that point.

Another good story that would have been missed – and it *was* a good story – was the fact that our income target was maintained at the current rate of last year, so in effect we will raise exactly the same. We plan to raise exactly the same. The point that I am making is that the vehicle duty system is not correct; it has been organic, it has grown over 20 or 30 years of many different systems and we need to change that.

To that end, a consultation has just finished. We are now going through the results of that consultation – very much taking on the point, and actually I am fully aware of the point that the Hon. Member of Council, Mr Crookall made. Unfortunately, by fixing that very duty, it caused a lot of criticism last time when we first attempted to review, because it also impacts high engine cars as well, so it would not have just benefited vans, it would have benefited other people.

So rather than pick and choose another vehicle duty order, we are doing a proper consultation and we are getting those results now. We will come back to Tynwald with a full set of results. What this does, in effect, is a zero rise, but without it we will lose the maintenance of our roads. This year has been a particularly bad year with the flux in temperature between hot and cold and so forth. It does put demands. I have already said there are £85 million worth of road repairs we need to do. Let's not kick it down the road. Let's actually do something.

In terms of the points about electric vehicles, the difference here is we have no grant system. So whereas in the UK you can have a number of thousands of pounds to get an electric vehicle, it was seen as not as good, but at least something and it absolutely has a sunset clause. So it only has one more year to run and from that point, and when we bring in a new system, we will bring a more equitable and fairer system. But the easy option is to fix the rate here, fix the rate there, but the right thing to do is to take everything on board and come up with a system that is fair for everyone.

With that, I beg to move.

**The President:** I put the motion at Item 15. Those in favour say aye; against, no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 22, Noes 1*

**FOR**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Beecroft  
Miss Bettison  
Mr Boot  
Mrs Caine  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge  
Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Robertshaw  
Mr Shimmins  
Mr Skelly  
The Speaker  
Mr Thomas

**AGAINST**

Mr Callister

**The Speaker:** Mr President, in the Keys, 22 for, 1 against.

*In the Council – Ayes 5, Noes 3*

**FOR**

Mr Henderson  
The Lord Bishop  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

Mr Cretney  
Mr Crookall  
Ms Humbles

**The President:** In the Council, 5 for and 3 against. The motion therefore carries.

**16. Harbours Act 2010 –  
Harbour (Dues and Charges) (Amendment) Regulations 2018 approved**

The Minister for Infrastructure to move:

*That the Harbour (Dues and Charges) (Amendment) Regulations 2018 [[SD No 2018/0065](#)] [[MEMO](#)] be approved.*

**The President:** Item 16, Harbours Act. Minister for Infrastructure.

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

Mr President, the Regulations before this Hon. Court today increase the Harbour (Dues and Charges) Regulations 2017 by an average of 3.1%. The increase in charges reflect the rising cost of provision of the harbour infrastructure and services.

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The Regulations also simplify how harbour dues work for work boats, fishing vessels and barges and are charged by removing outdated tonnage bands. The charges going forward will be faster, as vessels will pay in proportion to their size.

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A change to how cruise ships are charged is intended to align the Isle of Man more closely to the charging structures used in other cruise destination ports in the British Isles. The 2017 Regulations set out a single rate harbour due which does not differentiate between the size of a ship or where it lies. The new structure will charge cruise ships by their gross registered tonnage, depending on whether they are at anchor in the bay or moored alongside a pier. Vessels will pay harbour dues that are more proportionate to their size and that reflect the convenience of berthing alongside, rather than needing to use tenders.

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The Regulations also increase the cost of providing regulatory maritime security for discharging tanker ships carrying oil and gas by 10%, as currently the Department's costs are not being met.

The introduction of a charge for photographic security identity cards is required to recover the Department's costs.

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Mr President, I beg to move the motion standing in my name.

**The President:** Mr Baker.

**Mr Baker:** Thank you, Mr President.

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I beg to second and reserve my remarks.

**The President:** I put the motion at Item 16. Those in favour, say aye; those against, no. The ayes have it. The ayes have it.

**17. Harbours Act 2010 –  
Registration of Pleasure Craft (Amendment) Regulations 2018 approved**

The Minister for Infrastructure to move:

*That the Registration of Pleasure Craft (Amendment) Regulations 2018 [[SD No 2018/0046](#)] [[MEMO](#)] be approved.*

**The President:** Item 17, Minister.

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

The Regulations increase by an average of 3.1% the charges that the Department may apply with respect to the registration of pleasure craft. The increase in charges reflects the rising cost of provision of the registration services, along with the increased costs of provision of harbour structures.

Mr President, I beg to move the motion standing in my name.

**The President:** Mr Baker.

**Mr Baker:** Thank you, Mr President.

I beg to second and reserve my remarks.

**The President:** I put the motion at Item 17. Those in favour, say aye; those against, no. The ayes have it. The ayes have it.

**18. Harbours Act 2010 –  
Harbour (Miscellaneous Provisions) (Amendment) Byelaws 2018 approved**

The Minister for Infrastructure to move:

*That the Harbour (Miscellaneous Provisions) (Amendment) Byelaws 2018 [[SD No 2018/0047](#)] [[MEMO](#)] be approved.*

**The President:** Item 18.

**The Minister for Infrastructure (Mr Harmer):** Mr President, the Byelaws increase by an average of 3.1% the charges that the Department of Infrastructure may apply in respect of annual pleasure boat and boatman licences. The licences are issued under the Byelaws made under the Isle of Man Harbour Commissioners on 9th May 1905 and confirmed by Tynwald on 5th July 1905. The increase in charges reflects the rising cost of provision of harbour services.

Mr President, I beg to move the motion standing in my name.

**The President:** Mr Baker.

**Mr Baker:** Thank you, Mr President.

I beg to second.

**The President:** I put the motion at Item 18. Those in favour, say aye; against, no. The ayes have it. The ayes have it.



**19. Customs and Excise Act 1993 –  
Customs and Excise Acts (Application) (Amendment) (No.2) Order 2018 approved**

The Minister for the Treasury to move:

*That the Customs and Excise Acts (Application) (Amendment) (No.2) Order 2018 [SD No 2018/0048] [MEMO] be approved.*

**The President:** Item 19, Customs and Excise Act, Minister for Treasury to move.

**The Minister for the Treasury (Mr Cannan):** Mr President, this Order amends section 30 of the Finance Act 1994 of Parliament, as it is applied to the Island, to substitute new rates of Air Passenger Duty for flights to destinations in band B, where those journeys are made on or after 1st April 2008.

There are two bands that determine the amount of Air Passenger Duty that is due and the vast majority of flights liable to duty in the Island fall within band A, which would cover flights to the UK and Western Europe. The rates for band A journeys are unaffected. Band B involves destinations where the main or capital city is over 2,000 miles from London, and here the duty rate for flights in the standard class of travel is increased by £3 to £78 or by £6 to £156, if in a higher class of travel.

I beg to move.

**The President:** Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.  
I beg to second.

**The President:** I put the motion at Item 19, those in favour, say aye; those against, no. The ayes have it. The ayes have it.

**20. Audit Act 2006 –  
Accounts and Audit Regulations 2018 approved**

A Member of the Treasury (Mr Shimmins) to move:

*That the Accounts and Audit Regulations 2018 [SD No 2018/0053] [MEMO] be approved.*

**The President:** Item 20, Member of Treasury, Mr Shimmins, to move.

**A Member of the Treasury (Mr Shimmins):** Thank you, Mr President.

These Regulations update the accounting requirements applicable to bodies required to be inspected in accordance with the Audit Act 2006.

They replace both the Accounts and Audit Regulations 2013, as amended, and the Isle of Man Statement of Recommended Practice 2007, known as the SORP, and the associated financial statement templates. These new Regulations now incorporate all audit and financial reporting requirements into one consolidated set of Regulations and have updated the SORP to align with current UK Generally Accepted Accounting Principles.

The requirements previously contained in the Audit Directions 2008, in relation to accounting for related party transactions, have now also been incorporated within the Regulations.

3700 The Regulations also update the income thresholds at which local authorities and joint boards are required to maintain a system of internal audit from £200,000 to £250,000.

However, the primary impact of these Regulations is in relation to updating the financial reporting requirements applicable to the local government sector. Accordingly, the proposals have been subject to public consultation with particular focus on the local government sector.

Mr President, I beg to move the motion standing in my name.

3705 **The President:** Mr Cannan.

**The Minister for the Treasury (Mr Cannan):** I beg to second and reserve my remarks.

3710 **The President:** Mr Thomas.

**The Minister for Policy and Reform (Mr Thomas):** Thank you, Mr President.

I welcome these Regulations. In regulation 10(4), accounting standards for local government and other bodies, there is reference to:

Any other specified body to which this regulation applies,

3715 other than some types of bodies, they:

must prepare in accordance with proper practices ...

I would welcome a commitment from the Treasury that officers would engage with all of the specified bodies to make sure there is common understanding of what the proper practices are, as these bodies come into account. So, for instance, there are some statutory charities, at least one, which has obligations under charity accounts as well as under public accounts and I would like it to be absolutely sure, before we get into any misunderstanding, exactly what the requirements are. So can the Member responsible make that commitment to have officers engaged with the bodies concerned?

3725 **The President:** Mr Speaker.

**The Speaker:** Thank you.

When I saw this on the Order Paper it sent shivers down my spine, as someone who spent four years auditing local and national government accounts.

3730 I would like to thank particularly Stephen Hind and Mr Shimmins in the Treasury for engaging on this. I do remain concerned that the way that we are going to present local authority accounts in the future, the lay reader would actually believe that it is possible to cross-subsidise rate funds and housing costs, which is absolutely not the case, and it is worth putting that on record.

3735 Can I also ask the Treasury to look again at the disclosures around elected members' allowances, which are not transparent. Only a global figure is provided in the accounts, and that is something that I do not think quite goes far enough in this day and age.

3740 Also, there is some guidance for independent examiners reviewing the local authority accounts, but there is really a big gap there in terms of what Treasury's expectations are for reviewing the smallest bodies, such as burial authorities. They are allowed to have an independent examination, but there are no real expectations set out for those potential independent examiners as to what work is going to be required, what level of assurance is going to be required. Perhaps a cross-reference to the Charities Act and some of the guidance that is there is the appropriate way of doing it, or at least using that as a template.

3745 My final point actually builds on the point that Mr Thomas has just made: clerks of local authorities are not always qualified finance officers. Will he work with his colleagues at the DOI

to ensure officers and elected members are capable of proper accounting and that the elected members also understand their responsibilities as well? And that comes back to the point that Mr Thomas made. It is not just about making sure that the finance officers understand their duties, but also the elected members understand their duties as well.

3750 The issue with these is that burial authorities, local authorities, the amounts in the grand scheme of a £1.2 billion spending government, they are relatively small, but the governance issues are just as acute and the risks are actually probably higher, so I am just asking the Hon. Member to consider those points.

3755 **The President:** Hon. Member, Ms Edge.

**Ms Edge:** Thank you, Mr President.

I just wonder if Treasury could confirm, under the special reports, what criteria are clarified as 'in the public interest'? If they could just confirm, have they ever actually done any special reports on local authorities and under what criteria?

3760

**The Speaker:** Yes, Port St Mary Commissioners in 2003.

**The President:** I call on the mover to reply, Mr Shimmins.

3765

**Mr Shimmins:** Thank you, Mr President.

And thank you to all the Hon. Members who have engaged in terms of the Audit Regulations.

Turning first to Mr Thomas's enquiries, yes, I am happy to confirm that Treasury is committed to engaging with everyone who is impacted by these Regulations, including Culture Vannin and other similar organisations. Our policy is for proper practices to be adopted, as you said, and the basis of these new regulations is FRS102, so we would be happy to engage and give proper consideration so that everyone knows exactly where they stand, which is very important in these matters.

3770

Thank you very much to Mr Speaker for his points. Clearly he has got a high degree of insight in this area, so I very much appreciate his input. In terms of the question of the cross-subsidy rate-borne ... This is something that we discussed at length with all the stakeholders as part of the consultation process, and I should just advise Hon. Members that we got really great input from local authorities and their auditors as we tried to move together in a kind of unified, consistent way.

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In terms of the specific question about the General Rate Fund, what I would say is that the existing templates already report the net housing income and expenditure above the line in relation to the General Rate Fund income and the Housing Revenue Income and Expenditure Account is currently included as a separate statement, and that will continue to be included as a specific note to the financial statements. So the Note 11 on page 60 of the new Regulations. So, whilst this is a conundrum, I would stress that this information will be still be reported for people to see.

3780

In terms of the members' allowances, should this be split by member? (**The Speaker:** Yes.) The proposals that we have put forward are as proposed by the local government auditors and it is also a continuation of the existing SORP and template requirements. So I guess, in all of these situations, you are looking to strike a bit of a balance between transparency and regulatory burden, but I think that is something that we will continue to consider and take on board his views.

3790

The third point that Mr Speaker raised was about inspectors and Treasury's view is that we would look to see a qualified auditor taking on that role. (**The Speaker:** Overkill.) I think we take on board Mr Speaker's views, but we do feel that an auditor would be helpful in terms of that inspection role.

3795

In terms of the fourth point that he has raised, how do you help the finance officers and also the elected members get on board with both their responsibilities but also these changed Regulations? I am pleased to advise that Treasury and the audit function has arranged a number of training workshops – not just for the finance officers but also for people involved in other organisations, so the burial authorities you mentioned earlier and also elected representatives. We are delighted to help people understand the responsibilities that they have.

Thank you to Ms Edge for her enquiry about when this has happened, and I think we heard from the floor that it has happened. Port St Mary and I think Braddan was also mentioned as a couple of examples, so it does show you the system has worked in the past.

Thank you, Mr President, I now beg to move.

**The President:** I put the motion as set out at Item 20. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

### **21. Social Security Act 2000 – TV Licence Payment (Amendment) Order 2018 approved**

A Member of the Treasury (Mr Peake) to move:

*That the TV Licence Payment (Amendment) Order 2018 [[SD No 2018/0078](#)] [[MEMO](#)] be approved.*

**The President:** Item 21, Social Security Act, Member of the Treasury, Mr Peake.

**A Member of the Treasury (Mr Peake):** Thank you, Mr President.

As previously announced, from 1st April this year Island residents who are aged 75 and over will once again start to receive TV licences free of charge from the BBC.

This Order amends the TV Licence Payment Order 2016. Consequentially, it removes provision for a General Form TV licence payment for persons aged 75 and over, which is no longer necessary. Eligible pensioners under 75 years of age who receive income support will continue to qualify for TV licence payments under the TV licence Payment Order 2016.

Mr President, I beg to move Item 21 of the Order Paper.

**The President:** Mr Cannan.

**The Minister for the Treasury (Mr Cannan):** I beg to second and reserve my remarks.

**The President:** I put Item 21. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

### **22. Pension Schemes Act 1995 – Pension Schemes Legislation (Application) (Amendment) Order 2018 approved**

The Minister for the Treasury to move:

*That the Pension Schemes Legislation (Application) (Amendment) Order 2018 [[SD No 2018/0077](#)] [[MEMO](#)] be approved.*

**The President:** Item 22, Pension Schemes Act, Minister for Treasury.

3830 **The Minister for the Treasury (Mr Cannan):** Mr President, this Order amends the Occupational Pension Schemes (Contracting-out) Regulations 1996 as they have effect in the Island. The amendments made provide a new fixed rate of revaluation of a guaranteed minimum pension for persons leaving service on or after 6th April 2018. This fixed rate is 3.5% compounded year on year.

3835 The amendments made will align the requirements for revaluation of guaranteed minimum pension with those in the UK.

Further information has been provided in the memorandum; and, Mr President, I beg to move the Item numbered 22 on the Order Paper.

3840 **The President:** Mr Henderson.

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

**The President:** I put the motion as set out at Item 22. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

**23. Social Security Act 2000 and Pensions Schemes Act 1995 –  
Pensions Act 2014 (Application) Order 2018 –  
Debate commenced**

The Minister for the Treasury to move:

*That the Pensions Act 2014 (Application) Order 2018 [[SD No 2018/0076](#)] [[MEMO](#)] be approved.*

3845 **The President:** Item 23; again, Minister for Treasury to move.

**The Minister for the Treasury (Mr Cannan):** Mr President, this Order applies to the Island the relevant provisions of the UK Pensions Act 2014.

3850 Primarily, this will enable the introduction of the new single-tier Manx state pension from April 2019, and will end contracting-out of the State Second Pension consequentially at the same time.

The new single-tier Manx state pension will replace the existing state pension arrangements for people reaching state pension age on or after 6th April 2019. People who have already reached state pension age at that time will be unaffected.

3855 The new Manx state pension will have the following features: a flat-rate pension in place of the current basic and additional state pensions; a full-rate pension which is expected to be around £180 a week on its introduction, for people with at least 35 years qualifying of Isle of Man National Insurance contributions; a reduced-rate pension for people who have less than 35 qualifying years, but at least the minimum number of years of contributions required which, 3860 subject to regulations being made and approved, will be 10; higher transitional rates of pensions for certain people with qualifying years of Isle of Man contributions before 6th April 2019; and a pension based on the contributions paid in the Isle of Man by a deceased spouse or civil partner before the introduction of the new Manx state pension.

3865 The transitional provisions will ensure that where a person would otherwise be entitled to a state retirement pension under the existing scheme, which at 6th April 2019 is worth more than the full rate of the new single-tier Manx state pension, they will be awarded a state pension

based on the higher amount, thus ensuring they do not lose out in the transition to the new scheme.

3870 Mr President, these transitional arrangements are quite complex as they have to take into account a state pension scheme that has been around in one form or another since 1948. I expect in the short term that most people reaching state pension age will be awarded a state pension based on what they have accrued under the existing scheme. It is probable that only those individuals who have been low earners or self-employed for lengthy periods would be awarded a pension based on the single-tier amount. However, as we move forward an  
3875 increasing proportion of people will be awarded a pension based on the single-tier amount.

Mr President, as well as ensuring the state pensions in the Island continue to be affordable in the longer term, the new single-tier pension will ultimately be much simpler than the present scheme. This will enable people to more easily understand how much state pension they can look forward to and to plan for their retirement accordingly.

3880 Turning now to the state pension age: by November this year, the state pension age for both men and women will be equalised at 65. It will then rise to 66 by October 2020. This is in line with the changes to the state pension age in the UK. Given the close relationship that the Island has with the UK and the very significant number of workers who move between the two jurisdictions, I do not think it is appropriate for our respective state pension ages to be different.  
3885 Therefore, subject to the approval of this Hon. Court, Part 3 of the Pensions Act 2014 will be applied to the Island, which brings forward by eight years the planned increase in the state pension age to 67, and which will fully realign us with the UK as regards state pension age. The increase will now begin in 2026 and end in 2028, rather than between 2034 and 2036.

As regards men and women born between 6th April 1960 and 5th March 1961, they will have  
3890 a state pension age of 66 plus a specified number of months, rather than simply 66 as is currently the case. People born after 5th March 1961, but before 6th April 1977, will have a state pension age of 67 instead of 66 plus a specified number of months, as is currently the case.

I recognise that some Members have concerns about the proposed increases in the state pension age and the ability of certain groups to continue to work up to that date. Treasury have  
3895 examined the report of Mr John Cridland, CBE, which was commissioned by the UK government to look into the impact of increasing the state pension age, and agree with his conclusion that having a state pension age that is the same for everybody has a fundamental place in our social security scheme, provides clarity and acts as a pivotal date for individuals planning their retirement.

3900 Treasury have also concluded that Mr Cridland's recommendation to allow people access to income-related support a year or so before state pension age is worth further investigation. I have therefore asked the Director of Social Security to report back to Treasury with options around this matter. Once the new state pension arrangements are in place Treasury will turn its  
3905 attention to how more people can be encouraged to make further financial provision for their retirement to add to their state pension.

Mr President, for technical reasons, the Order currently before Hon. Members also revokes and reapplies provisions in the Pensions Act 2014 relating to bereavement support payments which were applied to the Island last year. Their effect is unchanged.

Mr President, I beg to move the Item numbered 23 on the Order Paper.

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**The President:** Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.  
I beg to second and reserve my remarks.

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**The President:** Mr Speaker.

**The Speaker:** Thank you, Mr President.

3920 It was very interesting to listen to that and actually some new information in what the Treasury Minister has said there – most interesting.

3925 The principles of this new pension system are not new. The building blocks and principles go back to 2015. However, it is the first time we have seen the detailed proposals and that was just two weeks ago. I am not aware that the public have seen the details of what is proposed before now. Personally, I am surprised that the Government has chosen to implement this by way of an Application Order which does not allow much in the way of parliamentary scrutiny – in fact echoing similar comments about Road Duty on the one hand and Harbour Strategy on the other earlier; but certainly the original plan when this was first raised was for this to be promoted as a Bill with the attendant opportunities for comment and amendment.

3930 This is incredibly complex and will have an impact on the life of every Manx citizen who retires after April next year. It basically needs more scrutiny, not least of all so that the public do not have any more surprises when it comes in next year. The bones of this is essentially the 2014 UK Pensions Bill as adapted for Manx purposes, with a few changes that need looking at. Unfortunately, by bringing it in this way, I have been unable to navigate the complex series of cross references to the other secondary legislation which comprises the field of Social Security.

3935 However, in saying that, I would like to thank sincerely those Treasury officers who have tried their best to point me in the right direction.

So I would like to use this, my only scrutiny opportunity, to point out some queries and put some forward and get some answers as to how we ended up here. The first question I have is: why have we now gone for an Application Order rather than primary legislation? Secondly, when the UK's 2006 Pensions Act was extended to the Island in 2007 it removed the minimum qualifying period for access to a basic Class A retirement pension from 25% of working life to just one year. To me that was unsatisfactory, but I was told at that time that it was necessary to maintain the reciprocity with the UK and there was little Tynwald appetite to break that link at that time. We have now moved on: we have broken that link and we are forging our own path to a certain extent, so that is good news.

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I welcome the reintroduction of a 10-year minimum qualifying period for eligibility to a pension. However, we need to remember that a number of people who have worked on the Island over the last decade on a temporary basis may be dialled out of a partial pension which they might otherwise have expected. Have we reached out to this group who are going to be deprived of these rights going forward if they do not clock up at least 10 years' work on the Island, or in another country with reciprocal rights? Now, that might be the UK, that might be France, that might be a number of different countries, but they have to accumulate 10 years in those specified countries before they get any access to any pension at all from that group.

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My third question is really about the impact this has on the National Insurance Fund. The presentation in December indicated that these measures extend the National Insurance Fund from 2047 all the way out to 2072. (**Mr Thomas:** Hear, hear.) So is the situation as bad as predicted by the previous Treasury Minister, or were Mr Thomas's more optimistic assumptions correct all along, and actually most of this is not necessary? (*Interjection and laughter*) Especially when you add in the shot in the arm to the fund from the ending of contracting-out. The question is – that is an extra £10 million a year – are we therefore being unduly harsh to future Manx pensioners? Is there potential there for a more generous option?

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So the next question is about who loses out in the long term compared to the current rules? And I think the answer is probably, most people. I wonder if we have really got the calculations the right way round. Have we started looking at what is a decent income for a pensioner to live on in 2019 and worked back from there, or have we started off with the sustainability of the fund and worked the other way round? That is the next question.

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A previous feature of the new Manx pension that went out consultation and went down well on the doorstep, was that of a flexible start date where you could take less and start earlier. Now, in the Regulations these were quietly dropped, but I am delighted to hear in the Treasury Minister's opening remarks that that, like a phoenix from the ashes, has been revived and it is

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something that the Social Security Department has been asked to look at, and I think that is something that is welcomed.

We also have complicated transitional provisions which take some time to work through and the detail of the Regulations has shown up at least one real-life example that shows that a widow with three years to go to retirement – this is an actual case – could lose out by up to £29.25 per week under the new rules. Did Hon. Members understand that when they read the Regulations and when they worked on the principles-based presentation in December?

Just to build on the theme of intergenerational equity – which needs exploring further – if we look at the UK equivalent: the basic retirement pension in the UK when they bought this in rose from £122 to £159.55. So the Isle of Man scheme looks like about £180 – that is the number that is being bandied around. And on the face of it that seems reasonable: £122 for the basic state pension as at present, plus £53.75 in pension supplement, is £176. Add about a 3% uplift for the 2018-19 year gives you £181.33, so it is not much different to the deal before. Right? Mmm, wrong!

I suspect a lot of people will not realise that there are other components to the pension that they have been contributing over the years that get added to this sum. Anyone who has contributed to the State Second Pension – and if you have been working longer than that, SERPS; and if you are really old Graduated Retirement Pension before 1978. (Mr Robertshaw: That's me!) Yes, well done, Chris! In the UK all those elements were rolled up into the basic retirement pension giving that £37 a week increase, taking it to £155. So that puts our pension short of the previous deal by £37, as either those SERPS contributions have been disregarded or the fact that we just wind back in on the pension supplement, which is probably the real underlying reason for this.

So is that what gives the National Insurance Fund its new longevity? People deserve to know the answer. And the fact that the Minister said that people in the first few years will probably get their awards based on their previous entitlements certainly is an indication of that.

However, we seem to have completely also bypassed the debate on whether we should have a higher pension and pay more for how it. How much does a person need to have a good standard of living in their retirement? Should it be attached to a basket of goods or earnings?

The starting point as I said seems to be about affordability within the current NI rates. That seems the wrong way around. Is a system where benefits top up your pension really the right way of looking at this?

With lower National Insurance rates than the UK we have an opportunity to offer something better here for our people. At present, that question is unasked and therefore we do not know the answer of what the public would answer.

I have not managed to cross-reference the document to the uprating provisions, Mr President, so I presume that there is no change to the method of uprating, and in fact the December presentation said that we would follow the UK uprating system until 2022. And I am not convinced that the triple lock is sustainable or affordable going forward. But there are strong arguments to ensure that we keep up with prices and earnings. A double lock may be more appropriate in the future.

Connected with uprating we talk about this is a new *Manx* pension, but it has retained the old link with UK inflation indices, it is uprated by UK inflation prices – which I find very disappointing. If I was going to be cynical I would say this is a good way of keeping the cost down as inflation on our Island is higher than that in the UK, but it is these higher prices that our pensioners have to contend with and the value of a pension should not be eroded by the use of an imported inflation index which bears little resemblance to Manx life. In moving to a Manx system I thought that that was something we could move away from; and that is another area for close scrutiny.

Finally, Mr President, a pause for thought for all of us. In the United Kingdom, this was introduced as the Pensions Bill and it received the level of scrutiny that we have come to expect around sensitive topics that affect large amounts of society. And the Abortion Reform Bill before



the Keys is a great example of a significant measure affecting Manx life being examined in detail, amended and moved forward. The implications of *this* Order are every bit as significant for the public of our Island, but with just two weeks to get to grips with this very difficult subject in a very great level of detail, and without the ability to question it in a public forum or bring in witnesses, makes it difficult. Even my comments just scratch the surface, I am sure, and there will be lots of things that I have missed out. So my commiserations to the new MLCs who have had even less time than the rest of us.

We need to guard against this being a new trend in legislation and GDPR is following the same route. This is something that all Members need to consider and will no doubt form part of the consideration of the Functioning of Tynwald Committee in this regard. But I do not want to kick it into the long grass. Tynwald has approved the principles, it has approved the building blocks, that is locked in; and I do not object to the fundamentals of this. I do not want to bankrupt the National Insurance Fund, but I think we owe it to ourselves to understand this further ahead of implementation and I have therefore got an amendment which has been circulated – to everyone except me – (*Laughter*) that approves the measure. So it does not seek to reject the measure, but it does say it is approved and referred to a Select Committee of three Members to examine and report by November 2018. It allows a Committee to then get to grips with this subject to look at some of those issues that I have raised – and many more besides that I will not have picked up on – to consider it, and at least gives Treasury plenty of time to consider anything that may be considered inequitable, and have plenty of time to change the system if necessary before it actually gets implemented in April next year.

So it is important that the opportunity is afforded to people to consider how this impacts their lives, how it affects our nation's finances, but also use it as a positive opportunity to educate the public about these changes. I beg to move the amendment standing in my name.

*Amendment*

*After the word 'approved' to insert the words 'and be referred to a Select Committee of three members to examine and report by November 2018'.*

**The President:** Hon. Member, Mr Robertshaw.

**Mr Robertshaw:** Thank you, Mr President.

I am content to second the motion in the name of Mr Speaker; I am supportive of the Treasury's position but feel, like he does, that this is worthy of detailed examination.

Before resuming my seat, Mr President, I would just like the Treasury Minister to comment on one point where he says that the Isle of Man will continue to follow the UK retirement age. Is he absolutely sure that is going to continue to be appropriate when effectively the two pension schemes are moving apart?

Historically, of course, we all know that if you lived in England and paid contributions there, then moved to the Isle of Man and paid contributions here that you would assemble a single pension paid from the Isle of Man, because funds would move from the UK to here. We are now moving into an environment where that will no longer be the case, where somebody retiring in years to come will have to apply for two separate pensions.

So, on that basis, what is the argument and motivation for remaining subservient to the UK's decision on retirement age?

**The President:** Mr Cannan to speak to the amendment.

**The Minister:** Well, I am astounded this afternoon, Mr President, completely astounded. I have just heard two contributions from two people who actually forced this whole situation into being!

4070 The Hon. Member who has just resumed his seat was the very man that championed the Ci65 Report telling us that the National Insurance Fund was going to go bust. (**A Member:** Yes.) And the Hon. Member over here, the Speaker, has sat merrily in the Council of Ministers since 2014 putting this and supporting this whole scheme in its entirety, and never once has he done anything. And when I brought a motion in March 2015 ... Hon. Members, I do not want to give you too much of a history lesson, (*Laughter*) because I know that some of the younger Members are probably bored.

4075 And to be fair to some of the newer Members, some of this is probably a bit head-scratching because the way it has worked this has been rolling since 2013, ever since we were told that the National Insurance Fund was going to go bust – and of course some of you who paid attention will see that I spent at least three years challenging the facts and figures around Ci65 and their report, and Mercer’s actuaries. In fact, we had about four actuarial reports done on this whole scheme just to get the evidence that we needed to reform our state pensions.

4080 But in March 2015 – and this is the incredible bit:

The Hon. Member for Michael ... to move:

That a committee of three Members be appointed with powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, as amended, to consider and evaluate both

- i) the assumptions, findings and recommendations of the 2014 Review of the Isle of Man’s Social Security and National Insurance Schemes, and
- ii) the possibility and merit of retaining the Island’s reciprocal arrangements, and to report to Tynwald by January 2016.

4085 Did either of the two Hon. Members who have just got to their feet to propound and shout to this Court how we need political scrutiny, support that motion? (**Several Members:** No!) They did not; they could not. How dare they want now to come and ask for political scrutiny, when for three years – *three years* – this Hon. Member was calling for political scrutiny until it was too late, until they broke the reciprocal agreement without so much as a select committee examination. Forced through, I might say, by a Council of Ministers determined that it was in the best interests of the Island that we went our own separate way, that we created our own pension scheme, (**A Member:** It is!) and of course that a number of specific arrangements were put in place. And this is what the last Council of Ministers determined was going to happen.

4090 July 2016, the vote comes in, supported by two Hon. Members who have just spoken: ‘introduce a single tier State Pension in the Island ...’ – I do not want to bore Hon. Members but I have to go through the facts.

4095 **A Member:** This is all true.

**The Minister:** ‘Introduce a single tier State Pension in the Island set at the rate of £170 per week’ – and that was July 2016’s value –

- end the ‘Triple Lock’ increase and base the future uprating of state pensions in their entirety on earnings in the Isle of Man ...
- end the State Second Pension scheme;
- end the Retirement Pension Premium Scheme ...
- require 35 qualifying years of National Insurance contributions ... . There will also be a minimum qualifying period of 10 qualifying years. ...
- review the number of qualifying years required for a full pension every 10 years ...

– so that review needed to take place, etc. –

- ensure that the UK/IOM Social Security agreement allows UK contributions/credits to counts towards the minimum qualifying period.

And so it goes on, including paragraphs on State Pension Age, phasing out Manx Pension Supplement, etc.

4105 So to now turn round and say that they want a committee to investigate all this, (**A Member:** No.) to go back over all the actuarial reports, (*Interjection by the Speaker*) to go back and change the agreed way (**Mr Robertshaw:** No.) in which this is being determined; and having themselves forced through, I would suggest without proper political scrutiny, this measure, having broken the reciprocal agreement, are now seeming to think that somehow the actuarial reports are now wrong, (**The Speaker and Mr Robertshaw:** No!) and that we now need to revisit that, go back  
4110 and start fiddling around with the agreed state pension rates.

It is absolutely ludicrous! I really, seriously, find this afternoon's two speeches to have been ... Given the historical context that this has been brought forward, the whole Ci65 Report, the Mercer Report, the National Insurance Fund going bust and we needed to change things – to now be told that we can somehow find more money to put into this is quite incredible.

4115 The point is, Hon. Members, and one of the issues ... and there are probably lots of questions to come so I will sit down. I mean, the amendment by itself is absolutely ludicrous and the point of having this brought through as part of UK legislation ... Because in the end, Treasury were just left with a critical timescale to get this done. And the UK scrutiny, the legislation that has taken place around it, is tried and tested and has gone through – as the Speaker has just admitted –  
4120 intense scrutiny. So there was very good reason for us to follow the UK state pensions arrangement, and it is highly unlikely that we will get the timescale if we choose to follow that primary legislation route.

But I will answer some of those questions in a minute; I just had to respond to the amendment, which is astounding.

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**The President:** Now, Hon. Members, I think that would be a good point at which (**A Member:** Yes.) (*Laughter*) to take a break for refreshments and recovery. (*Laughter and interjection*) We will reassemble at 10 minutes to six, by the Court clock.

*The Court adjourned at 5.22 p.m.  
and resumed its sitting at 5.50 p.m.*

**Social Security Act 2000 and Pensions Schemes Act 1995 –  
Debate concluded –  
Pensions Act 2014 (Application) Order 2018 approved**

4130 **The President:** Hon. Members, we resume our debate and I call the Hon. Member for Douglas Central, Mr Thomas.

**The Minister for Policy and Reform (Mr Thomas):** Thank you very much, Mr President.

The first thing I wanted to welcome in this debate was the announcement from Mr Speaker that Mr Thomas was right. (*Laughter*)

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**Mr Cregeen:** One for *Tynwald Balls*!

4140 **Mr Thomas:** The National Insurance Fund is a precious asset for our Social Security systems and for many other things. We have £750 million book value assets inside it and that is a great treasure that we have, that people across do not have, (**Two Members:** Hear, hear.) because of the way that we have managed our National Insurance system.

The second point I wanted people to understand is that there is an intergenerational fairness investigation going on at the moment, in that how we treat everything to do with that National

Insurance Fund has an intergenerational fairness aspect. That is not new. That has been discussed over a great number of years inside this Court and in the other place as legislation has been mooted and as policy and Budgets have been mooted. I can promise this Hon. Court that we will be coming back with further reflections on intergenerational fairness before the end of this year and pensions are a very important part of that, alongside the welfare state more generally.

The second point is I wanted to explain what I perceive to be frustration from the Treasury Minister about this amendment. I share that frustration because my political friendship with the Treasury Minister was born in a struggle to make Mr Teare see sense about the National Insurance Fund and about state pensions. So for three years we moved motions and we amended motions to make sure we did not throw away what had been valuable about the connection with the United Kingdom, which had been there since 1919 to make sure that people properly understood what it was that they had and they had to understand what it was that they had and how it needed to be managed for the future.

The next point I would say is that I felt personally frustrated with the idea that it was a shock that we were doing this by secondary legislation rather than primary legislation, because it has been quite clear in the legislation programme that was first published – in January 2017, from memory – that there was not a state pensions Bill, and that has been subject to discussion in various places that I know about. I am surprised that people had not realised that it was perfectly possible to make the changes that were agreed in the period 2013 to 2016 using secondary legislation, rather than the primary legislation that was once discussed.

I am also frustrated because I can see clear evidence in the Economic Affairs Policy Review Committee questioning that this has been a topic of discussion in the evidence taken from the Treasury Minister by that Committee, and I believe in a moment my colleague the Minister for Health and Social Care is going to give us some evidence from the Public Accounts Committee, that Mr Speaker actually chairs, where this very issue has been discussed. So it is not as if anybody has been surprised by this.

Having said that, let's move on to the most important people in all of this, the Manx general public who are soon to retire and those who are a long way away from retiring. The whole point about pensions is that people do not think it affects them, but it does. All the evidence since 2016 when these changes were made in the United Kingdom is that people really do not know how it affects them themselves. In Westminster they are trying to catch up to make sure that everybody understands that what you have got, in terms of SERPS and all those other things, is being handled fairly and properly, and if you have been getting the benefit of contracting out you will no longer get that benefit so therefore you need to start making arrangements in terms of your own occupational pension schemes.

All the evidence from Westminster is that people, especially younger people, really do not engage with that process, and it is part of our duty as responsible politicians in a responsible Court making major changes that will affect everybody's lives to engage actively in making sure that everybody from this moment on understands that they have got to understand how it affects them.

Yes, Mr Speaker made a very good point about income standards for pensioners. That is something also that we will be investigating. The living wage approach is similar to that. It is exactly the point that we should make and the policy responses that are likely to result from it are likely to involve workplace pensions, changes to occupational pensions. All of those things are under investigation, as announced in the Government Programme and as confirmed in the changes to the Government Programme that are on today's Order Paper.

And so that is what I will close with. I strongly resist any attempt and any vote for moving this to this committee. Of course this is important legislation. One of the best legislative teams we have in the Isle of Man – privileged to have them – is the Treasury Social Security team. They have been writing legislation to do with benefits and pensions (**A Member:** Hear, hear.) for years. The idea that this will actually be useful in terms of reviewing the legislation ... I am not

saying it is ... I am pretty sure it is 100% right, but then many a politician will have said that sort of thing in the past and there will be one little word that is different, but I am absolutely confident that this legislation will stack up. The policy principles have been debated for four or five years and I would hope that today this Hon. Court will resist this amendment.

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**The President:** Hon. Member for Middle, Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.

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We are not alone in facing these difficult decisions. Governments across Europe have got the same challenges about how they ensure that their state pensions are sustainable in the long term, given the increasing longevity of their populations. So I was really quite concerned to hear Mr Speaker talk about we need to re-examine if it is still appropriate that we would have an age 67 retirement age. I think that debate has already happened here and elsewhere; in France and in Germany as well as the UK they are moving to 67.

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**The Speaker:** I didn't say it.

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**Mr Shimmins:** These countries are taking responsible action. That is what we are being asked to do today. Nobody wants to increase the retirement age. Nobody wants to take the difficult decision to, over a period of decades, reduce the Manx Pension Supplement. These are not popular things.

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We have already had four reports on this. We have also looked in detail at the long report by John Cridland CBE, which is a very recent report really looking at a lot of these issues. Where we are at today is a culmination of many years and there have been various gates throughout that point looking at the general principles which were agreed.

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It is quite important that this matter progresses today. The committee would really jeopardise the implementation date, which we need to get in place to make sure that our pension funds are sustainable. We have been working closely with the UK in terms of what reciprocity would look like. To now effectively push everything up in the air again, create more uncertainty, more confusion, I believe would be irresponsible. Hon. Members, I think it is time we took a responsible approach to make sure that our National Insurance Fund and our pensions are sustainable in the long term for the people of this Island.

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**Mr Thomas:** Hear, hear.

**The President:** Hon. Member for Ramsey, Mr Hooper.

**Mr Hooper:** Thank you, Mr President.

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I am brought to my feet by comments made by the Treasury Minister accusing us of being bored in this debate: not for a second, Mr President. I think scrutiny itself is quite the most interesting part of our job.

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Actually, I was very interested in his history lesson and very glad that Mr Speaker brought up GDPR when he talked about there being a disturbing trend in a new approach to some of this legislation – that that is a very similar approach being taken, where we are being presented with vast amounts of detail in secondary legislation, which is an area of great concern when it lands on your desk with only a few weeks' notice. I actually do not envy our new Members of Legislative Council who are being asked to responsibly assess, digest, understand and approve this very detailed document today; I do not envy them one bit.

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I mentioned GDPR because Mr Thomas on his feet has just spoken about how he is nearly 100% but not quite 100% sure that this particular piece of legislation is perfect, is accurate, is correct. I am sure he felt that the GDPR regulations were nearly 100% accurate and correct when they were drafted, and it turns out that that is probably not going to be the case, so I am

just wondering where he gets this newfound level of confidence when he is talking about this particular secondary Order.

4250 I am not quite sure the point that the Hon. Member for Ayre and Michael was trying to make when he gave us that history lesson. He was telling us how important scrutiny is and how it is important that we have a proper process when dealing with things of this importance – and I think we all agree that pensions and the National Insurance Fund are exceptionally important – but it seems that he is only in favour of scrutiny when it is not applied to him and his  
4255 Department, which I find to be a very unusual position to take, so I think perhaps some clarity from the Treasury Minister on exactly why it was appropriate to scrutinise with this level of detail a few years ago but now we have the detail in front of us it is not appropriate to go through it line by line and say, ‘Actually, is this correct?’ I am sure Mr Speaker will correct me if I am wrong here, but my understanding of his motion is the committee would actually be doing  
4260 exactly that – not to revisit the policy, not to revisit the principles, because they have already been agreed and fought over; my understanding is this committee would take the 80 pages of detail that we have only had for approximately two weeks, go through it line by line and actually say, ‘Is this right? Does this clause agree with this clause? Does this tie in with what we want on the Isle of Man? Does it work?’

4265 I was a little bit concerned at comments made by the Treasury Minister that this has all been tried and tested in the UK and has had appropriate scrutiny over there in Parliament, so we do not really need to apply any rigour over here in the Isle of Man. I disagree with those comments quite strongly. I do not think we should just be importing UK legislation word for word without proper scrutiny.

4270 I realise this debate goes towards really the question of how should we deal with secondary legislation in a broader context, but with this particular piece of legislation it is 80 pages of very complicated detail with further regulations to follow, and that also is an area that concerns me slightly. This is not a complete picture. We are being provided with part of the picture and some of the requirements in here – for example, the minimum qualifying period, the actual rate of the  
4275 Manx state pension, all of that is still to be decided and we have got some information in the explanatory memorandum that says it is probably going to be £180 a week and we are probably going to have a 10-year minimum qualifying period, but actually none of that is decided yet so surely there is space, there is scope, for an examination of this level of detail of that sort of information by a committee.

4280 Just to address something that was said by Mr Thomas when he said that pensions affect everyone and by Mr Shimmins when he said we should take a responsible approach – so Mr Shimmins is of the view then, I suspect, that this is such a wide-ranging and important piece of legislation that the responsible thing to do is not to give it proper scrutiny. That seems again like a very unusual argument to make.

4285 He also mentioned, the Hon. Member for Middle, that this would slow down the process. I should draw Members’ attention to the wording of the amendment, where it still says we would be approving the motion that is on the table. So the committee will not be able to come back at some future date and say, ‘Well, actually, we don’t think you should have done that.’ It will have been approved by this Hon. Court, so my understanding – and again I am sure Mr Speaker will  
4290 correct me if I am wrong here – is that by supporting this motion we will be approving the regulations in front of us, the level of detail that we have not really had adequate time to properly scrutinise, but then we will also be saying, ‘Great, now go and look at this as a committee to see if there are any changes that may need to be made further down the line,’ not to revisit some of the discussions we have already had. I think that clarity needs to be said. We  
4295 need to have that here.

We cannot be taken in by some of the passion and the fervour that was put forward by the Treasury Minister – and really I welcome that level of passion because I expect that I will be bringing a very similar amendment to our GDPR motion in the near future and I really expect to

see the same level of engagement and excitement surrounding scrutiny of that particular piece of legislation that we have seen today.

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Thank you, Mr President.

**The President:** Hon. Member of Council, Mr Henderson.

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**Mr Henderson:** Gura mie eu, Eaghtyrane.

I have a sense of déjà vu, really, with this debate and I am going to take a little time in my explanation to Hon. Members with regard to issues surrounding the debate and why we are here at this point, because I think Hon. Members deserve that and they deserve to know the real picture.

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I stood in this Court in July 2016 and put the general principles of the new single-tier Manx State Pension to the Court, and the Treasury Minister has restated that now as the new Department with the technical detail. Hon. Members may find it strange from the likes of me, standing in Tynwald – ‘passionately’, to quote Mr Hooper, the Hon. Member for Ramsey – rooting for changes to the state pension, given my background, but the reality was that indeed we did have a thing called the Ci65 report, going back to 2013, initiated by the Hon. Member for East Douglas when he was Minister, Mr Robertshaw, and that pointed out quite clearly in their wording that the Manx National Insurance Fund would dry up around 2050 or so.

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I would urge Hon. Members to listen to what the Treasury Minister has been saying because, following that, by golly there was some scrutiny of all the detail surrounding that. And following on from the Ci65 report it is quite true there were applications made to the UK Government Actuary’s department to re-evaluate those figures, re-evaluate them again, re-evaluate them again and re-evaluate them further (**A Member:** Four times.) to see exactly what we were dealing with, to substantiate the initial findings – or not – and try and work up a plan according to what came back. In fact, we have had Member workshops with the Government Actuary’s department and the tiny detail was teased out at those meetings.

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But the point is, Hon. Members, all the reviews and all the studies by the most expert people that you can have pointed to the same thing: the Manx National Insurance Fund was going to dry up – by current predictions and projections, at the current burn rate that we were using it and trying to cope with the state pension – early 2050s.

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**A Member:** 2042 was the earliest.

**Mr Henderson:** That was what Treasury and the Isle of Man Government were left with. So what do you do with that? You either act responsibly and accountably to the public of the Isle of Man ... you have enough time to work out a considered pragmatic package of approaches to try and avert the inevitable, or elongate and give the Manx National Insurance Fund some extra length. That is exactly what happened and I informed the Manx public of the situation in late 2013, I think, via a press conference.

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Following on from that – and this is a point I want to make very clear to Hon. Members. There have been phrases used here stating that the public have never been informed, or words to that effect; the public did not know. Well, I can assure Hon. Members that personally ... and the Treasury Department at that time went to extraordinary lengths – and I am not supporting any previous administrations but I am just laying out the facts – to inform the Manx public of what the actuarial reports had revealed for us and what we should do to try and give the Manx National Insurance Fund some additional life.

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Not only were press conferences held; there were, round the Island, public meetings held where the then Treasury Minister presented the findings and proposals to the general public, roadshows round the Isle of Man. The public were invited for their input, they were consulted upon and changes were ultimately made to the package of proposals as a result of those consultations, in particular the set amount that was originally talked about, £170, and other

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changes as well were made as a result of public input. Not only that, live radio interviews were undertaken, phone-ins, information was put on the Government website, information booklets were drawn up and distributed. So at that point it was all over the front pages of the Isle of Man newspapers for one, and I have to give Adrian Derbyshire a deal of credit here because on one particular publication, the *Manx Independent*, the whole package was printed in full and, on three or four pages of it, in easily understandable detail, presented to the public of the Isle of Man. So it was no secret whatsoever the situation we were in and what we were proposing to do to try and get out of it and elongate the National Insurance Fund.

The feeling behind my passion for this was that, as Mr Thomas has quite rightly said, this affects every man, woman and child in the Isle of Man, our general public, and what we wanted to do was to ensure for future generations that there was some form of state pension there for them to take. That was the whole reason for our initial foray into the public arena with this, trailing it in the press and then ultimately bringing the whole package to Tynwald in July 2016 and putting the package, bones and all, on the table for Hon. Members to discuss. Although it was the policy of the issue rather than the technical detail, the point was it was under heavy scrutiny. And that was some debate I can tell you, Hon. Members, and certainly for the newer Members it was not just a light-touch debate, it was a heavy debate of ongoing scrutiny, questions from Members, that went on for several hours, and it is certainly a debate I will not ever forget in a hurry, and I have to say quite rightly so from Hon. Members presenting their concerns, their fears – do we have to do this; why do we have to mimic the UK in certain ways? – and so on.

At the end of the day what was presented by the Treasury was a pragmatic, commonsense approach to try and salvage something for our National Insurance Fund and ensure going forward that the future generations would have some form of state pension. That was the premise that we were here presenting that to Tynwald. It was not on a policy whim or trying to meet some target in a Government objective, far from it, and we had the time to plan it and put the packages together so that it could be phased in and, as the Treasury Minister has said, put in transitional arrangements, remove the risk of cliff edges and do the thing properly and not end up where in a few years' time if we had done nothing you are on a cliff edge and then you are working off the back foot and then incorrect decisions, or not the best decisions, can be made.

So, Hon. Members, given that kind of background I would urge you to support the main document on the Order Paper, the Order, because all the work and the planning and the consultation that has gone on are aimed at April 2019 to give us that glide path to the reforms of the Manx State Pension going forward in a measured, proper, considered way. If we start to delay now then we are in danger of losing the timeframe that was so carefully set out in the first place, as the Hon. Member Mr Shimmins has pointed out.

Also, yes, these Orders are technical because what they do is bring to life the policies that were originally approved in 2016. What Hon. Members have to realise and remember is the principles of what the Treasury Minister has put forward earlier. That is what you need to hold in your mind and in your thoughts. Those are the changes that this document will bring forward. You do not have to understand down to the last minutiae, because what the Order does –

**The Speaker:** I think you do.

**Mr Henderson:** – is put in place what the Treasury Minister has highlighted for you, and indeed the principle of what I have just laid out now. So I would not be put off with some of the technical speak, Hon. Members. If anything, this has received quite substantial scrutiny.

I will just pick up on a couple more points, Eaghtyrane. With regard to the reciprocal arrangements, it is just the point with the Manx and UK pension where we have agreed to go our separate ways. Plenty of the main reciprocal arrangements still remain in place, for obvious reasons, over movement on and off Island, toing and froing of our employees and staff and so on. So do not be afraid of that particular point. If you think we are actually going to break the



entire reciprocal arrangement, far from it. This is a practical, pragmatic approach to try and resolve a huge social issue in the background that we are charged with trying to manage for the people of this Island. We have a responsibility and we are accountable to our people to give them and get them the best deal we can, and this package that is before you tonight, Hon. Members, tries to achieve that. **(Mr Thomas: Hear, hear.) (Laughter)**

I will just go through any other points ... Those are my main points, I think, Eaghtyrane, for Hon. Members to think about the overview here, think about what we are trying to achieve. As I said, I did not like coming here with the original policy motion. That received nearly unanimous support, I have to say, in Tynwald. There were a few Members who voted against it, but certainly Mr Speaker voted for it, Mr Robertshaw voted for it, and we are here now to deliver a pragmatic way forward, Hon. Members, and I would urge you to support the Order on our Order Paper.

**The President:** Hon. Member for Douglas North, Mr Ashford.

**Mr Ashford:** Thank you, Mr President.

I do not think I can follow that, despite the advance billing by the Hon. Member for Douglas Central, Mr Thomas.

I am going to be very brief, but I just wanted to pick up on a couple of points around the scrutiny and the suggestion that seems to be floating around that this has come a bit out of the blue.

I wonder if the Treasury Minister remembers that he appeared before the Public Accounts Committee on 6th March 2017 and at that point he was asked by the Chairman of the Public Accounts Committee, Mr Speaker, about the proposals. In fact, Mr Speaker suggested that the timetable to come back with detailed proposals would be next summer – so this coming summer – to which ... the Treasury Minister corrected it and made absolutely clear that the proposals at that time were being worked up and would be before the Hon. Court in early 2018. So, to my mind, Mr President, the Public Accounts Committee, of which Mr Speaker is Chairman, has had I make it a year and 14 days, if they had concerns or they wanted to check with Treasury where the proposals were, to be able to raise this with the Treasury Minister. As far as I can find, he has appeared before the Public Accounts Committee since then and I cannot find any reference to it being raised with him, so I am wondering if the Treasury Minister's recollection is the same as mine.

**The President:** Hon. Member of Council, Mrs Poole-Wilson.

**Mrs Poole-Wilson:** Thank you, Mr President.

I have been listening to this debate with great interest and it strikes me that what we are conflating here are two different types of scrutiny. There is policy scrutiny and then there is detailed scrutiny of legislation. **(A Member: Hear, hear.)**

I for one fully support the remarks made by the Hon. Member of Council Mr Henderson, the Hon. Member for Middle Mr Shimmins, the Treasury Minister – in fact, all of those who have spoken and voted in favour of difficult decisions around pension reform. I think the amendment that has been put forward to this Hon. Court today is not about the policy; the policy has been voted on clearly by this Hon. Court. Numerous other Members have referred to multiple reports and investigations and consideration, and so it is clear that the policy of change is accepted, difficult as it may be. The Hon. Member for Douglas Central, Mr Thomas, has talked about the importance of intergenerational fairness. It is clear that these difficult issues, policy issues, have been really carefully scrutinised and debated and accepted.

However, the detailed regulations before us today, the implementing regulations ... I cannot think of many other significant policy areas like this where the detail of implementing that policy would not get detailed scrutiny, and I think that is the material point which I feel the debate so

4455 far has perhaps missed. It does play into a wider issue of when it is appropriate to use secondary legislation. We have had references to GDPR. Another area that comes to my mind is our Safeguarding Act and the fact that a great deal of the implementation of that, the detail of that, will again come forth in secondary legislation. So there is a wider question about how we best scrutinise the detailed secondary legislation that implements agreed policy.

4460 I do feel that this is an important point for this Hon. Court to reflect on and that it should not be at all about railroading agreed and difficult policy. Far from it, what it should be about is looking at the detail. Indeed, this motion approves the Order, so all implementation would move ahead but what we would effectively have the opportunity to do is, if you like, in this case, unfortunately, backload or take a little bit more time to look at the detail in the legislation and check that it is doing what it is meant to be doing around implementation.

4465 Thank you, Mr President.

**The President:** Hon. Member, Mr Cregeen. *(Interjection by Mr Cregeen)*  
Mr Baker.

4470 **Mr Baker:** Thank you very much, Mr President.

I would just like to commend the contribution from Mrs Poole-Wilson which I think is really helpful. I think, for me, I would value a response from the mover of the amendment, if he could articulate what his real concern is here, and I suspect it may well be, as Mrs Poole-Wilson has already talked about, because it is very clear that the policies are already set and have been communicated. And indeed the amendment still proposes to approve the order so it does not seem that there is any dispute over the way forward.

4475 So the real concern to me can only be whether the 80 pages actually deliver what the headlines suggest they are going to deliver or whether there is anything being sneaked through that maybe has not had such a high level of clarity around it or transparency. So I would appreciate the mover just to clarify his concerns.

4480 I would also like to understand how it will impact the timetable for moving to this solution because clearly we have got a 19th April date here and we have got a year and a bit until then. It surely must be possible to actually do the two things in a joined up way that, if there is a need for additional scrutiny, allows that to happen without derailing the process. And that scrutiny ought to be supportive to get the right answer rather than challenging the principle, because the principle is already established.

4485 My final point was: clearly the amendment motion proposes a select committee of three people; I am interested as to why that is the proposed way forward as opposed to referring it to one of the existing standing scrutiny committees.

4490 **The Speaker:** They are already too busy; it is a timing issue.

**Mr Baker:** So those are my points that I would like answers to before we vote.

4495 **The President:** I call on the Treasury Minister to reply.

**The Minister:** Thank you very much, Mr President.

4500 I think I will start with Mrs Poole-Wilson's points. I think she is probably right, in fact she is right in how she has determined the scrutiny argument, but that was not the speeches that were delivered by the mover. He was talking about policy, he was talking about rates applied, he was talking about the time of the National Insurance Fund and what you have asked for and what he has proposed in his amendment are the same thing. And I seriously doubt what benefit is going to be achieved. It has been the norm for us to move UK legislation in this way for a significant period of time.

I can see Mr Cretney shaking his head. He is the longest serving Member in here, he has voted through hundreds of these orders –

**Mr Cretney:** We have always tried to avoid them.

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**The Minister:** – but the point is I think we have made no secret of this. I just do not understand; we have made no secret that we were coming through to do this by order with UK legislation. That has always been *clearly* explained. The Speaker is shaking his head, but it was his Government that determined that this was the way that this was going to happen.

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**The Speaker:** I have never had a Government.

**The Minister:** We have got the policy. It has been the norm for us to apply the UK Social Security and Pensions Act to the Island followed by regulations. I cannot accept that this is somehow being sneaked through. Bear in mind we did a full public consultation in 2015; 2015 the public were consulted on this. Treasury got one of its highest ever responses to a consultation – four hundred and something people, it does not sound a lot, but bear in mind what we normally get for consultations is minimal.

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This is not something, Hon. Members, that has suddenly been magicked out of the blue and suddenly laid before you. We have told everybody right from the word go, certainly since I have been the Treasury Minister, that this legislation was going to be the UK legislation, that we did not have the time to bring forward primary legislation – and the Speaker has just made a very good point, why can't the PAC do this? 'Well, I have not got time.' He has not got time. The time and uncertainty this is going to cause is going to potentially create problems.

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I think what we should be delivering is what the Hon. Member for Middle has talked about, a responsible approach at this point and accepting that the UK legislation is working and that we have clear evidence of precedent that UK legislation applied in this way on the Isle of Man will work and we have outlined the clear policy principles around it. I do not understand what benefit people are going to get and I am also concerned that you will have to hire in lawyers and actuaries (**A Member:** Hear, hear.) to quantify the application of the legislation and it is just going down a wild goose chase, given everything that is going on.

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But, more importantly, the key message from me is that we have to be responsible in this, that we have done all the actuarial reports, we have gone over the granular detail on at least four occasions. We have argued about this in this Court on multiple occasions since 2014 or 2013 when the seconder of the amendment first raised the alarm and brought a £750,000 report to this Court to say that we needed change, and that report was then followed ... because the actuarial assumptions in that report were challenged, so we had another government actuarial report on top of that. So we have gone through a huge process here.

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The other point is that this has been made very public. It is not something that is new, you need to Google it, you can see the consultations; you can see the articles. In fact Members have asked me questions on this very issue. I think the last one was recently about what sort of uplift we would be applying to pensions. I cannot remember who asked me that question; I suspect it came from that side of the room. (*Laughter*) So this has not been something that is hidden away.

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My good friend, the Minister for Health, asked me whether I can recollect what I have and have not said to the PAC, but I trust his recollection and the details that he has drawn out from *Hansard* are absolutely correct, and I agree. We were with the PAC only a matter of weeks ago, a matter of weeks, and we were in a position obviously to discuss matters and we are still in a position to discuss matters.

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Of course, I thank the Hon. Member for Treasury, Mr Henderson, for his contribution and as somebody who has been heavily involved with this all the way through, I think he should be listened to with his contribution and noted that we do have these relationships with the UK.

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Although the pensions relationship has been now broken, there are other relationships that we have in place, and it does make sense to follow the age profile that is being purported.

And, of course, remembering this, as Mr Thomas says, what we are talking about is the absolute jewel in our crown, the very fact that I think one of the most significant things that the Isle of Man Government has done is to ensure that National Insurance Fund was absolutely protected and the safety and security that offers our citizens in their retirement and with some health costs and some with benefits costs is absolutely invaluable and we are committed to protecting that.

When those actuarial reports came in saying 2042 or 2046 and 2052, I think the next Government actuarial report said, but what we are going to do today is we are proposing to extend this out to 2072 now. We are going to give our young people every opportunity to have a future, a state pension future. And of course, as the Hon. Minister for Policy and Reform says, this is not the whole story. I am sure even the seconder of the amendment will agree with me, this is not the whole story. There is a lot to do here around work place pensions (**A Member:** Hear, hear.) (**Mr Robertshaw:** Absolutely.) There are other occupational pension schemes.

We have started some of it, which I am absolutely delighted about, when we brought forward these pension reforms to help people with transition in their lives and retirement, we will be coming out, as I have promised in the Budget, to talk about workplace pensions. Items such as the living wage, of course, will play a part in this as well in terms of developing and going on.

So let's not think that the Court delivers a panacea absolutely every time. We are going to do the very best we can with the information that we have available to us and this is a well-publicised publication of the information, a reaffirmation of the information. This is not something that should be new to Members.

Let me just help perhaps answer some of the other questions – and I apologise, Mr President, if this is going on a bit but it is hugely important and I think that I work to reassure Members and give not only Members but the public the information, via their MHKs and via *Hansard* and via whatever media is listening.

So why are we using an Act of the United Kingdom Parliament to introduce a new Manx pension rather than a Bill through Tynwald? As I have just tried to explain, the design of the Manx pension is so similar to the UK's new state pension which was introduced in 2016, it is expedient to apply to the Island the UK statute. Legislating in this way will enable us to introduce the pension in April 2019, as planned. It is highly unlikely, with all the workloads that this Government has got on, with all the drafting pressures, with everything that has been taken on in the Programme for Government, that we could meet that timescale if we had to take a Bill through the Branches of Tynwald. As it stands at present, it would avoid a very significant burden on our heavily loaded legislative drafters. But more to the point, it is working across in the United Kingdom. We have the opportunity and the ability to do this and it makes sense for us to do it.

So what happens today if we approve the order? Well, the UK Pensions Act 2014 will have effect in the Island is now the principle legislation under which the new Manx state pension will operate. If this order is approved further orders providing for certain detailed matters and amendments to local schemes, which have already been approved, by the way, in principle, will follow before the summer recess. Then during the summer recess Treasury officers can then put in place the technical and administrative measures necessary to support the introduction of the pension scheme in April 2019.

How will the scheme affect existing Manx pensioners? Well, quite simply, it will not. The new Manx pension will only be paid to people who reach state pension age on or after 6th April 2019. People who have already reached or will reach state pension age before that date will be paid a state retirement pension under the current arrangements.

And I have other answers if Hon. Members need answers. Let me make it clear as well so that this is not a secret: how will the phasing out of the Manx pension supplement work? Well,

4610 Tynwald has agreed to reduce the value of the Manx pension supplement for new claimants from 2019 by 5% each year. So, for example, a person who reaches state pension age in April 2029 and meets the qualifying conditions would only be eligible for one half of the supplement they would have got if they had reached state pension age before 6th April 2019. But once awarded they will continue to get it at that rate, subject to any general uplift in the rate of the supplement.

4615 So we are phasing out the Manx state pension supplement but we are also committed to ensuring that people receive a fair rate on an ongoing basis and doubtless, Hon. Members, we know – and I have already given you facts and statistics about how people will not lose out under these new arrangements, how a lot of people will in fact be better off with the new Manx state pension arrangements.

4620 But in 10, 15 years' time, politicians will probably have to start looking at this again because the Hon. Member next to me talked about intergenerational fairness. Pressures will continue to exist. Things will happen, financial actions will be taken, monetary policy, fiscal policy decisions, not just here but elsewhere, could impact potentially what happens to the National Insurance Fund. This is a constantly moving thing. We are reacting to fulfil our responsibilities as responsible politicians to ensure protection of the National Insurance Fund. We have done so in the most transparent, easiest and effective way to us. (**A Member:** Hear, hear.)

4625 I would urge Hon. Members to take and accept the fact that this is now significantly advanced, that so much effort and so much work has already been put into it and that we should approve this today and we should continue to work towards ensuring that in April 2019 we deliver a secure, effective, understandable single Manx pension for our new pensioners, and to protect those who will come forward in future years to receive their pension.

I beg to move.

**A Member:** Hear, hear.

4635 **The President:** Hon. Members, the motion is set out at Item 23, and to that there is an amendment in the name of Mr Speaker, adding the words 'that the report be referred to a Select Committee of three members to examine and report by November 2018.

I put the amendment first. Those in favour say aye; against, no.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 7, Noes 16*

**FOR**

Mrs Beecroft  
Miss Bettison  
Mrs Caine  
Ms Edge  
Mr Hooper  
Mr Robertshaw  
The Speaker

**AGAINST**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mr Boot  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Mr Harmer  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Shimmins  
Mr Skelly  
Mr Thomas

4640 **The Speaker:** Mr President, in the Keys, 7 for, 16 against.

*In the Council – Ayes 5, Noes 3*

**FOR**

Mr Cretney  
Ms Humbles  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

Mr Crookall  
Mr Henderson  
The Lord Bishop

**The President:** In the Council, 5 for and 3 against. The Branches are not in agreement, the amendment therefore fails to carry. The amendment fails to carry.

I put the motion as printed. Those in favour say aye; against, no. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 23, Noes 0*

**FOR**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Beecroft  
Miss Bettison  
Mr Boot  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Ms Edge  
Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Robertshaw  
Mr Shimmins  
Mr Skelly  
The Speaker  
Mr Thomas

**AGAINST**

None

**The Speaker:** Mr President, in the Keys, 23 for, 0 against.

*In the Council – Ayes 8, Noes 0*

**FOR**

Mr Cretney  
Mr Crookall  
Mr Henderson  
Ms Humbles  
The Lord Bishop  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

None

**The President:** In the Council, 8 for and 0 against. The motion as printed therefore carries.

**24. Tribunals Act 2006 –  
Gambling Appeals Tribunal Rules 2018 approved**

The Minister for the Treasury to move:

*That the Gambling Appeals Tribunal Rules 2018 [[SD No 2018/0052](#)] [[MEMO](#)] be approved.*

4645 **The President:** Item 24, Tribunals Act. Minister for the Treasury.

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

4650 The Rules before the Hon. Court provide for the practice and procedure of the Gambling Appeals Tribunal, which is in the process of being established. The Rules are modelled on those successfully used for the Financial Services Tribunal and will help to provide stakeholders with a means of redress against certain regulatory decisions made by the Gambling Supervision Commission (GSC). Currently, licence holders wishing to challenge decisions of the GSC are only able to do so through the courts.

4655 Not only will the Gambling Appeals Tribunal represent a useful addition to the Island's gaming landscape, but it is also intended that the Tribunal's creation will contribute to a wider project of reforms aimed at addressing some of the recommendations of the Island's recent Moneyval Mutual Evaluation Report.

4660 The Mutual Evaluation Report recommended, amongst other things, that new anti-money laundering rules be imposed upon gaming licence holders. The report was the main catalyst for the Gambling AML/CFT Act 2018, which provided new sanction powers for the GSC and corresponding routes to appeal to challenge the decisions made by the GSC when exercising its new powers. In these circumstances, establishing the Tribunal will create a more accessible tool for licence holders and will demonstrate a more effective regulatory framework.

Mr President, I beg to move the motion standing in my name.

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**The President:** Mr Shimmins.

**Mr Shimmins:** Thank you, Mr President.

I beg to second and reserve my remarks.

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**The President:** I put the motion at Item 24. All in favour, say aye; against, no. The ayes have it. The ayes have it.

**25-26. Collective Investment Schemes Act 2008 –  
Collective Investment Schemes (Fees) Order 2018 approved;  
Financial Services Act 2008 –  
Financial Services (Fees) Order 2018 approved**

The Minister for the Treasury to move:

*25. That the Collective Investment Schemes (Fees) Order 2018 [[SD No 2018/0059](#)] [[MEMO](#)] be approved.*

*26. That the Financial Services (Fees) Order 2018 [[SD No 2018/0060](#)] [[MEMO](#)] be approved.*

**The President:** Item 25, Collective Investment Schemes, Minister for the Treasury.

4675 **The Minister for the Treasury (Mr Cannan):** Mr President, with your approval, I would like to move Items 25 and 26 on the Order Paper together as they are concerned with the same topic, which is fees payable by entities regulated by the Isle of Man Financial Services Authority.

**The President:** Agreed, Hon. Members?

4680 **Members:** Agreed.

**The President:** Minister.

4685 **The Minister:** Thank you, Mr President.

Hon. Members, the Financial Services Authority is able to charge fees to entities that it regulates under relevant enactments. These powers are specified under section 24 of the Collective Investment Schemes Act 2008, section 46 of the Financial Services Act 2008, section 50 of the Insurance Act 2008 and section 81 of the Interpretation Act 2015 in respect of fees for entities regulated under the Retirement Benefits Schemes Act 2000.

4690 The Authority's fees are typically reviewed every year and this year the majority of fees are to be increased by the rate of inflation during 2017. The Authority ran a public consultation on the 2018 fees from November 2017 to January 2018 on the Government's consultation hub and notified relevant organisations and industry associations. Four responses from regulated entities were received and no significant issues were raised in relation to the proposed increases.

4695 One respondent commented that the rounding up method of up to the nearest £10 had a disproportionate effect on the smallest fees in the Financial Services (Fees) Order. The Authority addressed the respondents concerned by changing the rounding method for all fees to go up to the nearest pound. The new fees are scheduled to come into effect on 1st April 2018 in time for this year's fees cycle.

4700 I beg to move the Collective Investment Schemes (Fees) Order 2018 and the Financial Services (Fees) Order 2018.

The Insurance (Fees) Regulations 2018 and Registered Schemes Administrators (Fees) Orders 2018 are also laid before Members at this sitting, but do not require approval as they are required to be laid for negative resolution only. So I beg to move the Collective Investment Schemes (Fees) Order 2018 and the Financial Services (Fees) Order 2018 be approved.

**The President:** Mr Shimmins.

4710 **Mr Shimmins:** Thank you, Mr President.  
I beg to second and reserve my remarks.

**The President:** The motion is that the schemes as set out in Items 25 and 26 be approved. Those in favour say aye; against, no. The ayes have it. The ayes have it.

**27. Whistleblowing –  
Effectiveness of current Government policy and legislation –  
Motion carried –  
Committee of three appointed**

The Hon. Member for Onchan (Ms Edge) to move:

*That a Committee of three Members be appointed to review the effectiveness of the Government's current whistleblowing policy and any relevant legislation, and to report.*



4715       **The President:** Item 27, motion in the name of the Hon. Member for Onchan, Ms Edge.  
Ms Edge to move, please.

**Ms Edge:** Thank you, Mr President.

          I rise today to ask that a committee of three Members be appointed to review the  
4720 effectiveness of the Government's current whistleblowing policy and any relevant legislation,  
and to report.

          Within any organisation it is important to provide safeguards for staff as a channel for  
members of staff to speak up when someone is acting recklessly, fighting Government policy,  
breaching our code of conduct or potentially breaking the law. A robust whistleblowing policy is  
4725 essential.

          The current whistleblowing policy of August 2016 seeks to promote a culture in which  
workers can raise concerns without fear of victimisation or recrimination. The policy also makes  
it clear that any attempt to thwart the whistleblower by a fellow worker will be treated as  
serious misconduct. Under the Employment Act 2006 the dismissal of an employee will be  
4730 automatically unfair if the principal reason for that dismissal is that they have made a protected  
disclosure. The Act also protects workers from being subjected to any detriment on the ground  
that they have made a protected disclosure.

          The whistleblowing policy confirms that overall corporate responsibility for ensuring  
compliance lies with accounting officers, who are responsible for completing an annual return  
for submission to the Chief Secretary. I am surprised, therefore, that the Written Answer to my  
4735 hon. colleague for Douglas East, Miss Bettison's Question at February's sitting is still  
outstanding, as the policy states annual returns are submitted. Employees are required to avoid  
activity that breaches this policy, which sets out a safe, confidential procedure to follow to  
report any suspicious activity. However, a number do not utilise the policy due to the lack of  
4740 independent reporting.

          The Isle of Man Government values its people and seeks to support an environment  
promoting the three fundamental principles of corporate governance: openness, integrity and  
accountability. This policy applies to all persons in the employment of any Government  
Department, Statutory Board or Office, whether full-time, part-time, temporary, casual, agency  
4745 worker, volunteer or consultant. The policy also applies to all of Government's activities as well  
as to all contractors and suppliers to Government of goods and/or services.

          On checking the current policy that is in place last night, the designated officers list is  
currently out of date and needs to be reviewed. I am sure many of my colleagues have become  
aware since being elected of concerns that people bring to us – some are from employees or the  
4750 public – about procedures and actions that employers are taking within the workplace. I know  
that I have been approached and some of my colleagues have joined me in meetings whereby  
employees have felt that although they have made protective disclosures they are concerned  
that the issues are never addressed and that the policy may not be fit for purpose.

          One of the main issues raised with regard to the policy is the procedure of reporting set out  
4755 in the policy, which is in the flow chart as part of the policy dated September 2016, that for any  
officer the disclosure has to be reported internally within their own Department. It is only if a  
disclosure is reported against an accounting officer that the matter can be reported to a Minister  
of a Department or a Chairman of a Board.

          On 20th February this year I asked about the policy and the reporting at the initial stage to  
4760 the Public Service Commission at the same time as reporting to the employee's individual  
Department to ensure that an issue would be looked into. The Minister for Policy and Reform  
agreed to my supplementary question about providing a portal and advised that he would look  
into this for employees to report issues via a portal due to the lack of independent reporting  
within the current policy.

4765       Whistleblowing policy has been a topic of discussion in every administration and does not go  
away. I have researched the topic and there have been no less than 17 Questions laid before this

Hon. Court and the other place, and I believe that the creation of a committee of three Members to review the effectiveness of the whistleblowing policy and relevant legislation is a sensible way forward for this Government to ensure that we have a robust mechanism for all to feel confident in protective disclosure reporting without fear of reprisal, and the committee can ensure that the review delivers a report recommending a way forward.

I therefore beg to move the motion in my name, Mr President.

**The President:** Mr Thomas.

**The Minister for Policy and Reform (Mr Thomas):** Thank you, Mr President.

I rise to thank the Hon. Member for her comments and would like to state that I am fully in support of the motion proposed today. As the hon. mover said, it is a sensible way forward.

I confirm the undertaking I gave recently that I would investigate the options as to whether an independent portal for whistleblowing should be introduced for all employees of Government Departments, Statutory Boards and Offices and can confirm, as I was asked by the hon. mover, that this is ongoing and we will be pleased to provide information about that to the committee if it is set up.

The whistleblowing policy is intended to provide safeguards for staff as well as to encourage and enable them to raise concerns within the Government without fear of reprisal. For the benefit of doubt I should say that I am seconding the motion as moved as well – just a small point that the Clerk brought to my attention through his eye movements. It is designed to protect those who wish to make a protected disclosure from bullying, harassment or victimisation and certainly, categorically, these people who make protected disclosure should not be treated unfairly or lose their job because they blow the whistle.

I believe it is important, though, to understand exactly what does and does not constitute whistleblowing, as it differs from other types of employment dispute, such as fairness at work, complaints or grievance, and that is something that I would like to make sure that the select committee, if it is set up, does take into account. Personal grievances such as bullying, harassment or discrimination are not covered by whistleblowing law unless the case in question is in the public interest, but I think that distinction is not always immediately obvious. The sorts of issues that constitute or might constitute whistleblowing are where a person reports things like criminal offence, fraud, bribery, someone's health and safety is in danger, risk or actual damage to the environment and miscarriage of justice, where the law is being broken or where someone believes that wrongdoing is being covered up.

So I would like to see very clearly defined operational terms of reference for the select committee. The committee would need to be very clear about what really constitutes whistleblowing, which is about reported wrongdoing that is in the public interest. That is the acid test. In reality, it seems the number of cases is few. I believe that the select committee can investigate the policy and application and come up with evidence about that.

I very much hope that the select committee will find that the Government's whistleblowing and anti-bribery policies and procedures are effective, but I am looking forward to working with the committee, as is the rest of the Council of Ministers, to review this matter and look forward to receiving eventual findings, conclusions and recommendations if this select committee is set up.

I beg to second.

**The President:** Miss Bettison.

**Miss Bettison:** Thank you, Mr President.

We live on a small Island and it is a place that I am certainly honoured to call home. We are very familiar here with the concept of dangerous activities and the TT is often described as one

of the world's most dangerous races, and yet I believe that whistleblowing in a small Island community, when not managed correctly, can become an intrinsically dangerous activity.

4820 I think it is absolutely right that we address this, we review it, we look at the different angles that are relevant to it and we ensure that above and beyond everything else we protect those people who come with true and legitimate fears for the safety of those people they represent, of operations that are being undertaken and activities that are occurring, to be absolutely clear that those people will be protected, rightly so. I think it is absolutely right that a committee is  
4825 formed to look at this. Thank you.

**The President:** Mrs Poole-Wilson.

**Mrs Poole-Wilson:** Thank you, Mr President.

4830 I also rise in support of the motion and agree with comments made by the Hon. Members who have spoken so far.

I think it is worth remembering why legislation was initially introduced in the United Kingdom and subsequently we introduced our own legislation. It has been clear, and an analysis was conducted by Public Concern at Work in the United Kingdom, that through a number of very  
4835 serious issues workers at the time were either aware of the issue but did not feel confident and able to speak out, or when they attempted to the systems, the processes that were in place, did not enable those issues to be adequately addressed and subsequently very serious disasters took place.

A sample would include the Clapham rail crash, where the Hidden Inquiry heard that an  
4840 inspector had seen the loose wiring but had said nothing because he did not want to, and I quote, 'rock the boat'; the Piper Alpha disaster, where the Cullen Inquiry concluded that workers did not want to put their continued employment in jeopardy through raising a safety issue which might embarrass management; and the collapse of BCCI, where the Bingham Inquiry found an autocratic environment where nobody dared to speak up. I think layered on that is the point  
4845 that the Hon. Member for Douglas East has mentioned, which is our Island size and community.

So I think there are very real reasons that stop people speaking up when they have genuine concerns and it is incumbent on us to make sure that not only the policy that we have is fit for purpose but actually the mechanisms through which we operate that policy deliver the outcomes we want.

4850 And so legislation is important, but it is not enough. It is significant that we look at policies, the connected practices and mechanisms and also, importantly, the culture that exists. In fact, I think this select committee would provide a real opportunity to have a look again at what are mechanisms and practices, because this is an area where things evolve and where, when we see particular things going wrong or crises, sometimes responses are made to try and improve the  
4855 situation.

A good example would be following the financial crisis in the UK in 2008, where again it became clear that there were a number of employees who were aware of things that were not being done in accordance with external and sometimes internal rules and regulations but for whatever reason did not feel able to speak up. Following that, the Financial Conduct Authority in  
4860 the UK has put in place certain things in terms of organisations it regulates to try and make sure that lessons are learnt and facilitate people in the future blowing the whistle. This includes the idea of a whistleblowing channel but also appointing a director or a senior manager as a whistleblowing champion who has responsibility for oversight of effective whistleblowing policy and implementation.

4865 So I think there is huge opportunity for a select committee like this to have a look again and what would work for us in the Isle of Man to ensure that not only the policy is fit for purpose but that there are adequate practices, mechanisms and tools built around that. The Hon. Member for Douglas Central has already referenced the portal which is being investigated, but possibly other measures as well that will make this potential for a good early warning system to be very

4870 workable in practice and act as a mechanism to flag real issues in time that things can be addressed, reducing the scope for serious wrong that could not only damage Government but also wider society.

Thank you, Mr President.

4875 **The President:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Eaghtyrane.

I am happy to support the motion that the Hon. Member Ms Edge has brought forward, without a shadow of a doubt.

4880 There are some different issues I just want to raise that the committee might look at, or certainly take note of. The first one is the title 'whistleblowing' that has been used throughout the UK and elsewhere. It immediately stigmatises the process and that in itself will have and does have, from personal experience, the negative effect of causing somebody not to want to be seen as a whistleblower, a grass, a troublemaker. So we need to look at the title and we need to  
4885 think about other ways of how we could entitle such a policy or set of policies – 'technical reporting' for an example as a change in title.

I support the comments made by the Policy and Reform Minister. However, I would point out that if you make so many exemptions from the whistleblowing policy then it is in danger of not having much to report, to whistle blow about, and some of the issues, in my view, really fall into  
4890 both sides of the equation. Yes, it could be in the public interest or not, but even so the staff member should have the right to report something if they are unhappy or uncomfortable about it. It should not be just this process that you have to do there. You will never get anywhere with that because they will not do it, and I can tell you that now, Eaghtyrane, having represented people in the Transport and General Workers' Union and formerly Unite for years and certainly  
4895 the healthcare service.

It is the psychology of the situation that needs to be looked at as well. Mrs Jane Poole-Wilson, Hon. Member of the Legislative Council, mentioned the culture, and that is the thing. If a staff member in an organisation is recognising that something is not right, they may not know what to do. They may have heard in their induction 'whistleblowing' or they may have heard  
4900 somebody 'go and see the union', but what does that mean for that person on that day who sees somebody else roughly treating a patient, for example? They will not know what to do properly. It is empowering the staff to feel free enough and safe enough and know what to do when they see something that is not right or is making them uncomfortable.

I like the idea of a whistleblowing champion in an organisation because they will know they can go confidentially to somebody privately and say, 'Look, this has happened – what do we do? It makes me feel uncomfortable.' We need to actually break organisational culture at the coalface in the workplace where staff are carrying out their duties, so that they absolutely do feel comfortable in saying something if they want to and that management have to be promoting an atmosphere of accountability and responsibility on themselves too, so that staff  
4910 feel quite happy to the point where they can actually go to a manager and say, 'Look, that wasn't quite right,' and have that kind of safe culture rather than what I have experienced, where it does not matter what ... if you report a 'wrongdoing' against a work colleague or a manager, it is always taken – or nearly always, or invariably – as an insult or some sort of slight and the communication and the working relationship between those two people is in danger of breaking down and then there is an atmospheric issue ... psychology comes into play on that  
4915 staff member.

So it would be very interesting to see the formulation of the committee, if they will actually look at the workplace culture itself, where management are encouraged to have the workplace and their staff feel safe, confident and energised and they know where to go and who to speak to if they are worried about anything.  
4920

I think I will leave it now, Eaghtyrane.

**The President:** Hon. Member, Mr Baker.

**Mr Baker:** Thank you, Mr President.

4925 I will keep this very brief. I am going to be supporting the motion and I sense that there is very general support to it, but I just want to be really clear: the wording in the motion talks about the Government's current whistleblowing policy, and it is very easy for us to focus on the Government as the major employer on the Island but this is a wider issue as well that applies outside Government.

4930 Mrs Poole-Wilson's examples actually were all private organisations and particularly this is an issue in the Island with the size and the interconnectedness of it. I do know that there are issues that are out there, so I really just want to encourage the committee to look at the issue in the wider sense. I think it would be a big opportunity missed if we just considered it in the context of Government as an employer.

4935 Thank you, Mr President.

**The President:** I ask the mover to reply, and of course she will note that everyone has been solidly in favour. *(Laughter)*

4940 **Ms Edge:** I am quite shocked, actually; I was expecting something to not go right! No, thank you very much.

I will turn to Minister Thomas first and thank you for your comments, and obviously, if the committee is formed, which it sounds like it will be, take into account all the other Government policies. But I think also what the Hon. Member Mrs Poole-Wilson stated, that there will be crosses across some of these policies, and the Hon. Member Mr Henderson said that we have got to identify right exemptions. So I think there are a number of policies that perhaps could be looked at to make sure that we are coming out with the right policy.

Obviously to thank CoMin for their support in that they will support the process when the committee is set up.

4950 I thank the Hon. Member for Douglas East, Miss Bettison, about the small community and how difficult it is for people on the Island. I think a number of us have realised that since coming into the House of Keys, since being elected – that people do have a little bit of fear, or a big fear, to come and report things, because they are afraid that somebody will find out about it. So I think that is a really important point to make.

4955 To go back to Mrs Poole-Wilson, with regard to the legislation and the analysis of the serious issues and some of the examples provided and that on our Island we do need to have a policy and a mechanism that is fit for purpose with the right outcomes, but also as an Island not necessarily follow what other people are doing, but we need to make sure that we are doing the right thing for the Island and give people that access to something that they know is confidential and they can carry on with their lives on the Island. I think the whistleblowing champion is a possibility. That could be that independent person that people want, so the committee hopefully will look at that.

Then I think, just to finalise with Mr Baker, that the committee can look at the wider policy. We are all aware of quite recent cases on the Island that have been in the headlines, so there is an element that there is something to be looked at there.

4965 With that, I beg to move, Mr President. Thank you.

**The President:** I put the motion as set out at Item 27. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

4970 In that case, we appoint a Committee of three Members. May I hear nominations? Mr Thomas.

**Mr Thomas:** Thank you very much, Mr President. I would like to nominate the mover of the motion, Ms Edge.

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**The President:** Mr Harmer.

**Mr Harmer:** I would like to second.

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**The President:** Mr Ashford.

**Mr Ashford:** Mrs Sharpe, Mr President.

**The President:** Please repeat.

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**Mr Ashford:** Mrs Sharpe.

**Dr Allinson:** I will second.

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**The President:** Second Mrs Sharpe, thank you.

**Mr Cregeen:** I propose Mrs Jane Poole-Wilson.

**The President:** Mrs Poole-Wilson.

4995

**Mr Malarkey:** I beg to second Mrs Poole-Wilson.

**The Speaker:** We have a Committee.

5000

**The President:** I have three Members duly proposed and seconded: Ms Edge, Mrs Sharpe and Mrs Poole-Wilson. (**The Speaker:** Dream team.) Shall we close nominations, Hon. Members? (**Several Members:** Agreed.) Is that agreed? Duly elected. (*Laughter*)

**The Speaker:** Faster than a LegCo election! (*Laughter*) (*Interjection by Mr Malarkey*)

5005

**The President:** Ms Edge, Mrs Sharpe and Mrs Poole-Wilson.

**28. Constitutional and Legal Affairs and Justice Committee –  
Amendment to Standing Orders to appoint fourth member –  
Item held over to next sitting for combined vote**

The Hon. Member for Douglas East (Mr Robertshaw) to move:

*That the Standing Committee on Constitutional and Legal Affairs and Justice should have four members; and that the following amendment to Standing Orders be made in order to bring this into effect: in Paragraph 10.2(b) of the Schedule to Standing Orders, to leave out the word 'two' and to insert the word 'three'.*

**The President:** I turn to Item 28, Constitutional and Legal Affairs and Justice Committee, motion in the name of Hon. Member, Mr Robertshaw, to move.

5010

**Mr Robertshaw:** Thank you, Mr President.

The essence of the motion is that the Standing Committee on Constitutional and Legal Affairs and Justice should have four members. I am bringing this motion forward on behalf of the Committee, more specifically on behalf of its Chairman and Member of Council, Mrs Poole-Wilson, simply because it would have been difficult for her to have done so on this particular occasion. Clearly, as the election results have shown, she returns with a most welcome and almost unanimous mandate, but at the time the motion was lodged it was important not to show any discourtesy to Hon. Members in the other place by presuming any such outcome. It could, of course, have been held over but your Committee was and remains anxious to keep up the pace of its work as it has, unsurprisingly, on examination become aware that there is much for it to do. To that end, for example, we have double the number of regular meetings that might be reasonably expected of a Policy Review Committee.

Turning to the specific wording of the motion now before you: in its deliberations your Committee has remained very mindful of the wording used in the original motion at our last October sitting when this Hon. Court determined that it wished to form, what for short I will call a Justice Committee that, and I quote: ‘will allow for understanding, confidence and competence to grow in this Court of the areas under its authority and responsibility’.

Mindful of these words and increasingly aware of the considerable amount of work that needs to be done, which by the very nature of it will take time, your Committee quickly determined that it will be important to retain that sense of competence, understanding and confidence within the Committee in a way that transcends inevitable and occasional changes of membership, or indeed general elections. Your Committee has concluded that this can be best achieved by having strong representation from both Houses such that it can be both well aware of the will of the Keys, and yet still maintain a level of continuity during the change and turbulence that can occur at the time of a general election period – a perhaps somewhat hidden strength of our system.

To that end, it is hoped that in the event of this Hon. Court approving the motion now before it, it might wish to settle on a membership of the Committee comprising two Members from the House of Keys and two from Council. At the moment, of course, we have only one Member from Council and two from the House of Keys.

I will keep my contribution at this stage concise as in this rather back-to-front manner of presenting the motion, I beg to move, Mr President, in the hope that you might wish to invite the Chairman of the Committee to second the motion, thus allowing her to make her contribution to this debate.

I beg to move, Mr President.

**The President:** Mrs Poole-Wilson.

**Mrs Poole-Wilson:** Thank you, Mr President; and thank you to the Hon. Member for Douglas East, Mr Robertshaw, for moving this Item on behalf of the Justice Committee.

During the debate last October which led this Hon. Court to agree to the formation of the Justice Committee, contributions from a number of Hon. Members highlighted both the gap that existed regarding consideration and scrutiny of constitutional and legal affairs and justice, *and* the potential wide number of issues into which a Justice Committee could enquire.

In the time since its formation, as Mr Robertshaw has said, the Committee has met frequently and has met a number of individuals who have an involvement in either our constitutional or legal affairs or the administration of justice. We have deliberately taken this time to ensure good understanding of the relevant issues, to help fine-tune our remit, mindful of not straying to areas into which we should not, and to scope the various workstreams the Justice Committee will be progressing.

This process has brought home the range of contribution the Committee can potentially make and given this, the importance of not only steadily building the Committee’s competence

and understanding, but critically of ensuring a mechanism for continuity and passing on that competence in the future.

5065 The Hon. Member for Douglas East in his reply to the October debate, said the Justice Committee would not be *loud* in its nature, it would quiet and considerate in its work and its deliberations. Hon. Members should please not be concerned that with this motion the Justice Committee is in fact trying to turn up the volume. (*Laughter*) On the contrary, the motion today  
5070 supports what Mr Robertshaw also said last October, namely that the Committee would focus on building an inherent competent and confidence that would hopefully go on from one House to the other.

So I am pleased to second this motion today on behalf the Committee.  
Thank you, Mr President.

5075 **The President:** Hon. Member for Douglas Central, Mr Thomas.

**Mr Thomas:** Thank you, Mr President.

I am not sure whether I asked to speak right at this moment, but it is a good moment to speak so I will take Mr President's guidance on this. I wish to propose to circulate an  
5080 amendment which is to amend the motion on the Order Paper, to basically change the membership from four to five.

So, why?

Firstly, I would just like to say that in principle the arguments that have been made today are well worth supporting, and ones that I am sure nobody really could have much to disagree with.  
5085 It is obviously excellent that Legislative Council Members should play a vital role in the work of scrutiny and deliberation on everything but particularly constitutional, legal affairs and justice activity. It is obviously also valuable that the work of a Committee should be ambitious, it should be planned, it should be programmed, it should involve Tynwald Members and the wider public, and it should be seen over a number of years – and to do that you are going to need more  
5090 people rather than fewer people.

Having said that, though, four is an incredibly unusual number for a Committee. The normal procedures with a Committee are to have an odd number of members, three or five. In this respect, because I am putting on the table that we move to have five members, I draw to Members' attention the fact that Mr President, when he was Mr Speaker, submitted evidence to  
5095 the Committee on Committees – of which the now Mr Speaker and I were members – and he questioned at that time whether Committees of three members would be sufficient. He would prefer five to share the workload and enhance the range of views round the table, but accepting at that time finding enough Members who were not conflicted with Government work would make this difficult in practice. So in essence, my amendment says that this does seem to be a  
5100 well-organised Committee that has got a lot of work to do and is very ambitious and wants to be there for a number of years, it seems to me eminently sensible to have five members, perhaps two new Members from the Legislative Council to add to the one Member we already have and have two inside the House of Keys. Therefore, that is why on behalf of the Council of Ministers I have put this amendment down to increase the membership to five.

5105 It just seems to me right, though, to put down another dimension to all of this, which is that in March last year we actually amended the Standing Orders in respect of the Public Accounts Committee to allow ourselves to co-opt members when we had difficulties with the number of members. I think all we did then was, we codified what Tynwald could do in any case; in other words, we can always by resolution add additional members to Committees. And I just want to  
5110 say quite clearly I think on behalf of Council of Ministers that that is the alternative. If we were to carry on with three members on this Committee it would be perfectly reasonable to co-opt other members in particular situations.

The final point I want to make is that this Committee – and I would like to know more about this from members of the Committee – seems to be taking the characteristic that it is going



5115 involve potentially all Departments of Government. In that sense, it is slightly different from the Policy Review Committees that tend to limit themselves more to the Departments that used to be historically seen as those which were involved in economic affairs, or social policy, or environment and infrastructure, and that also adds a dimension to our consideration.

5120 So whatever we decide today, it does seem to me that this adds to a whole list of questions that we have about our Committee work and our scrutiny work in Committees. Periodically we have had reviews of Committees' work and perhaps we are getting near to the stage where we need to gather together our thoughts; and if we do approve either the amended motion that I have put down or the original motion today, perhaps we need to gather together the thought somewhere in one of Tynwald's Committees to review how scrutiny works and how the Committee system is going to evolve.

5125 I beg to move:

*To leave out the word 'four' and to insert the word 'five' and at the end to leave out the word 'three' and to insert the word 'four'.*

**The President:** Chief Minister, Mr Quayle.

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

5130 I beg to second the amendment moved by the Hon. Member for Douglas Central, Mr Thomas.

I think having a committee of four leads to a split vote; I think having five on the Committee there is a clear majority or a clear win. We have got a number of new MLCs in Tynwald now and I think it would be a good opportunity to have three MLCs; it would give some of the new ones an opportunity to cut their teeth on what is a very important Committee.

5135 So I beg to second.

**The President:** The Hon. Member for Rushen, Mr Speaker.

5140 **The Speaker:** Thank you, Mr President.

I am happy to support the motion and also have an amendment.

I think it was MARRS in 1990 that came up with Pump Up the Volume! I might be wrong. (Laughter) Mr Cretney will no doubt put me right. One from the school disco days!

5145 This is an unusual measure for a number of reasons, but the reasons are quite understandable and have been well articulated by the mover. There are downsides to this, in terms of Members' workload and, interestingly, one of the downsides is appointing to Departments, so it is interesting to see Government coming back with an opportunity to bolster that number, which is interesting because the danger of course is that that then applies across to other committees where there is a significant workload or significant things going on. So I think that is something that we need to watch out for. So that is my comment on Mr Thomas's particular amendment.

5150 To move down to my particular amendment, I would suggest that we put a sunset clause on this proposal, that we expand the number but only for a limited period, for say five years; we see how it goes, there may be a need for that to continue onwards, but it gives us a finite time after which it would drop back down to four members.

5160 To talk about the interaction between my amendment and Mr Thomas's amendment, they are not mutually exclusive. Members can have both, either or neither. I am not so worried about the number four, primarily because I think the best scrutiny committee reports are unanimous and it should not come down to a vote as to 2:2 or 2:1. The best scrutiny reports that come out are from bigger committees that have had that benefit of that wider consultation and are unanimous.

So I am not entirely sure. I do share Mr Thomas's enthusiasm so early on for a re-review of the committee system, but I think that is something that is inevitable as the nature of our parliament progresses and changes, and the mix and the make-up does change – perhaps 'make-up' might not be the best turn of phrase – but just in terms of how we do evolve and the role of Legislative Council, the role of the Keys and how the workload balanced does work between the two, but also between Government and scrutiny, and we still need to recognise what that role of scrutiny is and protect that role of scrutiny and resource that role of scrutiny. Of course the more people that are involved in that the more resource intensive it becomes. Whilst it is a great thing to do more scrutiny, it is not always easy to make the case for more money for more staff to do it.

In terms of the main cause here put forward by Mr Robertshaw, I do support the Committee's motion. I think we may be better off putting a time limit on it, for reasons stated. And as to whether it is four or five members, over to you.

I beg to move:

*To insert '(1)' after the word 'Justice' and to add at the end the words '; and (2) that this be trialled for a period of five years, after which the committee will revert to a membership of three unless the Court determines otherwise.'*

**The President:** Hon. Member of Council, Mr Crookall.

**Mr Crookall:** Thank you, Mr President.

I am happy to second and put the review date on it so in five years' time, this comes to a situation where it can be reviewed, whether it is four or five members, sir.

**The President:** Hon. Member for Ramsey, Mr Hooper.

**Mr Hooper:** Thank you, Mr President.

I just rise to talk briefly about the number, the five versus the four. The Chief Minister commented that with a committee of four you could end up with a split vote. I am just a little disappointed that he has not given an example really of where that has happened with a policy review committee or with one of their predecessors. I would be surprised if it has happened actually. I obviously defer to Members with longer experience in this Hon. Court – (**The Speaker:** Nursing care.) but I am not aware of one. (*Interjection and laughter*)

**The Speaker:** We have been on a committee. Nursing care – 2:1.

**Mr Hooper:** The reason for this, I think, is, as Mr Speaker has already outlined, that committees work best when there is certain consensus, when there is unanimity perhaps. I think actually the argument goes a bit further than that. If you have a committee report that is 3:2, three in favour, two against, what validity does that report even have? If you could not even carry the five members of your committee with the report, how on earth are you expected to carry the whole of Tynwald with you? (**A Member:** Hear, hear.)

I am not convinced then that adding a fifth member actually does add any validity, add any strength to the proceedings; I think actually it weakens it in many ways. I would strongly urge Members to reject increasing the Committee size to five members. I really do not think that adds any value at all.

As to Mr Speaker's amendment on the sunset clause, I just think it is unnecessary. I do not disagree with it. Actually in principle, we should review these things every so often. But as this motion, I think, shows, the Committee can at any point come back to Tynwald and say, 'We have had a bit of a rethink and have decided our membership is not quite right'; and Tynwald can also at any point turn around and say, 'We do not think this membership is quite right'. So I am not

really sure what a sunset clause achieves in this space, that simply Tynwald applying a little bit of common sense and a more commonsense approach to it would not achieve equally.

So, in summary, please Members, do not support moving to five members of the Committee. I do not think there has been any real evidence, worthwhile arguments presented in favour of it. I think it would actually weaken the role of a Scrutiny Committee if you do end up going down a 'We must vote on everything' approach. Equally, on Mr Speaker's amendment, I struggle to see the necessity.

Thank you.

**The President:** Hon. Member, Mr Malarkey.

**Mr Malarkey:** Thank you, Mr President.

I rise to find any want whatsoever in the Speaker's motion here. He says in his presentation, whether it is four members or whether it is five members, he does not mind, but we should put a sunset clause in. It clearly says in here four members, so that eliminates the five straight away, so we cannot say four or five. If you follow Mr Speaker's amendment you are already ruling out the five before we get to the debating stage, and as the Hon. Member for Ramsey said, this is something we can change every month if we want to. If we want to put the numbers up or put the numbers down we really do not need a sunset clause in here. We can do what we are doing today, we can alter the numbers around on any committee at any time. That is the power we have in Tynwald.

With regard to the argument for four to five, I was quite adamant in Council when it was discussed, I do believe that four-person committees are not the right number. You do have a chairman who does have a casting vote and at any given time, you are literally having a casting vote to a chairman who has got two votes. So if there is a split 2:2 the chairman gets a third vote and they are entitled to that as a casting vote in all committees.

When you have five members, as long as all five members are there, you do not get it often going to a casting vote, and that is the argument for having five members rather than having four members. Mr President. It makes it fairer and it takes the casting vote slightly away from the chairman, who would actually be sitting on a four-person committee with two votes if it went 2:2 on several occasions. I feel that a five-member committee would not fall into that trap very often and would be a much better declared result of bringing any motion forward or any proposals forward, but at least three of the members would have agreed to what has gone on.

I have sat on many committees over many years, and this does actually happen. So I would urge you today to follow ... The Council does support what a great job the Committee does. We want to support it all the way. We would like to put two more members of LegCo on that Committee obviously for the experience and obviously to help the committee to move and work for as much as possible as they can in the future.

I would urge you to go with the amendment by Mr Thomas today and vote for the five members and see whether we can put this to bed today.

**The President:** The mover to reply, Mr Robertshaw.

**Mr Robertshaw:** Thank you, Mr President, and thank you to all the Members for their kind contributions and to the Chairman of the Committee for seconding.

If I can just focus on, I think, the two main themes really ... and that is whether it should be four or five. I fully understand the Council of Ministers' slight anxiety about an even number in a committee, but if I can just walk Members through that issue.

There are different functions for us in different circumstances in terms of Members being in Departments or Ministers. They are effectively in an executive role and they are very much in a situation where they are driven by the initiative's imperatives within their Departments, and they are constantly having to arrive at go/no-go situations upon which they have to vote. Quite

clearly, there are going to be occasions where votes are necessary. Although, in my time in Council of Ministers there were very few occasions that I can recall – I am looking at Mr Speaker – where we actually did go to a vote, and I am sure that is the case now, because the role in Council of Ministers for the Chief Minister is to try to get consensus, as it is for a Minister in a Department.

A select committee is a slightly different animal and Mr Speaker, quite rightly, reminds me of that interesting committee, the nursing committee, where there were three of us on it and it was not the easiest of committees; and yes, that select committee did result in a minority report of one, as I recall.

But a select committee is a different animal again from a policy review committee, because a select committee is set up by the will of Tynwald to deal with one specific issue and to arrive at a conclusion by just gathering a group of members together. So again there is a go/no-go situation for a select committee, and there will be occasions there where they are presented with a specific remit to deliver on a specific subject where differences might readily emerge and thus you get a minority report.

Policy review committees are essentially different animals, because they go where they wish to go. The team within that committee and the chair decide what it is that they are going to look at and I cannot imagine a situation where a chair would drive a committee into a situation where there are incredible tensions; because, as the Member for Ramsey, Mr Hooper – I think it was him – said, why would a policy review committee bring something to the floor of Tynwald upon which it could not agree? It is sort of contradictory. I have had the honour and privilege of being involved with the policy review committees from the very beginning, when we set out on this road, and yes, they have constantly evolved all the way through the time, they have grown in stature, they have absorbed more responsibilities, they have reached out.

Then we finally decided in October to go for a justice committee. I am sure the other members of the committee will concur with me that we really have found a tremendous amount of things that we need to get on with. But the essence of the motion – and I am pleased that the general consensus is that we move forward on this – is that it is all about getting a will and understanding in Tynwald that will continue past elections, past situations where the Chief Minister may choose to move somebody to a new Department and they suddenly become conflicted in the policy reform committee. That continuity thing is very important.

So from my perspective, I am content to leave it with Hon. Members to decide whether they want four or five. We are absolutely content with four and we would prefer four so that we could examine that and see how it works. We have no concerns at all about conflicts or equal balance of votes. As the Member for Douglas South has said, if we felt that we needed to come back and adjust it again then we would.

But let this evolve slowly and progressively. I would ask Members to go for the four and I am easy about Mr Speaker's amendment, in the sense that we will be happy – I will not be here then, but ... ! *(Laughter)* – as long as it was significantly after the next general election, because this continuity thing is very important, that there is a sunset clause and it is reviewed. Let's keep reviewing this on an ongoing basis.

With that, Mr President, I beg to move.

**The President:** Hon. Members, the motion before us has two amendments to it, so there are three distinct propositions. The motion is to increase the committee from three to four; there is an amendment by Mr Thomas to increase the committee from three to five; and there is a further amendment from Mr Watterson to increase the committee from three to four, but on a trial basis of five years. So the trial basis, despite what may have been said in debate, only applies, if you want a trial it will be a four-year trial ... It will be a *five-year* trial of four people.

**Mr Robertshaw:** Yes. *(Interjections and laughter)*

**The President:** I am going to put the amendment of Mr Thomas first as it is the most radical of the amendments. If you do not like the five years you can revert and have a choice of four. If you do not like five members, you can go to four members on a trial basis if you wish.

Putting Mr Thomas's amendment for five members: those in favour, say aye; against, no. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 15, Noes 8*

**FOR**

Dr Allinson  
Mr Ashford  
Mrs Beecroft  
Miss Bettison  
Mr Boot  
Mr Callister  
Mr Cannan  
Mr Cregeen  
Mr Harmer  
Mr Malarkey  
Mr Moorhouse  
Mr Quayle  
Mr Shimmins  
Mr Skelly  
Mr Thomas

**AGAINST**

Mr Baker  
Mrs Caine  
Mrs Corlett  
Ms Edge  
Mr Hooper  
Mr Peake  
Mr Robertshaw  
The Speaker

**The Speaker:** Mr President, in the Keys, 15 for, 8 against.

*In the Council – Ayes 2, Noes 6*

**FOR**

Mr Henderson  
The Lord Bishop

**AGAINST**

Mr Cretney  
Mr Crookall  
Ms Humbles  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**The President:** In the Council, 2 for and 6 against.

**Mr Thomas:** I call a combined vote.

**The President:** That amendment therefore fails to carry.

**Mr Thomas:** Can I call a combined vote, Mr President, please, next month?

**The President:** A combined vote next month. You have that right, sir. The matter will then be held over till next month.

**29. National Health Service –  
Agreement not to privatise –  
Amended motion carried**

The Hon. Member for Douglas South (Mrs Beecroft) to move:

*That Tynwald is of the opinion that the National Health Service should not be privatised.*

5330 **The President:** We therefore turn to Item 29 on the Order Paper, National Health Service, motion in the name of Mrs Beecroft.

**Mrs Beecroft:** Thank you, Mr President.

5335 Both the following motions actually are in response to the public rather than in response to anything else. I want to make it very clear, particularly the first one, that the National Health Service should not be privatised. I have heard no Member in Tynwald say that it should, but there are rumours flying all the way round, all over the place, and I thought I would put a simple motion down saying we are of the opinion that it should not be privatised and put the rumours to bed once and for all.

5340 I would point out that there is a slight confusion between contracting out and privatisation in the public domain and I have been explaining to people that you contract out when you give a contract to somebody to do a certain thing but you still retain control. That is very different to privatisation and I hope everybody else has been making the same distinction to people who do not quite understand that.

5345 But really it is just a reaffirmation that we want to keep the National Health Service as it is, we do not want it privatised, and I think that will satisfy the public.

That is it. I beg to move, Mr President. Thank you.

**The President:** Mrs Caine, Hon. Member for Garff.

5350 **Mrs Caine:** Thank you, Mr President.  
I beg to second and reserve my remarks.

**The President:** Hon. Member Mr Ashford.

5355 **The Minister for Health and Social Care (Mr Ashford):** Thank you, Mr President.

5360 I wish to say clearly and categorically from the outset that no one is looking to wholesale privatise, dismantle or otherwise undermine our valuable National Health Service. It is and always will remain just that, a *national* health service, providing care for all the people of our Island, regardless of race, gender, creed or financial means. Anyone who suggests otherwise, as the hon. mover has implied, is scaremongering to the highest degree. (**Several Members:** Hear, hear.) Like the hon. mover, I have never heard anyone in this Hon. Court calling for the dismantling of the NHS.

5365 What I have heard is Hon. Members calling for a review of the services that we provide and how we provide them, and quite rightly so. We should constantly be reviewing the services we provide within the NHS and how we deliver them. How else are we to deliver a modern, up-to-date health service fit for the future? Unfortunately, some appear to have twisted this to mean privatisation and made this into some sort of dragon in the room that needs to be slayed.

5370 One thing I do find interesting, though, is over many years I have spoken to many people both on our Island and across the water on this topic, and one thing has always resonated with me. It is that people shout about privatisation of the Health Service but no one actually seems to know what it is. In other words, what is the definition of privatisation in this context and where is the line in the sand? The hon. mover has briefly referred to contracting out, and so, for

instance, general practitioners are effectively private. They work on a commissioned basis, always have, even back in the dawning days of the NHS. So is that privatisation, or is it not, because it has been around from the start? Dental practitioners operate on a commissioned private basis. Is that privatisation? If someone such as BUPA took over the Hospital but ran it on a commissioned basis, completely free at the point of delivery, as it is now, is that privatisation despite the fact care is still being delivered in the same way? If a specialist cancer organisation wished to open a clinic, took private patients but also treated NHS patients, is that privatisation despite again being free at the point of delivery and with possible improved health outcomes for the people of our Island? The point I am making is that even the word 'privatisation' itself is subjective and can differ depending on who you speak to. So the whole use of the word itself is misleading, and when it comes to Health Services the word is basically meaningless, as it means different things to different people and also has a different meaning depending on the context that you use it in.

Hon. Members will see that there has been an amendment circulated in my name which I believe firms up further this motion and makes absolutely abundantly clear that the scaremongering around privatisation that sometimes goes on has absolutely no basis in fact. What the amendment clearly states is that access to NHS services will continue to be based on clinical need and not an individual's ability to pay – a key fundamental principle of the NHS that has been around since its foundation 70 years ago this year, on which I will have more to say on the next Item as well. Also it makes clear that the NHS must also remain committed to providing best value for money and spend that money in an efficient manner. A pound wasted is one less pound available to treat those most in need and also a pound less to provide those valuable services that the NHS delivers.

The second part of the amendment adds that Tynwald further supports the development of a modern, fit-for-purpose health and social care system. Many Hon. Members may well be thinking, 'Well, doesn't that just go without saying?' but I think it is something that does need saying. Again it is something I will be touching on with the next Item, because as the hon. mover has already implied, the two do overlap, but the reason that the NHS has survived for 70 years is precisely because it has moved on with the times. The treatments that were available, or in fact were even required, have changed radically since 1948. It has only been through that constant modernisation and development that the NHS has survived, so I believe it is vital that here today we recognise that what we need now is not a Health Service fit for 20 years ago, not one fit for 10 years ago or even five years ago, but one that meets the demands of not just today's service users but also looks forward to what we will need to commit to providing in years to come.

I think it is also important that although this Item is badged up as Health, we recognise the role of Social Care, as the two are interlinked and will become more so as we see an increasingly aging population. The fact we are all living longer, as I have said several times before in this Hon. Court, is something to be celebrated, but we owe a duty of care to everyone to make sure that we recognise the challenges around an aging population and design a modern, fit-for-purpose health system that meets those needs. I believe that the amendment I am laying before the Court here today, Hon. Members, sends out that firm message.

So let's stop right here, pause, draw a line in the sand and stop the NHS being used, as it has been sometimes, as a political football by throwing around words such as 'privatisation' that mean different things to different people and create mythical beasts that need slaying. Instead, let's reaffirm what system we want for the people of our Island, namely a service that is based on clinical need of the users not their wealth, one which ensures the money with which it is entrusted to deliver those services is being spent in the most efficient way possible, constantly seeking best value both for the taxpayer and the users of the service; but also make a clear statement that we should be looking to the future, transforming and aspiring to be a truly forward-looking service that recognises not just our current needs but looks to meet future demand. I firmly believe my amendment does that and I would urge Hon. Members to support the amendment from myself in front of them.

5425 Before closing, I would like to pay tribute to the hardworking staff throughout our National Health Service, the vast majority of whom work long hours in sometimes stressful environments and show a dedication well above and beyond the call of duty, all in the name of patient care. Each and every one of us owes a debt to each and every one of them that words will never adequately express.

5430 Over the last few days I have been contacted by a few of those individuals who are working at the coal face of our NHS, who have expressed to me their increasing frustration with what they perceive as the NHS having in the past been used as a political football and the constant raising of unfounded fears around privatisation or swingeing cuts or abolition of services. One frontline nurse, who is also a constituent of mine, said to me in an email on Saturday, and I quote:

There appear to be some who think that if they say it loud enough or often enough then it must be true. Why can't they support all of us who love our jobs, although stressed and unappreciated as we sometimes feel, and help us to succeed rather than appearing in public to be willing us to fail?

I thought that summed it up quite nicely, Mr President.

So let's send out a clear message here today, a positive message, Hon. Members, to everyone outside this Hon. Court and start working towards a modern National Health Service. Let's also get behind the service and send out a message that we want a service that succeeds and we are willing it, with every breath and every action we take, to succeed.

With that, Mr President, I urge Hon. Members to support the amendment standing in my name (**Several Members:** Hear, hear.) and I beg to move:

*To delete all words and insert:*

*'That Tynwald is of the opinion that access to NHS services is based on clinical need, not an individual's ability to pay and that the NHS must remain committed to providing best value for taxpayers' money and the most effective, fair and sustainable use of finite resources.*

*Tynwald further supports the development of a modern, fit for purpose, health and social care system for the benefit of all the people of the Isle of Man.'*

**The President:** Hon. Member for Douglas East, Miss Bettison.

5445 **Miss Bettison:** Thank you, Mr President.  
As both a nurse and an MHK, I beg to second.

**The Speaker:** Hear, hear.

5450 **The President:** Hon. Member of Council, Mr Cretney.

**Mr Cretney:** Yes, thank you, Mr President.

I welcome the Minister's comments here today and I would just explain how I think some misinterpretation may have come about. The resolution about a review of the Health Service said ... One of the two items in it was about alternative means of service delivery, and that can be read as the method of service delivery being moved from one which is the current example to something different. I welcome the comments from the Minister, which have clarified that position. However, I would say that in the Isle of Man, in particular if you look in the dentistry area, there are people on the Isle of Man who cannot get dentists at the moment because of the move towards privatisation which has occurred in the last several years, and I think there are areas where we need to keep our eyes on the ball and we need to just, if we do value ... And I welcome and I am sure all Hon. Members in here will welcome those comments, but we do need to keep our eyes on such situations.



5465 The final thing I would say is – back to the resolution which we have agreed to, the review of the Health Service over the time coming forward – neither Tynwald nor the public have had the opportunity to be consulted on the terms of reference and I still believe that that is a matter of regret. I do believe that we could clarify quite clearly, if we had been consulted on the terms of reference, that any suggestions of privatisation were off the agenda.

5470 **The President:** Hon. Member for Ramsey, Mr Hooper.

**Mr Hooper:** Thank you, Mr President.

I actually quite welcome some of the comments made by the Health Minister. I welcome his very firm commitment to our National Health Service and the staff who work so diligently to keep us all as healthy as we can be.

5475 However, I do take issue with some of his comments with regard to ‘scaremongering’ I think he said, and how he was not aware of anyone who had mentioned anything to do with privatisation; he had never heard this come across in this Hon. Court before. I just thought I would draw his attention to some comments that were made in this Hon. Court that I think the Hon. Member of Council has already referred to in very broad terms.

5480 Is the assumption of health services being largely free at the point of use still valid for the future, and what sort of alternative regime might be appropriate for the Isle of Man? Should this principle continue with free delivery and should the scope of what is free at the point of use be more restricted? What alternative models to the current state-provided services exist? These are questions raised by the Treasury Minister when outlining the terms of reference for the upcoming review that was supported by this Hon. Court. So I think it is safe to say that when phrases such as those are bandied around it is easy to see how people can perhaps misinterpret and misunderstand the direction that Government is trying to take with the Health Service.

5485 Like I say, that is why I welcome the commitments made by the Health Minister, and actually on balance his amendment is quite fair. I think it still achieves the same aim, it still keeps us committed to an NHS that is free at the point of delivery, that is based on clinical need and not how much money you can afford to pay for your treatment, but I thought it was well worth echoing some of the comments made by Mr Cretney, the Hon. Member of Council, in that it is very easy to see where people are concerned and why people are concerned, and I do not think it is fair to try and characterise people raising what are genuine concerns founded on comments made by Government Ministers. To characterise those as scaremongering or playing political football with such an important service I think is grossly unfair.

5490 **The President:** The mover to reply. Mrs Beecroft.

5500

**Mrs Beecroft:** Thank you very much.

I must admit I have got no problem with the amendment. I think the new Minister moved it very well and I am grateful to him and it was really good to hear, so I thank him for that.

5505 I think Mr Cretney is right that if the terms of reference had been published everybody would have known what they were and it would have allayed the fears. I really do not know what the problem is with publishing terms of reference. Similarly, when there is talk of ‘alternative means of service delivery’ and is it ‘largely free at the point of use’ and ‘do we need an alternative model’ being stated by the Treasury Minister, it is no wonder that people read into it and rumours start gathering.

5510 That is why I brought the motion today, to put an end to the rumours because I had not heard it mentioned in here by a Tynwald Member that the NHS was being dismantled, it was going to be privatised. So I am very glad to hear from the Minister that ... As I say, he has gone into even more detail and given greater clarity, so I am quite happy to support the amendment.

5515      **The President:** Hon. Members, I put before the Court first of all the amendment in the name of Mr Ashford. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

*In the Keys – Ayes 22, Noes 0*

**FOR**

Dr Allinson  
Mr Ashford  
Mr Baker  
Mrs Beecroft  
Miss Bettison  
Mr Boot  
Mrs Caine  
Mr Callister  
Mr Cannan  
Mrs Corlett  
Mr Cregeen  
Mr Harmer  
Mr Hooper  
Mr Malarkey  
Mr Moorhouse  
Mr Peake  
Mr Quayle  
Mr Robertshaw  
Mr Shimmins  
Mr Skelly  
The Speaker  
Mr Thomas

**AGAINST**

None

**The Speaker:** Mr President, in the Keys 22 votes for, none against.

*In the Council – Ayes 8, Noes 0*

**FOR**

Mr Cretney  
Mr Crookall  
Mr Henderson  
Ms Humbles  
The Lord Bishop  
Mrs Lord-Brennan  
Mrs Poole-Wilson  
Mrs Sharpe

**AGAINST**

None

**The President:** And in the Council, 8 for and none against. The amendment carries unanimously.

5520      The motion as amended, then: those in favour, say aye; against, no. The ayes have it. The ayes have it.

**30. National Health Service –  
Underpinning core principles –  
Amended motion carried**

The Hon. Member for Douglas South (Mrs Beecroft) to move:

*That Tynwald is of the opinion that the National Health Service should continue to be underpinned by the following core principles:*

- *That it meets the needs of everyone;*
- *That it is free at the point of delivery; and*
- *That it is based on clinical need, not ability to pay.*

**The President:** We turn to Item 30. Mrs Beecroft.

**Mrs Beecroft:** Thank you, Mr President.

5525 Again, it is a bit of a Ronseal: it is what it says on the tin. I think the ‘free at the point of delivery’ has been covered by the previous amendment, but I still think it needs to be restated in this. The core principles that the NHS meets the needs of everyone, that it is free at the point of delivery and that it is based on clinical need, not ability to pay, I think are worth restating, again given the lack of being able to see the terms of reference to know what is actually being  
5530 considered, and particularly given the previous comments. It is as simple as that.  
Thank you.

**The President:** Mrs Caine.

5535 **Mrs Caine:** I beg to second, Mr President, and reserve my remarks.

**The President:** Mr Ashford.

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

5540 I am afraid it is a bit like *Groundhog Day* for Members. Members will see that there is once again an amendment that will very shortly be circulating in my name.

The three principles quoted in the wording of the motion are the three principles quoted by Aneurin Bevan in his speech delivered on 5th July 1948 outside what is now Trafford General Hospital, then formerly Park Hospital, when he formally launched the NHS. However, 70 years  
5545 later time has moved on and the NHS has moved on with it. Although on the face of it these three principles may seem as valid as ever, the NHS has expanded not just in terms of what it delivers but also what we expect from a modern Health Service.

Also, it is worth noting at this juncture that the meaning behind the three principles has changed and moved on over the last 70 years. For instance, let’s take the ‘free at the point of delivery’ one, to which we have already referred. What is free at the point of delivery has been constantly changing ever since the NHS was first founded. As an example of this, in the NHS Act 1946 which founded the service there were provisions for charging expectant mothers, nursing mothers and children under the age of five for their health and dental care. Equally, if  
5550 someone required, due their personal needs, a piece of equipment – say a wheelchair – that was of a higher specification than the one standard piece supplied, they had to pay for it in full, not just the difference in price but the full amount. If I, as Health and Social Care Minister, today were to stand up in front of this Hon. Court and say I was planning to charge expectant mothers and all children under five for their healthcare, there would be absolute outrage, quite rightly, and I would probably get lynched, but at the time that was acceptable and yet still met the  
5560 Bevan definition of providing healthcare free at the point of delivery and also the first principle

quoted of it meeting the needs of everyone. So that I think shows that times do move on. Perhaps it is also, on a slightly lighter note, a good juncture to point out that in its first year of operation in the UK the NHS was overspent by £79 million, or £2.6 billion at today's values, so I do have to concede that there are clearly some things that have not changed in that time period as well.

I made reference during my speech on the last Item to the fact that the reason the NHS has survived is precisely because it has adapted and changed with the times. It has done that thing that some people see as a dreadful thing, a word never to be uttered: it has modernised. For instance, again, when the Bevan principles were espoused you could not simply turn up at an NHS hospital and be treated, as you can today. You first had to attend your GP and he would, if he considered it necessary, refer you into the NHS hospital. There was no Accident and Emergency. The GPs were the gatekeepers of the NHS and that is why today you still hear that term bandied around.

So even back then these great founding pillars of the NHS were not set in stone. The NHS has been constantly evolving, moving from a sickness and end of life service to a proactive well-being service, trying to develop into a preventative service, allowing for the early identification of illness and preventative pathways for patients. For instance, three of the top diseases the first incarnation of the NHS had to deal with were polio, measles and rubella, with much different health outcomes than we see today.

Now in the 21st century the NHS is evolving again, trying and struggling to move from being a sickness service to a wellness service, trying to deliver more community-based services rather than acute after-the-fact services. Also, in some ways it is becoming a sort of second Education Department – don't worry, Minister, I am not trying to take over your Department (*Laughter*) – trying to educate people around lifestyle choices and the impacts on long-term health. This modernisation was recognised in 2011 with the introduction of the NHS constitution in the UK, which expanded and built upon the three founding principles and turned them into seven guiding principles for a modern NHS. These are the principles that Hon. Members will find contained within my amendment in front of them, Mr President. My amendment replaces the three founding principles, now 70 years old, with the principles for a modern, forward-looking NHS.

Taking each in turn, principle 1: the NHS provides a comprehensive service available to all. This principle makes clear that NHS services are there for everyone, regardless of gender, race, disability, age, sexual orientation, religious belief and even, unlike the 1948 service, if you are pregnant or under five. It also recognises that there is more to the NHS than traditional healthcare, that a modern comprehensive service not only looks at physical well-being but also mental well-being.

Principle 2: access to NHS services is based on clinical need, not an individual's ability to pay. This is one of the founding three principles that recognises, as it did 70 years ago, that the services that the NHS provides as NHS services should be based on medical needs. This principle recognises that the services may have changed and the way the services are delivered may have changed but the founding principle still holds true.

Principle 3: the NHS aspires to the highest standards of excellence and professionalism. This principle recognises that in order to provide high-quality care there is a need to provide a safe environment that is effective and focuses of the experiences of the patients. It also recognises the need to support, educate and train those employed within the NHS and the need for committed leadership. It seeks to encourage innovation and research to improve health outcomes, recognising that all patients and staff deserve to be treated with respect and dignity, that it is a service where compassion does and always should rest at its core.

Principle 4: the NHS aspires to put patients at the heart of everything it does. Again, this would be one that most people would say should go without saying. This principle seeks to ensure that the NHS always puts patients first, that patients are involved in and consulted on decisions around their care, that patients are treated as individuals and not just a number

passing through a regimented system. It seeks to promote the needs of patients and support individuals in promoting and managing their own health.

5615 Principle 5: the NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population. This recognises that the NHS is an organisation providing multiple services but is not and should not be a silo within itself, that where appropriate there are other public sector providers and third sector organisations and support networks that can provide and deliver improvements in  
5620 relation to an individual's health and well-being, and once again it puts the interests of the patient first.

Principle 6: the NHS is committed to providing best value for taxpayers' money and the most effective, fair and sustainable use of finite resources. Again, as with the previous Item which I spoke on on our agenda today, I must say this is essential for a modern NHS. It recognises that  
5625 the money the NHS is entrusted with to provide its services is precious and that it is in the best interests of all of us that value for money is achieved, that the NHS ensures that every pound is accounted for and spent in an effective way while still delivering a service that meets the needs of the patient and at the same time will not compromise when it comes to patient safety.

Principle 7: the NHS is accountable to the public, communities and patients that it serves.  
5630 This recognises that the NHS really is a national service funded through national taxation, but equally recognises that ultimately the service is accountable to those who it is designed to serve – the general public.

Mr President, I believe that these are the principles that lie at the foundation of any modern-day National Health Service, principles that can guide and help deliver a truly transformational service that is fit for the 21st century. That is why I have brought forward this amendment today, to again show those outside this Hon. Court that we are committed to a National Health Service that meets modern-day needs and is forward looking, not looking back over our shoulder with rose-tinted glasses to what has gone before. As Minister for Health and Social Care, I want a Health Service that is looking forward to 2048, not looking back to 1948. I believe these seven  
5640 modern-day guiding principles help deliver that.

One of Aneurin Bevan's many nicknames was 'the visionary pragmatist'. As we have said in this debate here today, it is quite interesting that we are only a few months before the National Health Service's 70th birthday, and I think that phrase describing Aneurin Bevan is quite an appropriate one because he was a visionary who saw the type of service that needed to be developed to slay two of Beveridge's five giants, namely disease and squalor, but he also was a pragmatist who realised that the service needed to adapt and change in order to meet the public's ever changing health needs. He famously once said, 'We know what happens to people who stay in the middle of the road. They get run down.' So let's today get out of the middle of the road, Mr President, Hon. Members, and endorse the seven modern-day principles and help  
5645 build a service looking forward to the next 70 years, not looking back at the last 70 years.

5650 With that, Mr President, I beg to move the amendment in my name (**A Member:** Hear, hear.):

*To delete all words and insert:*

*'That Tynwald endorses and affirms the seven modern day core principles of the NHS:*

- 1. The NHS provides a comprehensive service available to all.*
- 2. Access to NHS services is based on clinical need, not an individual's ability to pay.*
- 3. The NHS aspires to the highest standards of excellence and professionalism.*
- 4. The NHS aspires to put patients at the heart of everything it does.*
- 5. The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population.*
- 6. The NHS is committed to providing best value for taxpayers' money and the most effective, fair and sustainable use of finite resources.*
- 7. The NHS is accountable to the public, communities and patients that it serves.'*

**The President:** Hon. Member, Miss Bettison.

**Miss Bettison:** Thank you, Mr President.  
I beg to second the amendment.

**The President:** Hon. Member of Council, Mr Cretney.

**Mr Cretney:** Yes, thank you, Mr President.

It would be easy to just sit here and say nothing but I think I want to put on record again that I think the Chief Minister has made an inspired choice in terms of Mr Ashford being the Minister for Health and Social Care and he has again proven it today. I think we should all get behind him and give him our support on the difficult job that lies ahead.

**Several Members:** Hear, hear.

**The President:** Hon. Member for Ramsey, Dr Allinson.

**Dr Allinson:** Thank you, Mr President.

That was a really rousing speech. In a previous life I suspect you were a member of the Welsh Labour Party! *(Laughter)* What you have done is absolutely right. The ethos of the NHS lives on but it has to develop, it has to improve both with time and with the way society changes.

I need to declare an interest in that I am a gatekeeper, for my sins, and that used to be important but what you bring down here puts patients at the heart of everything. It sets out patient accountability to be responsible for their own health, their own autonomy, but also work in partnership with the NHS. The NHS is not something that should do things to you, it should do things with you and for you and it is only by establishing that partnership in writing and making it quite clear that we can move forward with an accountable service which is good value for money. The NHS is based on clinical need. It is not a tick list of what you want, it is what you need, and I think that is very important in sometimes a consumer society where people demand things that may not be the best thing for them, but by having that partnership and that capability you can get the right answer in the end.

I would like to thank the Minister and I hope that those people who were worried about privatisation can now be reassured by his statements in this Court. **(Mr Thomas:** Hear, hear.)

Thank you, Mr President.

**Several Members:** Hear, hear.

**The President:** Hon. mover to reply. Mrs Beecroft.

**Mrs Beecroft:** Yes, thank you, and once again I am happy to support the amendment. The Health Minister said he was moving an amendment but he did not think I would be disappointed, and he has been proved to be correct.

The English principles that were approved in 2011 are the seven that he has quoted, but it is the commentary that he put to them that gives me heart in what he has said today. He sounded very sincere and he has backed up the principles with his interpretation of those principles admirably. I am happy to support the amendment.

**The President:** In that case, Hon. Members, I put the amendment. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

I put the motion as amended. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, that concludes the business on our main Order Paper.

## Supplementary Order Paper No. 1

### 1. Committee on Constitutional and Legal Affairs and Justice – Mrs Poole-Wilson elected as Chairman

To elect a Chairman pursuant to Standing Order 5.5.

*The Chairman, Mrs Poole-Wilson, is eligible to be re-elected. The other members of the Committee are Mr Hooper and Mr Robertshaw.*

5705 **The President:** It is past eight o'clock but I assume you wish to complete the Supplementary Order Paper. (**A Member:** Yes!) (**A Member:** Agreed.) (**A Member:** Hear, hear.)

We turn to Item 1 on the Supplementary Order Paper, to elect a Chairman on the Committee on Constitutional and Legal Affairs and Justice.

Mr Watterson.

5710 **The Speaker:** I am happy to propose the present incumbent of that office, Mrs Poole-Wilson, who is an excellent Chair, valuable contributor to the Public Accounts Committee and that Committee.

**The President:** Mr Hooper.

5715

**Mr Hooper:** I beg to second that, Mr President.

**The President:** Nominations closed? (**Several Members:** Agreed.)

Mrs Poole-Wilson, congratulations, duly returned as Chair of this particular Committee.

### 2. Tynwald Standing Orders Committee – Mrs Sharpe and Mrs Lord-Brennan elected as members

To elect two Members of the Legislative Council to replace Mr Corkish and Mr Turner.

5720 **The President:** We turn to Item 2, the Tynwald Standing Orders Committee. This is a Tynwald appointment of two Members of Legislative Council to serve on that Tynwald Committee, and they replace Mr Corkish and Mr Turner.

You are nominating two Members of Legislative Council.

Mr Speaker.

5725

**The Speaker:** I propose Mrs Sharpe.

**The President:** Mr Boot.

5730

**Mr Boot:** I second.

**The President:** Seconded, thank you very much.

I need another candidate from Council to be proposed. It can be proposed from the Keys or can be proposed from Council.

5735

**Mr Cregeen:** Mrs Lord-Brennan.

**The President:** Mrs Lord-Brennan.

5740 **Mr Ashford:** Happy to second, Mr President.

**The President:** Seconded.

We have those two Members. Nominations closed? Thank you.

5745 Mrs Sharpe and Mrs Lord-Brennan to serve on the Tynwald Standing Orders Committee as representatives of Legislative Council.

### **3. Tynwald Honours Committee – Mr Cretney elected as member**

To elect a Member to replace Mr Corkish.

*The other members of the Committee are Mr President (ex officio), Mr Speaker (ex officio), Mrs Caine and Mrs Corlett.*

**The President:** Item 3, the Tynwald Honours Committee to elect a member to replace Mr Corkish.

Mr Speaker.

5750

**The Speaker:** Thank you.

Mr President, without giving too many state secrets away, there will be a report coming to Tynwald either next month or the month after seeking to merge the work of the Tynwald Honours Committee into the work of the Tynwald Management Committee, and so I would like to propose Mr Cretney, who is already a member of the Tynwald Management Committee to try to align that membership ahead of that report and that move.

5755

So I beg to propose Mr Cretney.

**The President:** Yes and we note that any change to the Committee's structure will be a future matter for Tynwald (**The Speaker:** Indeed.) and need not be pre-empted.

5760

**The Speaker:** Indeed. *(Laughter)*

**Mr Robertshaw:** I beg to second, Mr President.

5765

**The President:** Seconding Mr Cretney. (**Mr Robertshaw:** Yes, please.) Thank you.

Any other nominations? In that case, Mr Cretney is elected to serve on the Tynwald Honours Committee.



**4. Ecclesiastical Committee –  
Mrs Hendy and Mrs Beecroft elected as members**

To elect two Members to replace Mr Anderson and Mr Corkish.

*The other member of the Committee is Mr Cannan.*

5770       **The President:** Lastly, we have the Ecclesiastical Committee, two Members to replace Mr Anderson and Mr Corkish.  
            Chief Minister.

**The Chief Minister:** I beg to propose Mrs Hendy, Member of Council.

5775       **Mr Cretney:** I am happy to second.

**The President:** Mrs Hendy, thank you.  
            Mr Cannan.

5780       **Mr Cannan:** I propose Mr Crookall.

**The President:** Mr Crookall.

5785       **Mr Thomas:** I beg to second.

**The President:** Proposed and seconded.

**The Speaker:** I propose Mrs Beecroft – if only to give the new voting system a try! *(Laughter)*

5790       **The President:** Mrs Beecroft has been proposed. Is there a seconder?

**Mr Crookall:** I second Mrs Beecroft! *(Laughter)*

5795       **Mr Ashford:** Why is that not a surprise!

**The President:** Hon. Members, we have three Members proposed for the two places. We require an election and to set up the voting system.

*A ballot took place and electronic voting resulted as follows.*

Vote Results	
Mrs Hendy	29
Mrs Beecroft	17
Mr Crookall	16

*Full voting results*

**Voting for Mr Crookall:**

Mr Harmer  
Mr Callister  
Mr Hooper  
Mr Quayle  
Mr Boot  
Mrs Beecroft  
Mr Ashford

Miss Bettison  
Mr Thomas  
Mr Cannan  
Mr Moorhouse  
Mr Baker  
Mr Peake  
Mr Malarkey  
Mr Henderson  
Mr Cretney

**Voting for Mrs Hendy:**

Mr Harmer  
Mr Shimmins  
Mr Skelly  
Mr Callister  
Dr Allinson  
Mr Hooper  
Ms Edge  
Mr Quayle  
Mr Boot  
Mrs Caine  
Mrs Beecroft  
Mr Ashford  
Miss Bettison  
Mr Thomas  
Mr Cannan  
Mr Cregeen  
Mr Baker  
Mrs Corlett  
Mr Robertshaw  
Mr Peake  
Mr Malarkey  
Mr Speaker  
Mrs Lord-Brennan  
Mr Crookall  
The Lord Bishop  
Mr Cretney  
Mrs Poole-Wilson  
Ms Humbles  
Mrs Sharpe

**Voting for Mrs Beecroft:**

Mr Shimmins  
Mr Skelly  
Dr Allinson  
Ms Edge  
Mrs Caine  
Mr Moorhouse  
Mr Cregeen  
Mrs Corlett  
Mr Robertshaw  
Mr Speaker  
Mrs Lord-Brennan  
Mr Crookall  
Mr Henderson  
The Lord Bishop  
Mrs Poole-Wilson  
Ms Humbles  
Mrs Sharpe

5800

**The President:** Mrs Hendy has 29 votes, Mrs Beecroft has 17 votes and Mr Crookall has 16 votes. **(A Member:** Very disappointing!) *(Laughter)* Therefore Mrs Hendy and Mrs Beecroft serve on the Ecclesiastical Committee.

Hon. Members, that brings us to the end of the Supplementary Order Paper and with it, the end of Tynwald business this sitting.

**Tribute to Mr James Davis,  
departing Manx Radio journalist**

5805       **The President:** Some Hon. Members may not be aware that this is the final sitting of someone who has been a permanent fixture in the Manx Radio commentary box for a good number of years, (**Several Members:** Oh!) the journalist Mr James Davis.

          I think, unusual as it may be, I would on your behalf, if I may, like to say how grateful we are to James Davis for his professionalism to us over the years (**Members:** Hear, hear.) and his  
5810       courtesy to us at all times. Over various occasions when he has given us a grilling in an interview, I think nonetheless the words courtesy, fairness and trust are the ones that come to mind. (**Mr Robertshaw:** Hear, hear.)

          It is clear, James, that you hold Tynwald as an institution in great respect and you always have done, whoever the Members of the day may have been – and they come and go, as we  
5815       know – and no more can be asked. Perhaps having a grandfather who was a Member of the House of Keys may have given you a proper feel for the place.

          I think, Hon. Members, Manx Radio, if I may say so, is losing a respected journalist who has done great service as a public service broadcaster and we, as Members of Tynwald, wish you all the best in your new career.

5820

**Members:** Hear, hear. (*Applause*)

**The President:** Hon. Members, the Council will now withdraw and leave the House of Keys to transact such business as Mr Speaker may place before it.

*The Council withdrew.*

## House of Keys

5825       **The Speaker:** Hon. Members, you will be disappointed to know I have nothing further to put before you. We therefore stand adjourned until 27th March at 10 a.m. in our own Chamber.  
          Thank you.

*The House adjourned at 8.13 p.m.*