

REPORT OF PROCEEDINGS OF THE HOUSE OF KEYS (QUESTIONS)

**Douglas, Tuesday, 27th May 2003
at 10.06 a.m.**

Present:

The Speaker (the Hon. J A Brown) (Castletown); Mr D M Anderson (Glenfaba); Hon. A R Bell and Mrs A V Craine (Ramsey); Mr R E Quine OBE (Ayre); Mr J D Q Cannan (Michael); Mrs H Hannan (Peel); Hon. S C Rodan (Garff); Mr P Karran, Hon. R K Corkill and Mr A J Earnshaw (Onchan); Mr G M Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North); Hon. D C Cretney and Mr A C Duggan (Douglas South); Hon. R P Braidwood and Mrs B J Cannell (Douglas East); Hon. A F Downie (Douglas West); Capt. A C Douglas (Malew and Santon); Mr Q B Gill (Rushen); with Mr M Cornwell-Kelly, Secretary of the House.

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**Finance and Economy –
Members’ Briefing –
Question by Mr Henderson**

Question 1. The hon. member for Douglas North (Mr Henderson) to ask the Chief Minister:

Will you arrange a briefing for Tynwald members on –

- (1) the current and expected monetary and economic situation of the Island and in respect of its position relative to the United Kingdom, Europe and international interests to include OECD, ECOFIN and EU strategies which may have implications to the Isle of Man;*
- (2) the current status of any negotiations with any such bodies and an update of any threats, perceived threats and any positive actions taken by your government so far; and*
- (3) an update of economic strategic planning for the Island’s economy?*

The Speaker: I call on the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: Hon. member for Onchan, Mr Corkill, the Chief Minister, to reply.

Mr Corkill: Mr Speaker, the hon. member for Ramsey, the Treasury Minister has from time to time made statements in Tynwald when major events have taken place in respect of the Island’s situation with regard to international tax, financial, economic and regulatory issues. All decisions have been subject to the approval of Tynwald and that will certainly continue to be the case.

I can also confirm, Mr Speaker, that the Treasury Minister intends to continue to provide briefings to members of Tynwald at appropriate times as situations develop.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I thank the Chief Minister for his continued commitment to update hon. members, but take note that this is to be done through Tynwald as and when. What I would ask the Chief Minister is: would he rather do this and have his government perform this function sooner rather than later? When

things come to Tynwald it seems to me to be more a fait accompli rather than actual consultative process, and I think hon. members deserve a little better.

The Speaker: Chief Minister to reply.

Mr Corkill: I take note of the hon. member’s comments, Mr Speaker. Of course, most policy issues are decided in another place, in Tynwald, and certainly that is where the government will bring policy changes to in order to seek approval. With regard to a number of issues to do with taxation – for instance, the taxation strategy which was agreed in Tynwald – flowing from that, of course, in that case, has been secondary legislation. So this hon. House at that moment also has an individual opportunity to scrutinise the legislation supporting that particular policy. I suppose it is also always difficult to choose an appropriate time because with a number of these issues the timetables are driven by external factors and those timetables continue to change. There is not always agreement in other places and it is only when we need to specifically react to a particular situation that we perhaps need to brief members confidentially at that moment as to what things are.

So I do hope the hon. member believes and understands that the Council of Ministers will at all times endeavour, particularly through the forum of Tynwald, to make sure members are kept up to speed and up to date with the evolving international issues and the Isle of Man’s attempts to be part of what are changing international norms.

The Speaker: Hon. member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker. Could I ask the hon. Chief Minister whether or not he is aware of the European constitutional change that is afoot and that the draft changes for discussion will be out at the end of June and if so, does he agree with me that it is just a month away and that hon. members ought to be briefed now, rather than wait to react to a situation which is not of our own making? Further, would it not be more appropriate for his government to be in a proactive situation with regards to this, to be able to respond before the changes, or at least to respond to the drafts, that are coming through from Europe?

The Speaker: Chief Minister to reply.

Mr Corkill: Mr Speaker, I would refer the hon. member to another question on this question paper which is there in written form, where this issue of the convention which is under debate by the member states has been asked about by another hon. member and there is a written response to that. I think it highlights, Mr Speaker, that the world that we live in is a changing environment and that the Isle of Man has to be careful as to where its place is in that changing

world. But we heard on the radio this morning that it will be at least a year away before the members of the EU determine what that convention may be. Certainly the Council of Ministers is most concerned to be properly appraised of any potential change, particularly in relation to protocol 3, that may be afoot. Indications at this stage, Mr Speaker, are that protocol 3 is not affected in any way by the suggested changes to the convention of the EU, but it is something that we must seriously take note of and we will be keeping abreast on a daily basis of making sure that the Isle of Man's constitutional position is protected.

In the written answer, Mr Speaker, there is reference to the Constitutional and External Relations Committee of the Council of Ministers, which is awaiting some information from the Attorney-General on this very subject. When our thoughts are collected we will present those to members of Tynwald, because I have said in Tynwald, in another place, at another time, that then it may be quite useful for members of Tynwald to have a discussion or a debate about EU issues – how the EU is changing and how the Isle of Man fits into that – because the EU itself has changed so much since the 1970s when protocol 3 was adopted for this Island.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Would the Chief Minister agree with me, reverting back to my question, that it is important to update members of Tynwald prior to Tynwald debates and not actually within the debate in chamber, so obviously they are well briefed and know the ins and outs and the technicalities of these developing situations? Would he further agree with me that currently the international scene is changing rapidly and there is sufficient new information circulating out there in the international theatre that warrants a Tynwald members' briefing sooner rather than later?

The Speaker: Chief Minister to reply.

Mr Corkill: I would agree with the hon. member, and of course his question on the question paper this morning does relate to OECD, EU taxation issues, ECOFIN, issues to do with taxation generally and other economic aspects that are going on there internationally and it is very important that the Isle of Man Government, with the support of Tynwald and of the House of Keys, that we position ourselves in that changing environment to the benefit of our economy. I am quite pleased to acknowledge that, as soon as we have the opportunity, members will be briefed when there is a requirement to do that and when we have the information that we require to draw some conclusions.

The Speaker: Hon. member for Ramsey, Mr Bell.

Mr Bell: Thank you, Mr Speaker. Could the Chief Minister confirm that the most pressing issues facing the Island at the moment on international matters relate to the savings directive and the code of conduct issues of the European Union, and could he also agree that the ECOFIN meeting designed to give final approval to the package that is being proposed will take place either on 3rd June or 10th June, at which time we will have a very clear idea what the final shape of the expectations of the European Union will be? Could the Chief Minister also confirm that it is my intention, with Treasury, to give members a full confidential briefing immediately after that package has been agreed, once we know the final shape of it, so we know that we are imparting accurate information to hon. members, and that this briefing will take place before Tynwald sits in June?

The Speaker: Chief Minister to reply.

Mr Corkill: Yes, Mr Speaker, I am happy to confirm in a positive light all the comments that the Treasury minister has just mentioned. I think we have to be careful that we have a right balance between being proactive but not moving too quickly or in an unadvised way in relation to some of these changes, because, although these things are around for several years sometimes, when it comes to the final decision we notice that the EU goal posts change quite rapidly when the final deal is done between member states. We have noticed quite recently a change, particularly in the EU tax package, in relation to the Italians, for instance, throwing in the issue of milk quotas at the very last minute, which is why the ECOFIN decision which was expected in May will now be in June. There is always something unexpected which surfaces and so we have to position ourselves carefully. What the Treasury has been doing, of course, is consulting with the industry to make sure that we have the maximum amount of information to give to hon. members with a collective view.

The Speaker: Hon. member for Michael, Mr Cannan.

Mr Cannan: The Chief Minister has referred in his answers to the answer to the written question and in it he refers inter alia, 'It will be my intention for a report to be produced for Tynwald consideration.' Can I ask the Chief Minister: will he be specific and bring an interim report to Tynwald, at the July sitting, so that members will be updated as to the position at that date, rather than wait to October when so much can happen during the summer recess about which members will have no input whatsoever?

Secondly, can I ask the Chief Minister: to what extent in this new European constitution – which could have, in the longer term, serious implications for the Isle of Man – what liaison does he have with the Lord Chancellor's Department to ensure that the Isle of

Man's position is either safeguarded or is given proper consideration?

The Speaker: Chief Minister to reply.

Mr Corkill: Mr Speaker, in relation to reporting to the July Tynwald I do not really want to make an absolute commitment this morning to that because the information on the convention is still being collated and there is a lot of it not been agreed at this stage. But certainly I will give serious consideration to an interim report, as the hon. member for Michael has said, but at the very least we will give a briefing to hon. members so that –

Mr Cannan: That is not good enough.

Mr Corkill: – at that time we will have the information available. I would wish any such report to be a worthwhile report, so rather than give an absolute commitment to an interim report in July, I think I would be guarded on that.

With regard to the Lord Chancellor's support in this area, the Lord Chancellor's Department of course is very aware of constitutional issues. It is a department of the United Kingdom Government which is much experienced in constitutional areas and I look forward to their support in relation to defending our interests in a number of international arenas, not least the European Union. The issues of the convention and the enlargement of the EU do bring things to bear on the Isle of Man inasmuch as our protocol 3 arrangement, which was agreed in the early 1970s, was with the European Union as it was then. The EU has changed, it is enlarging greatly and that protocol 3 is now connected to more and more countries, and that has to be something that we need to take a cautious look at to see what the implications are. I would suggest, Mr Speaker, that that will take a little while to do properly. Can I assure hon. members that the Attorney-General's Chambers with expert legal advice, the Lord Chancellor's Department with its expertise, are busy helping the Isle of Man Government with this particular subject.

**Government –
Departmental Changes –
Question by Mr Quayle**

Question 2. The hon. member for Middle (Mr Quayle) to ask the Chief Minister:

Now that the by-elections have been held to fill the vacant seats in the House of Keys, will you, when considering any possible changes required in various departments, take the opportunity to strengthen the Department of Agriculture, Fisheries and Forestry,

particularly as this department faces such enormous challenges?

The Speaker: I call on the hon. member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker. I beg leave to ask the question standing in my name.

The Speaker: I call on the hon. member for Onchan, Mr Corkill, Chief Minister, to reply.

Mr Corkill: Thank you, Mr Speaker. I can confirm that I shall certainly have in mind the challenges facing the department and indeed the industry, when considering where to place new members and whether or not other changes are required.

The Speaker: Hon. member for Middle.

Mr Quayle: Thank you, Mr Speaker. Could I ask the Chief Minister if he would agree with me that the agricultural industry is of such vital importance, producing home grown food, maintaining the countryside as we all enjoy it, adding to our quality of life and attracting tourists to the Island, and will he consider giving higher priority and importance to this ministry, bearing in mind that it just has, at the moment, one minister and one member who is responsible for fisheries and forestry?

The Speaker: Chief Minister to reply.

Mr Corkill: Well, I thank the hon. member for his question this morning. Can I just make it clear that the Department of Agriculture, Forestry and Fisheries is very much a part of government. It may be a small percentage in terms of economic figures in this modern economy that the Isle of Man now enjoys, but I think we would all agree that it is a very integral part of the Island as a community, that we rely on those industries for part of our way of life here on the Island. It does have my support and the Council of Ministers' support and I take on board his comments this morning.

The Speaker: Hon. member for Malew and Santon, Mr Douglas.

Capt. Douglas: Mr Speaker, in view of the subject matter included in the hon. member for Middle, Mr Quayle's question and almost by way of a supplementary, sir, can I ask when the Chief Minister intends to strengthen the membership of Treasury, which is currently operating with only two members? Thank you.

The Speaker: Chief Minister to reply.

Mr Corkill: Certainly that is a situation that I wish to put right fairly soon and members may be aware that discussions are going on in the background. I want to rearrange a number of aspects and it is just a matter of making sure that we get the right people in the right places. I take on board that Treasury is light for a number of reasons that perhaps we have all been aware of over the last few months. It does need more membership and that will be addressed fairly shortly, I hope.

**Government Policy Briefing –
Members' Information and Feedback –
Question by Mr Henderson**

Question 3. The hon. member for Douglas North (Mr Henderson) to ask the Chief Minister:

How do you propose to provide members of Tynwald, who attended your recent government policy briefing meeting and had input into that process with information and feedback, as to how their views and concerns presented will be implemented and taken on board during this comprehensive consultative process and into the new, forthcoming government business plan?

The Speaker: I call on the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: I call on the hon. member for Onchan, Mr Corkill, Chief Minister to reply.

Mr Corkill: Mr Speaker, in relation to the information sought, I am happy to provide that now. The recent government policy briefing was but one part of a process designed to ensure that members of Tynwald have opportunity of input into the process of policy-making and the formulation of the government plan. But yet to come is a series of meetings between the Council of Ministers and members of each department, statutory board and officers of government. These meetings are timetabled to take place during the period mid-June to mid-July. After these meetings the Council of Ministers will have in their possession comprehensive information as to the opinions and concerns of individual members.

At the July Tynwald I will be presenting the government's annual report which covers the year 2002-3. This will not be a true annual report, inasmuch as we did not have a government plan in place before the year 2002-3 under the new structure. However, it will seek to report on our performance in that year against the aspirations we set ourselves in the previous

policy report. This will give members a further opportunity not only to comment on previous performance but also to look forward and say how they expect the government to perform in the future. This will in effect become the key policy debate, replacing the October debate in the Tynwald timetable.

This means the Council of Ministers will have given members of Tynwald three separate opportunities to have input into Council's policy decisions prior to Council setting government and departmental parameters at the end of July and these opportunities are – and I reiterate them – the May policy briefing, the June and July meetings with Council and, thirdly, the July Tynwald debate.

All of the information gathered during these processes will be available to the Council of Ministers during the resource parameter-setting exercise which takes place at the end of July and into the beginning of August. The outcome of these deliberations will be fed back to members of departments as soon as the resource parameters have been set in order that departmental plans and budgets can be prepared for presentation to Tynwald with the government plan in February of next year.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I thank the Chief Minister for his comprehensive answer, but the information I seek is addressing individual Tynwald members acting in their own right and their constituency rights. The meetings he refers to, of course, are government departmental meetings and would he agree that at those meetings a Tynwald member and an elected member of the House of Keys cannot necessarily enter into their own concerns representing their constituency and operating as an independent backbencher. Therefore, could he confirm for this House and the public of the Island, just how he intends to input individual Tynwald members' information into these processes and how he intends to feed back to Tynwald members the information, if indeed it has been put into the government plan. It seems to me, Vainstyr Loayreyder, that these briefing meetings are some of the most important meetings in the legislative calendar, and I think members have a right to a feedback session of some description, or a report back, to know that the hard work that they have put into the meetings has actually been incorporated somewhere, if the Chief Minister could answer that.

The Speaker: Chief Minister to reply.

Mr Corkill: Mr Speaker, with regard to constituency input into the process, certainly I would hope at the seminar meetings that we hold in the month of May, that individual members of Tynwald would take the opportunity to raise any issue that is of

concern or importance to them. They have the opportunity to circulate around departments to put any point of view across and, of course, in terms of the constituency interest I would encourage any hon. member to come forward with any concerns at any time, not necessarily part of the business planning process, but at a time when it is important for hon. members to represent the constituency interest. I would hope that hon. members are not holding back on constituency issues because of the business planning process, because that would actually have a stifling effect and there is no intent to do that.

I was disappointed that this meeting in May was not as well attended as I would have hoped, but I hope that hon. members appreciate that the opportunity is there for members to come along. With regard to the then departmental one-by-one interviews, if I can call them that, with the Council of Ministers, that is a second opportunity for most members to have another input. There is also this July debate where there is input, but of course we will only, as all members, see whether our dreams are being realised or not when we see what is actually included in the government process with regard to parameters and priority setting. There is only enough room for a certain amount of things – that is not new, that happens every year with every budget process. It is only then that hon. members, including myself, will actually see whether our constituency interests are actually represented in that plan. So I am not sure that there is any further opportunity, bearing in mind the timetable of events, that we can squeeze in to create extra input for hon. members.

The Speaker: Hon. member for Onchan, Mr Karran.

Mr Cannan: The Chief Minister says that he welcomes input from members, but when members do give input does he take any notice of them? I give an example: for as long as he has been in office I have brought to his attention the need for a medical centre in the north-west of the Island; he has taken no notice of it. I drew it to the attention of the previous Chief Minister, the department, the minister – what is the point of the Chief Minister standing up here today and saying, ‘Please bring your constituency concerns to me’ when with a matter so important as health he takes no notice?

The Speaker: Chief Minister to reply to the hon. member for Michael, Mr Cannan.

Mr Corkill: Mr Speaker. I think it is disingenuous of the hon. member for Michael to say that I take no notice of the numerous letters he writes to me on this particular subject – I do take notice of it. I do take note of his concerns, and also I am aware that the Department of Health and Social Security with its budget comes to another place with its priorities and

we have a debate there as well. So it would be very nice if I was to be able to write back to every hon. member who writes to me and say ‘Well, that is a good idea, yes, I will make sure that happens.’ I am afraid co-ordinated government, in terms of maximising our resources that are available, making sure that they are best utilised for the Island as a whole, sometimes does not quite fit in with a constituency interest. We all, as hon. members, have to wrestle with that problem from time to time, none less than myself who, in the constituency of Onchan, would very much like to have a proper medical health centre facility (**A Member:** Hear, hear.) because we only have two branch surgeries there in a population which is much greater than the area that the hon. member for Michael is talking about. So, it is a very difficult job for the DHSS to use the resources that are available to it, to give this comprehensive primary health care. But the hon. member’s letters and his comments to me and our conversations are not ignored.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Would the Ard-shirveishagh agree with me that what I am trying to dig out of him this morning is the fact that individual Tynwald members who attend his briefing policies will be bringing a different set of issues to that forum in comparison to attending a departmental briefing, and those issues at that forum will both be constituency and national issues of major concern? Would he agree with me that it is time that members had a little bit more feedback from these sessions rather than having the government’s policy document presented in Tynwald as a *fait accompli* and finding out that all the bits and pieces have been added there and hon. members may not see the input that they have had at these meetings actually in the document in any shape, form or size?

The Speaker: Chief Minister to reply.

Mr Corkill: Can I assure hon. members that when we get the feedback from all of these sessions to the Council of Ministers that we have always on our agenda a paper where we look at all the comments that individual members have made, whether it is constituency or departmental, and we try to incorporate and build those into the thoughts and discussions that we have had ourselves around the table. It is a very useful opportunity to screen through hon. members to see what is important to them and try to add those to the priorities that government has. But inevitably, Mr Speaker, we cannot have everything that we wish to provide. We always have to prioritise, but it is important that these processes work and I thank the hon. member for his question. (*Interjection by Mr Cannan*) We have to make sure that members are included. We do our best to do that. We try to give as

much feedback as possible, but it is quite important – in fact *very* important – that we appreciate that we cannot have everything that we wish to have. Life is not as simple as that, as much as I would like to make it that way, Mr Speaker.

The Speaker: Member for Ayre, Mr Quine.

Mr Quine: Recognising the potential importance and value of these seminars, would the Chief Minister endeavour for future occasions to try to give greater notice of these meetings coming up? He will appreciate, of course, that in the context of political diaries in the order of two weeks does not allow a considerable number of members to take up the offer which has been extended to us.

The Speaker: Chief Minister to reply.

Mr Corkill: I had thought, Mr Speaker, that the invitation was noted sooner than that, and I regret it if the hon. member only had two weeks' notice. What I would emphasise is that with this new corporate planning process it has been a difficult transitional period this last year and this year. But certainly for future years now that the new structure is beginning to bed in and we have almost got to the end of a whole business planning cycle, when we start the next process there will, in fact, be a great deal of opportunity to actually put dates into peoples' diaries, probably six months in advance. That has not been possible this time and that is unfortunate. Certainly in the future these dates will be cast in concrete. As far as I am concerned the members will have lots of notice.

The Speaker: Hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Ard-shirveishagh not agree that the issue of the government business plan should be of national issues and not of constituency issues? I think that is the importance of having a business plan as far as the government is concerned. We must not be too concerned about the parish-pump issues as far as the business plan is concerned. Would he also not agree that dreams are one thing as far as this administration is concerned; the reality of dealing with issues such as the housing crisis are far better being dealt with in reality than in the dreams of his administration (**A Member:** Hear, hear.) which seem to have problems on a number of fronts.

The Speaker: Hon. member for Onchan, Mr Corkill, Chief Minister, to reply.

Mr Corkill: Mr Speaker, I want to make it clear that this administration is not dreaming, it is not thinking of things; it is dealing with every-day practical issues that affect peoples' lives in this Island and we have to do that on an all-Island basis. But I

would agree with the hon. member, we should not get bogged down in constituency issues and the parish pump too often, but I think we know as members that those issues are important as well to the people who are involved. What I would suggest to the hon. member is that we come up with a corporate plan agreed by Tynwald with the priorities presented to us by Treasury, which are hopefully agreed by Tynwald, and that in fact we do what we can with the resources that are available to the overall benefit of our Island, and in doing that we will indeed satisfy the great majority of our constituents.

**UK DTI Report –
Statement on Implications for Island –
Question by Mr Henderson**

Question 4. The hon. member for Douglas North (Mr Henderson) to ask the Minister for the Treasury:

- (1) *Is the Treasury in receipt of the recent UK DTI report 'UK Competitiveness: moving to the next stage'; and*
- (2) *will you make a statement on its executive overview, and any possible strategic implications this may have as a consequence for the Island?*

The Speaker: I call on the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: I call on the hon. member for Ramsey, Mr Bell, Minister for Treasury, to reply.

Mr Bell: Mr Speaker, I can confirm that the Treasury has seen a copy of the above report. The 60-page report is, in fact, available on the UK DTI website. In terms of content, its key messages are that the UK must improve its skill base, stimulate innovation and foster enterprise, as historically many of the UK's competitors have been more successful in improving labour productivity.

The review of our economic strategy currently being undertaken by my department focuses likewise on the need to raise productivity, a theme reiterated in the government plan and repeated in departmental plans. There is also reference made in the report of the UK moving from a low-cost producer to one with unique value and innovation, which again has relevance to our own economy.

When looking at the areas of comparative advantage and disadvantage, the UK is seen as having easy access, low regulation and developed capital

markets but poor in its physical infrastructure, skills and research in development investment. We are similar in some respects but the investment in our infrastructure has been substantial in recent years, and we are fully committed to improving our skills base.

The report makes interesting reading. I was personally very interested in the part of the analysis that suggested that being a low-cost, low-regulated economy would not in future be a sufficient basis for success. In many ways the report shows the UK seeking to address the same issues as ourselves, so from a strategic point of view the implication is that we can expect the United Kingdom to remain a key competitor for inward investment and that accordingly we must seek to do even better and to prove an even more attractive location for business.

One advantage we have going forward would appear to be the closeness of relations between government and our business community, since the UK report laments the absence of such relations in the UK and calls for more of a rôle for the private sector in policy decision-making.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I thank the Treasury minister for that comprehensive reply, but would he agree with me that, in outlining the UK's strategic economic process, there may well be some impact for the Island, given that they are going to obviously drive their economy in a more beneficial way and be more competitive? What kind of impact does he envisage for the Isle of Man in the light of that?

The Speaker: Minister for Treasury to reply.

Mr Bell: There is no doubt, Mr Speaker, that the United Kingdom Government has been trying to position the United Kingdom as, in effect, an offshore Europe jurisdiction for a number of years now, and this has made it very attractive for inward investment seeking a toe-hold in Europe. It is very important, though, to remember that the potential for the United Kingdom to become more competitive vis-à-vis the Isle of Man is a very real threat, and I think the lesson we have to learn from this is that, yes, we must watch the United Kingdom very closely but we must be more innovative, more dynamic and more focused on the need to develop new economic opportunities as they come along and to have a commitment to economic growth, which will enable us to respond to the challenges which are put forward.

One of the key elements in this though, Mr Speaker – and it is one which my department, Treasury, has been investigating and in fact will comment on in the new economic strategy when it is finally brought forward – is the vital importance of training, retraining and improving the Island's skills

base. That is a job not just for government through the DTI, through education, it is also a prime responsibility of our business community outside to make sure that its staff are trained to the highest possible standard so that ultimately we can compete on the quality of staff and not on the low-cost base as we have done in the past.

The Speaker: Hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, if the UK DTI report is to be accepted, will you look into other principles such as the issue of transparency, as far as the Manx DTI is concerned – a simple principle that where there is public money involved the public have a right to know where the money has been spent by the DTI?

The Speaker: Minister for Treasury to reply.

Mr Bell: Mr Speaker, I am satisfied that in its own way the DTI is transparent, and if there are any problems arising from that, we have the Public Accounts Committee internally to investigate. The one thing we must be very, very clear on, though, is that there is a difference between transparency at that level and the disclosure of confidentiality to people who wish to do business with government. There is a fine balance to be struck here, and I do believe at times we have overstepped that line. It is vitally important that businesses, if we expect them to expand and grow and invest in the Isle of Man, have the confidence that they can come along to government and disclose private, highly confidential, highly sensitive commercial information to government without it being then further displayed in public. If that confidence were to go then I am absolutely sure – there is no doubt in my mind at all – that the Island will lose a major competitive advantage and, more importantly, will lose a substantial amount of business either to United Kingdom or, indeed, to other jurisdictions. We must not lose sight, Mr Speaker, of the fact that next year the European Union is going to see an enlarged unit. There will be another 10 countries coming in, all low-cost jurisdictions at the moment, and they themselves will be competitive with the Isle of Man as well. So we are in a very, very fluid situation and therefore the Isle of Man needs to be very, very focused on the advantages it has and not throw away those advantages willy-nilly without properly thinking about it.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I thank the Treasury minister for his answers thus far and business commitment to the Island's economic strategies and so forth. Can he just give one further assurance that in his briefing he has

now confirmed to the House this morning for June or July and that he could include some information on this very subject of the UK's developing economic strategy?

The Speaker: Minister for Treasury to reply.

Mr Bell: Thank you, Mr Speaker. The briefing I alluded to in my question to the Chief Minister earlier on was a commitment to make sure members are fully up to speed with the developments, particularly with the savings directive which is going to have a potential substantial impact on our financial services industry. So from that context it will be my intention to spell out all the facts as we know them at the moment to hon. members so they are fully in the picture when we make our commitment to the savings directive as to precisely what we see the impact being.

As far as the wider issue is concerned, Mr Speaker, we will at some point – it will probably be the autumn now, I think, before we are finished with our economic strategy – at that time I hope we will have a wider assessment of the Isle of Man's strengths and weaknesses and I would expect a debate in Tynwald to be triggered from that report, and that should enable all the facts and figures as we know them to be brought out on the floor of Tynwald for all members to be aware of.

The Speaker: Hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the shirveishagh not agree that everybody in this House agrees that business's money and its private affairs are its private affairs and should not be made public, but would he also not agree that in the DTI commercial confidentiality where it deals with public money, the public's taxpayers' money, has to be open and transparent? Does he not agree that that principle, which has been established in the UK, should also be established here – not getting into the private affairs of any private company? And would he also not agree that this hon. member has raised the issue some time ago about the extension of the EU and the effects that it will have, as far as labour costs are concerned, so this House is not ignorant of those affairs.

The Speaker: Minister for Treasury to reply.

Mr Bell: Mr Speaker, I did not say that this hon. House was ignorant of the fact that the European Union was going to enlarge. The fact that the member raises a point in debate does not mean he is the only member with access to that information. I am sure all members are very well aware of the fact that the European Union is going to enlarge next year. There will be 10 countries coming in to Europe, all at the moment in various forms depressed economies in comparison to our own even, and they will be major

competitors in the years ahead and we have to ensure that the Isle of Man is as competitive as it possibly can be to offset any potential loss of business to those areas.

As far as the hon. member and his transparency campaign is concerned, Treasury has a responsibility in fact to ensure that the DTI is transparent in its dealings. I have, in my time, seen no evidence at all that DTI has not been transparent in its dealings, but we need to recognise that there is a balance to be struck between legitimate public interest in where the taxpayers' money is going into new business startups and the need for commercial confidentiality. I do believe that from time to time we have strayed over that boundary to the detriment of a number of businesses and it is vitally important – more so now I think in the next few years than ever before – that, if we are to succeed in continuing our success, continuing our growth rate, we retain that close working relationship between government and the business community, and that they feel that they can deal with us in confidence and their sensitive commercial affairs are not in any way exposed to the public.

**Bank of England Report –
Statement on Implications for Island –
Question by Mr Henderson**

Question 5. The hon. member for North Douglas (Mr Henderson) to ask the Minister for the Treasury:

- (1) *Has the Isle of Man Treasury been in receipt of the most recent Bank of England Monitoring Policy Committee's Inflation Report;*
- (2) *will you make a statement on its overview, and*
- (3) *on what possible impact scenario this may have on the Island's financial business sector?*

The Speaker: I call on the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: I call on the hon. member for Ramsey, Mr Bell, Minister for Treasury to reply.

Mr Bell: Mr Speaker, the inflation report referred to here is a quarterly report produced by the Bank of England under the guidance of the monetary policy committee, the body established in 1997 and tasked to

set British-based interest rates. The reports are received here through the Treasury's economic affairs division and they are accompanied by the minutes of the monthly meetings of the committee. Since the monetary policy committee has as a target an annual inflation rate of 2.5 per cent then its collective interpretation of current and future inflationary pressures is central to its interest rate decision-making.

The main points made in the May inflation report can be summarised as: (1) the recovery in the world economy is lacklustre but with some signs of improvements since the end of hostilities in Iraq; (2) in the UK, manufacturing output continues to fall but, perhaps more importantly, consumer spending has slowed and this has significantly hit retail sales; (3) whilst falling consumer demand will act as a control on inflation, the fall in the value of sterling will work the other way; and finally (4), UK growth is expected to pick up later in the year as the global outlook improves and the benefits of the falling sterling exchange rate take effect.

This overview is consistent with the current consensus amongst economic forecasters and is a perspective that is incorporated into Treasury's own outlook, as reflected in our economic reports to Council and in the central planning assumptions reproduced in the government plan. The principal implication of the analysis provided in the report is that the worst is over and that growth in the UK and beyond will resume with more vigour later in the year. If this proves to be correct then it can only be good news for the whole of the business community, not just the financial sector. This will be so, particularly if interest rates can be maintained at or around current levels once stronger growth returns, and I would suggest that this will be more likely if inflation can be kept under control and if UK house-price increases continue to moderate.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I thank the Treasury minister again for a comprehensive reply on this important issue. Would he give an undertaking to this House, in future when his section is in receipt of these reports, to actually supply Tynwald members and House of Keys members with a brief and overview sheet to give us an analysis of the main points contained in those reports?

The Speaker: Minister for Treasury to reply.

Mr Bell: Yes, Mr Speaker, I will be more than happy to ensure that members have this information. There are some major economic issues, clearly, which we have to decide on over the next two or three years and it is vitally important, I think, before Tynwald makes any decisions on economic matters, that they are as well briefed as we are (**Mr Henderson:** Hear,

hear.) so that they can fully understand what Treasury thinking is and why certain recommendations have been made to hon. members.

I have said, Mr Speaker, on a number of occasions, that with the various international changes which are taking place, the international pressures on the Island, we are entering in many ways new territory altogether and therefore it is vitally important that as far as possible the government and members of the Isle of Man and, indeed, the people of the Isle of Man fully understand what those pressures are and their implications for future government revenue streams. Therefore I will be more than happy to ensure that the hon. member or all members have that information.

But I would, Mr Speaker, also just hand out the invitation again, which I have made on a number of occasions, which is that if members have specific issues they would like to raise with Treasury on any of these matters please come along and talk to us and either myself or my key officers will be more than happy to sit down with them and take them through any concerns they may have.

UK Pensions Scare – Effect on Island – Question by Mr Henderson

Question 6. The hon. member for Douglas North (Mr Henderson) to ask the Member for Health and Social Security:

Following the recent UK pensions scare regarding large numbers of people whose state pension contributions have been under-subscribed –

- (1) *what is the Isle of Man situation;*
- (2) *how many people will be affected in the Isle of Man; and*
- (3) *will you make a statement on the issue to reassure the Manx public?*

The Speaker: I call on the hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

The Speaker: I call on the hon. member for Onchan, Mr Earnshaw, member for the Department of Health and Social Security, to reply.

Mr Earnshaw: Thank you, Mr Speaker. The position regarding this question, which has caused some concern, was explained by the director of social security on 'Sunday Opinion' on Manx Radio on the 18th of this month and was repeated on Manx Radio news the following day.

Essentially, the position is that prior to 1998 the contributions agency of the UK Department of Social Security each year issued notifications to individuals who had insufficient annual national insurance contributions to provide a qualifying year for state retirement pension purposes.

Following difficulties with the new national insurance computerised recording system, however, a business decision was taken by them to discontinue these notifications from 1998. The Inland Revenue, to which responsibility for national insurance has now passed, intends contacting members of the public with deficient contribution records to advise them of the situation and provide those concerned with extra time to pay arrears of contributions should they so wish.

In the Isle of Man, Mr Speaker, annual notifications have continued without interruption, so in the normal course of events Isle of Man contributors will *not* be affected. It is, however, conceivable that some UK contributors who take up residence in the Island may be affected, in which case they will be able to pay contributions in the Island to make up a deficient UK year.

The Speaker: Hon. member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I thank the hon. member for his answer but, just for the sake of clarity, could he confirm in what he was saying that, in fact, none of the local Manx pensioners or resident pensioners will actually be affected by this UK crisis at the minute and that our pensioners seem to be reasonably safe?

The Speaker: Hon. member for Onchan, Mr Earnshaw, to reply.

Mr Earnshaw: Yes, Mr Speaker. Essentially there is not a lot to say about this because it is a UK problem not one for the Isle of Man. I cannot say that there will be no pensioners affected in the Isle of Man; there may be some but, according to the briefing notes that I have, these are people who will have taken up residence in the Isle of Man recently.

The Speaker: Hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, will the department keep pressure on the Council of Ministers to keep on expressing concern over the fact that UK pensioners can go to the UK, can live in Spain and still get the UK heating allowance, but if a UK pensioner comes to live in the Isle of Man, he cannot claim it? With the great history of this Island in supporting the United Kingdom over the centuries, does he not feel that we should be expressing moral outrage that they are treating UK pensioners who come to the Isle of

Man as second class and penalising them for coming to the Isle of Man rather going to Europe?

The Speaker: Hon. member for Onchan, Mr Earnshaw, to reply.

Mr Earnshaw: Thank you, Mr Speaker. This is a very deep issue but I think the essential way of responding to it and the department's approach to it has been simply that the Isle of Man system is one where if you have paid into the Isle of Man system as an earner, then you are entitled to draw out of that system.

Mr Karran: Vainstyr Loayreyder, a supplementary.

The Speaker: Hon. member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, a supplementary. Is the member not aware that they are not talking about the Manx pensioners premium system, we are talking about the UK heating allowance system, where a UK citizen can go and live in Spain or Europe and get the UK heating allowance but if that individual comes to live in the Isle of Man he is not allowed to claim that heating allowance from the UK Exchequer because he comes to the Isle of Man? And would he make representations – because obviously he is unaware – that we should be expressing concern to the United Kingdom Government. With our history of helping the United Kingdom, it seems appalling that it is treating its own citizens who want to retire to the Isle of Man as second class, as far as the heating allowance of the UK system is concerned, in not being able to claim it in the Isle of Man but able to claim it in a much hotter country such as Spain where the heating allowance is not needed.

The Speaker: Hon. member for Onchan, Mr Earnshaw, to reply.

Mr Earnshaw: Yes, thank you, Mr Speaker. I am not quite sure how this ties into the question that is on the order paper, but essentially it does seem ridiculous. I would agree with my colleague and the hon. member for Onchan, Mr Karran, but this is part of an EU ruling and the Isle of Man for these purposes is not part of the EU.

The Speaker: I would advise that it ties in because the question is about state pensions, hon. member. Hon. member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker. When the hon. member for the department gave his initial answer to the original question, he advised that pre-1998 the UK actually sent out reminders to pensioners to inform on contributions if there was a shortfall et cetera, and

that the Isle of Man did not do that but continued to send out annually to our pensioners here to inform them. Can he advise: of those UK pensioners who have subsequently moved to the Isle of Man who will be affected – and he has alluded to that in his answer – are those the people who settle here post-1998 because he did say ‘recently’? What does he mean by ‘recent’? And further, in terms of the original question on the order paper, part 3, will the hon. member go back to his minister and ask his minister to make a comprehensive statement and have it published (**A Member:** Hear, hear.) in all of the newspapers rather than to rely on an interview that we may or we may not have heard on the radio?

The Speaker: Hon. member for Onchan, Mr Earnshaw, to reply.

Mr Earnshaw: Yes, thank you, Mr Speaker. I have already said that I have made the statement. It has been made by the Director of Social Security in the Isle of Man also, on Manx Radio. It is not really a Manx issue.

I can confirm to the hon. member for East Douglas, Mrs Cannell, that when I said ‘post’ I was referring to after 1998, but it is a question here of people who may be affected. Of those people who have moved to the Island some may be affected but we think it is a small caseload. We really do not know how many, so it is a question that they ‘may’ be affected, not ‘will’ be affected. So this is an issue essentially which I believe, and the department believes, has been blown out of all proportions in the UK for political reasons and by the UK media.

**Flat Owner-Occupiers –
Ineligibility for Grants –
Question by Mr Anderson**

Question 7. The hon. member for Glenfaba (Mr Anderson) to ask the member for Local Government and the Environment:

Could you explain the reason why owner-occupiers of flats cannot obtain grants under the House Improvement and Energy Conservation Scheme 2000?

The Speaker: I call on the hon. member for Glenfaba, Mr Anderson.

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

The Speaker: I call on the hon. member for Douglas North, Mr Henderson, member for Local Government and the Environment, to reply.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. The Housing Improvement and Energy Conservation Scheme which the hon. member for Glenfaba is referring to was introduced in the year 2000 and, certainly last year, proved to be very successful. There was grant assistance totalling nearly £0.5 million used by members of our community accessing this grant.

Under the current scheme, properties eligible for assistance must be owner-occupied buildings used as domestic dwellings and built before 1950. Flats were excluded for the purpose of the scheme, which as I say, Vainstyr Loayreyder, is to provide assistance to improve a whole building, and to provide assistance for one flat would, in most cases, not achieve that objective as the scheme stands currently.

The department is, however, aware that owner-occupancy of flats and apartments has increased over recent years. Indeed, several owners have purchased their flats supported by grants under the DoLGE house purchase assistance scheme. By definition then, those properties are the less expensive part of the housing market and possibly in need of improvements, and the purchasers usually, in the earnings bracket, will be earning less than, say, a major house buyer. Grant support for improvements would therefore be of help and encourage investment into these properties.

So, Vainstyr Loayreyder, having said that, the department is currently reviewing the improvement grant scheme to take account of a number of issues, and in particular the more effective targeting of grant assistance. I can therefore assure the hon. member for Glenfaba that the review will also consider whether it would be possible to amend the scheme to include flats and apartments.

The Speaker: Hon. member for Glenfaba, Mr Anderson.

Mr Anderson: Thank you, Mr Speaker. I thank the hon. member for the positive reply. But I would like to point out that generally speaking, people living and owning flats are less likely to have the wherewithal to improve flats, because they have gone into that market –

The Speaker: Can I remind the hon. member it is a question not a statement, please.

Mr Anderson: Thank you, Mr Speaker. Does he not agree, then, that it is more pertinent that grants be directed in their direction rather than people that can afford to buy a house in the first place?

The Speaker: Hon. member for Douglas North, Mr Henderson, to reply.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I think I have already given that assurance. The department is perfectly happy to review

the situation. It is a flexible scheme and if the hon. member has got any particular constituency issues which are concerning him with regard to this, he is more than welcome to attend our department and discuss the particular cases that may be bothering him. Certainly if he could have done this prior to this, we could have had a look at the scheme for him. *(Laughter)*

The Speaker: Hon. member for Douglas East, Mrs Cannell.

Mrs Cannell: Thank you, Mr Speaker. Would the hon. member who is reporting for his minister, who is not here present, when reviewing the scheme and possibly considering amendments to the scheme, can he advise when that is likely to take place? In so considering, will he also take cognisance of the fact that there are pensioners who are on fixed incomes – low incomes, I might add – who are owner-occupiers of flats in old converted properties who are desperate to get government support to help them to be responsible in maintaining and improving those properties, and that his minister's department needs to rectify that situation?

The Speaker: Hon. member for Douglas North, Mr Henderson, to reply.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. As I say, this scheme is brand new. It was brought into being in 2000. It has hardly had time to work and certainly, I have given assurances this morning, and for the third time I will give assurances, that the department is willing to look at the scheme, certainly in this aspect, to see if resources can be targeted more effectively. We are aware that flat and apartment ownership has gone up and we are aware of the problems, and I certainly thank the hon. members for raising this issue this morning.

The Speaker: Hon. member for Glenfaba, Mr Anderson.

Mr Anderson: Thank you, Mr Speaker. A final supplementary from me. Is the hon. member aware that, now the fire authorities are actually enforcing new regulations that came in in the 1990s, this alone is putting an increased burden on flat owners to comply with those regulations that they would not necessarily implement themselves?

The Speaker: Hon. member for Douglas North, Mr Henderson, to reply.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder. I thank the hon. member again for raising that point to the department's attention and again respectfully remind him that the scheme is only brand new. It is possibly just out of the teething stage, but it

is information that can be reported back when the scheme is reviewed, which we have given an undertaking this morning to do.

The Speaker: Hon. members, that concludes Question Time as allowed on our order paper and the times of our standing orders. I therefore need to ask hon. members under standing order 47, as we have two questions remaining for oral answer . . . Standing order 47 says: 'If a tabled question for oral answer has not been answered or is not reached by 11 a.m. the member to whom it is addressed shall circulate a written answer to members within 48 hours, unless, when called upon to do so by the Speaker, the member who has tabled the question elects to either (1) withdraw the question or (2) table the question for answer at the next sitting.' So I call on the hon. member for Onchan, Mr Karran to advise how he would like his question 8.

Mr Karran: I would like a written reply, and then I can put a further one at the next sitting if I do not get a satisfactory one. *(Laughter)*

The Speaker: If I can then ask the hon. member for Onchan, Mr Earnshaw, how he would like his question dealt with, please.

Mr Earnshaw: I am quite happy for mine to be dealt with in the same way.

The Speaker: Thank you, hon. members. Hon. members, the question for written answer has been circulated.

Manx Electricity Authority – Bond to Fund Expansion – Question by Mr Karran

Question 8. The Hon Member for Onchan (Mr Karran) to ask the Minister for Trade and Industry:

The Isle of Man Government raised a £185 million bond to fund the expansion of the Manx Electricity Authority.

- (1) Could you confirm that the interest payments on the bond, including deferred interest payments, will be £10.55 million per year starting in April 2003?*
- (2) Could you also confirm that this will cost Manx electricity consumers an additional 3 pence per unit (or nearly 40 per cent of the current price)?*
- (3) Could you confirm that no provision has been made to repay the bond (which represents a*

debt of over £4,200 per electricity consumer on the Island); and

- (4) *could you confirm that writing off the cost of the bond over the anticipated life of the equipment it was used to purchase will cost Manx electricity consumers an additional 3 pence per unit (increasing the cost of the bond to 6 pence per unit or over 75 per cent of the current price)?*

Answer

- (1) The department cannot confirm that the bond interest payment, including deferred interest, will be a sum of £10.55 million per year starting in April 2003.

The department is advised that the bond payment figure will be slightly less, at some £10.22 million per year.

- (2) It is not the case that this bond payment will cost the electricity consumer an additional 3 pence per unit of electricity.

The tariff as set by the Manx Electricity Authority (MEA), which has been reduced by a real 32.5 per cent over the last three years, benefits from the bond (taking inflation into account as there have been no increases in tariff owing to inflation during the period).

As stated in the MEA's published annual report for the year ended 31st March 2002:

'The MEA has borrowed £185 million from the Isle of Man Government as the financial solution within an overall re-structuring strategy' (page 22).

Without the bond solution the authority would not have been able to deliver the vital improvements in infrastructure, nor make these significant tariff reductions.

Further to the 32.5 per cent real reductions in electricity tariff over the recent years, the MEA's financial strategy will allow the authority to consider further tariff reductions once the new infrastructure is fully commissioned.

- (3) The department can confirm that no provision has been made to repay the bond.

In response to a question at the December 2002 sitting of Tynwald in relation to the Manx Electricity Authority bond the Chief Minister stated:

'The agreed term of the MEA's bond is thirty-three years, and it will be repaid at the end of the term, unless of course it is repaid earlier. As regards the mechanism for repayment, I am advised that the most likely scenario is

that the bond will be refinanced, probably by a further bond issue, although this will be subject to market conditions throughout the remaining term of the bond.'

The department is advised that, since the Chief Minister said this, nothing has changed to alter the situation.

- (4) The department can not confirm that this is correct as it is simply not the case.

Further to this, the department is advised that the MEA depreciation policy includes an asset replacement reserve which provides for the future replacement of fixed assets, which in turn supports infrastructure financing. This is exactly the purpose for which the Isle of Man Water Authority bond was raised.

Had the MEA not taken the bond at the time that they did, the tariff reductions which have already been seen would not have been possible.

The bond has made possible very significant capital investment by the authority which, it is important to remember, has been necessary to ensure that there is sufficient generating capacity to meet the growing demand for electricity. It has funded the construction of the natural gas pipeline, enabling the provision of a more stable fuel source for the Island; and a state-of-the-art gas-fired power station (already recognised as world leading) enabling the use of diverse fuel sources for electricity generation, thus removing the current dependency on gas oil. These investments will enable the authority to consider further tariff reductions in the future.

If this capital investment had not been made these further tariff reductions, as with the previous reductions, would not have been possible. Also, the ability to trade in the electricity generation market would have been lost, thereby depriving the MEA of an additional revenue stream that may in the longer term assist in further tariff reductions and thereby provide further benefit to the electricity consumer. But, most importantly, without this capital investment future security of electricity supplies could not be guaranteed.

**Police – Foot Patrols –
Progress in Restoring –
Question by Mr Earnshaw**

Question 9. The hon. member for Onchan (Mr Earnshaw) to ask the Minister for Home Affairs:

On 3rd December 2002, an article appeared in the Isle of Man Examiner under the headline 'Police Declare War on Red Tape'. The intention of the exercise was to get Island officers back on the beat. Would you make a statement regarding the specific aims of the project and what progress has been achieved?

Answer

In 2001 the UK Home Secretary tasked a former Chief Inspector of Constabulary with establishing a task force to reduce police bureaucracy. His aims were to increase police visibility by reducing the hours officers spent on non-core work and, where appropriate, to employ extra civilian support staff to take on rôles previously carried out by police officers. The task force was established as part of a major police reform programme.

In the Isle of Man many of the operational practices used by the force mirror those found in the United Kingdom. In December 2002, the Chief Constable tasked an inspector with reviewing the report of the Police Bureaucracy Task Force in an attempt to assess whether any lessons could be learned in the Island. The aim was to ensure that patrolling officers should spend as much time as possible on patrol. It is essential that maximum use is made of police resources at all times.

This work is yet to be completed, but an initial report suggests that many of the bureaucratic issues affecting police forces in the United Kingdom are not necessarily found in the Isle of Man.

That said, it is likely that the final report will identify shortcomings in the I.T. provision within the Isle of Man Constabulary. Greater use of I.T. will have an enormous impact on paper-based systems and processes and will reduce the time police officers spend in police stations. This was the subject of comment in the last report of Her Majesty's Inspector of Constabulary.

The Chief Constable's Annual report for 2002-3 will show that significantly more time was spent on foot patrol in the year than in either of the two previous years. In fact, the amount of time spent by officers on high visibility foot patrol actually increased by 27.1 per cent over 2001-2. Increased foot patrols were common to all 3 policing divisions.

Those members who responded to the Chief Constable's invitation to attend a presentation on 9th April 2003 will know that the Isle of Man Constabulary has ever-increasing demand on its excellent service.

Notwithstanding, the police have made significant progress on reducing bureaucracy in the force with examples being as follows:

(i) Arrest

Where a power to arrest a person exists, there has been greater use of reporting offenders for

offences. This has reduced the patrol time lost by time spent in processing prisoners in custody areas.

(ii) Appointments Surgery

The Scenes of Crime Department has introduced an appointment system for photographing victims' injuries. This has saved officer time and enhanced the service for victims.

(iii) Directed Patrol

More effective supervision by directing officers to patrol in particular areas, based on information and intelligence. The new Tasking and Co-ordinating Group are an integral part of this initiative.

(iv) Policing of Road Closures

Where police officers were previously used, more responsibility is not placed on organisers of road closures to steward the road closure themselves.

(v) Policing of Special Events

Similarly with special events, policing has been reduced with more emphasis on the organisers providing stewards and marshals.

(vi) Single Crewing of Police Vehicles

Continued monitoring to ensure that patrol vehicles are single crewed based on local risk assessments.

(vii) Drink-Driving

The impending change in legislation, if agreed, will allow the increased use of hand held breath screening devices and will save police time and cause less inconvenience to members of the public.

In addition, the police are now actively pursuing the following measures:

(i) Creating a business case for additional civilian support staff, to enable paperwork currently carried out by uniformed officers in police stations to be given to other persons to process.

(ii) New I.T. to allow officers to remain 'on the beat' and access information and input

information remotely rather than returning to police stations to complete paperwork.

- (iii) The use of 'VIPER' (Video Identification Parade Electronic Recording). This is a centralised system for preparing video identification parades. This will reduce the amount of time it now takes to arrange I.D. parades and also time saved in the running of parades for the police, the volunteers, the suspects and their advocates.

position, then the government will ensure that the Island's interests are properly defended.

It is important to emphasise that, despite the publicity on this issue in recent weeks, the draft convention is still at a very early stage. It is highly unlikely that the final text of a constitutional treaty will be agreed by all member states for some considerable time. Hon. members should also be aware that numerous, albeit lower profile, attempts have been made in previous years to redefine the EU constitution along the lines currently being progressed.

**European Union – New Constitution –
Implications for Island –
Question by Mr Cannan
for Written Answer**

Question 1. The hon. member for Michael (Mr Cannan) to ask the Chief Minister:

Has the Council of Ministers discussed the proposed new European Union constitution and, if so –

- (1) *what are the implications for the Isle of Man; and*
- (2) *what action does the Isle of Man Government intend to take to preserve the Island's present constitutional status as a Crown dependency and the relationship to the European Union as agreed by Protocol 3 to the Act of Accession of the United Kingdom?*

Answer

I can advise that the Council of Ministers has not yet discussed the details of the proposed new European Union constitution and any implications it may have for the Isle of Man. However, the issue is presently the subject of active consideration within the Attorney General's Chambers and the Chief Secretary's Office and it is intended that a report on the matter will be submitted to Council, via the Constitutional and External Relations Committee, in the near future. It will then be my intention for a report to be produced for Tynwald consideration.

In relation to part 2 of the question, hon. members may recall that in November 2000, Tynwald approved a Council recommendation arising from the fourth interim report of the Constitutional & External Relations Committee. This effectively reinforced the Isle of Man Government's intention to preserve its status as a Crown dependency and the basis of its relationship to the European Union. If it is identified that the implications of the European Union constitution present any challenges to this stated