

REPORT OF PROCEEDINGS OF TYNWALD COURT (DEBATES AND OTHER MATTERS)

**Douglas, Thursday, 17th July 2003
at 10.35 a.m.**

Present:

The President of Tynwald (the Hon. N Q Cringle).

In the Council: The Attorney-General (Mr W J H Corlett QC), Hon. C M Christian, Hon. P M Crowe, Mr D J Gelling CBE, Mr J R Kniveton, Mr E G Lowey, Mr L I Singer and Mr G H Waft, with Mrs M Cullen, Clerk of the Council.

In the Keys: The Speaker (the Hon. J A Brown) (Castletown); Mr D M Anderson (Glenfaba); Hon. A R Bell and Mrs A V Craine (Ramsey); 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); Mr A C Duggan (Douglas South); Hon. R P Braidwood (Douglas East); Hon. A F Downie and Hon. J P Shimmin (Douglas West); Capt. A C Douglas (Malew and Santon); Hon. J Rimington, Mr Q B Gill and Mr P A Gawne (Rushen); with Mr M Cornwell-Kelly, Clerk of Tynwald.

The Chaplain of the House of Keys took the prayers.

Items Considered

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| Isle of Man Government Annual Report 2003 – Debate Commenced | T1328 |
| Isle of Man Government Annual Report 2003 – Debate Continued | T1348 |
| Isle of Man Government Annual Report 2003 – Debate Concluded – Report Received | T1369 |
| Housing Policy Review Progress Report – July 2003 – Report Received | T1380 |
| Select Committee on the Scrutiny of the Public Accounts Committee Functions – Statement by the Speaker | T1392 |
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Isle of Man Government Annual Report 2003 – Debate Commenced

Item 10. The Chief Minister to move:

That the Isle of Man Government Annual Report 2003 be received.

The President: Hon. members, as indicated last evening, we commence with our deliberations this morning at item 10. I call on the Chief Minister to move.

Mr Corkill: Thank you, Mr President. Hon. members, the government's 2003 annual report is the final document in the transitional phase between the former policy review process and the new corporate planning system for delivering public services. From now on, the corporate planning system will be able to take full effect, with the government plan and budget early in the calendar year setting out priorities, targets and spending for the forthcoming financial year. The budget will be in February as we are used to it, but in future it will deal with high-level issues – parameters, taxation issues, transfer of monies to reserves, a general statement on issues to do with the economy – and it will, as always, tell us the size of the cake which can be spent on public services. Following in March, we will have the corporate and departmental plans, and these will have the detailed expenditures and it will highlight and show to hon. members the government's intentions in relation to how to use the resources that are available to us.

Mr President, the annual report each July will assess government's performance in the preceding financial year against the targets set. The July debate effectively supersedes the old October policy review debate, and it is a key opportunity for members to input their views on the way ahead for government. This phrase may come back to haunt me, Mr President, but in reality July is the new October in this respect. The aim of the new system is to achieve greater co-ordination and efficiency in the planning and delivery of public services, with a sharper focus on overall corporate priorities. The system requires government to publish clear information and targets relating to what it is doing and what it intends to do with taxpayers' money. That will provide better opportunities for Tynwald and the general public to scrutinise government and judge its performance, something which some members are, in fact, repeatedly asking for. This process will help.

Government, of course, is not a business, because its priority is the public good rather than private profit, but a more business-like and efficient approach to the organisation of public services should achieve – and, in my view, *has to* achieve – better value for taxpayers' money and allow us to make the best use of the resources that are available to us. Nor is the corporate planning system rigid and inflexible. The plans, which are a three-year vision, will be reviewed regularly to take account of changing circumstances

and views, and the involvement of hon. members is an essential part of the process, reflecting the fact that the government of the Island is based on democratic consensus.

The first government plan published early this year identified the core purpose of government as supporting our Island's quality of life. Quality of life can mean different things to different people, but the plan sets out six central aims of government, flowing from this core purpose. These are aims which I hope we should all be able to support. They are economic progress, social well-being, a quality environment, sound infrastructure, good government and positive national identity. The Island is continuing to make progress on all these fronts.

The economy is still strong, and growth, although slower and more manageable than previously, is still at a healthy level. Government recognised a long time ago that the Island is not immune to external change, and our taxation strategy is designed to underpin the economic future whilst taking account of international initiatives which are setting new world standards.

Under the social well-being heading, we have a splendid new hospital and we have continuing developments in education, and I would, at this point, Mr President, wish to congratulate the minister, Mrs Christian, and her department members, all of her staff and, most importantly, all of those people in the hospital itself who have made such a difficult transition to their new premises so easy for the general public, and I think congratulations are in order (**Several Members:** Hear, hear.) for the hard work that has gone on. And that really is a success.

Mr President, on the priority issue of housing, a determined campaign to improve the supply and affordability of homes is producing real results, and of course there is another item on the agenda paper dealing with housing issues.

In support of a quality environment, the waste management strategy is taking shape, and that has been a difficult debate for us in the past year, but there are issues there, as we can see physically, that are beginning to take shape. There is much more work to be done there, but I am confident that we are making progress.

The IRIS scheme to achieve cleaner seas around the Island is an important feature of the sound and secure infrastructure which we all hope to secure, as is the impressive new gas power station, which generates environmental benefits as well as greater stability in the cost of electricity. I also believe, Mr President, that this is a good news story, and I think people there also need to be congratulated on the way they have delivered a technically difficult capital scheme, and it is just about now on-stream.

On the good government front, Mr President, preparations to bring in the Human Rights Act, to bring them into force, are being finalised. I think this is a huge task, and it is a task, I think, that possibly government underestimated but nonetheless is committed to, and I hopefully will sign the appointed day order to that legislation in the current year.

Mr President, perceptions of the Island's national identity are indeed positive, with a rising international profile and closer international involvement of the Isle of Man as a country in its own right. This process of engagement with our neighbours and others further afield provides welcome opportunities to make friends and, importantly, explain who we are. It is important that our constitutional position is understood and respected internationally. In this regard, the recent visit of Her Majesty the Queen, Lord of Mann, was an opportunity to remind external audiences that we do indeed have the world's oldest continuous parliament.

Hon. members, in developing the Island's economy, high-quality public services and infrastructure, government and Tynwald are surely moving in the right direction. People can see real benefits in terms of living standards, employment opportunities and funding for public services, but it is not always an easy road to travel, and sometimes we can be distracted by difficulties along the way. Mr President, let us not lose sight of what we are here for: to support and to lead our Island community and its quality of life. I believe that the new corporate planning system will help us to focus on the priority issues that really matter to the government and people of the Island: jobs; living standards; health; education; the protection of our environment; and maintaining our national identity. These aspirations can be delivered to a much greater degree by modernising our government structure in the way that we have been doing over the last year or so. The introduction of this new way of working reflects the continuing modernisation and growing maturity of our systems of government in the Isle of Man.

Mr President, my remarks are brief but, I believe, positive, and I would wish to move that the Isle of Man Government Annual Report 2003 be received as a general progress report, and I look forward to members' contributions on the issues raised within it. I beg to move, sir.

The President: Hon. member for Garff.

Mr Rodan: I beg to second, Mr President, and reserve my remarks.

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

Mr Henderson: Gura mie eu, Eaghtyrane. Eaghtyrane, we are here again at one of the most important debates in the legislative calendar and one of the most important debates for the Isle of Man – and probably more so this time around because, as the Chief Minister has just said, it is now in pursuance of the new corporate government approach to attaining and achieving targets and objectives and it is about departments working together and cross-departmental working, and this is the progress report so far.

We have heard much from the Chief Minister in regard to progressing this corporate approach and departments working together rather than separately

and disparately, and indeed the new structure provides for the Council of Ministers to be on the top tier of the process, and the chief executives of the departments, in a working group, have been brought together under as the second layer of that tier. That is all well and good, and it provides a straight line of accountability, and I accept and promote that. Having said that, Eaghtyrane, we have also just been through the Mount Murray debate, which has clearly shown and examined government systems, the accountability of chief officers and so on, and I think it is a great shame, Eaghtyrane, that the public gallery is yet again completely devoid of nearly all chief executives (**A Member:** Hear, hear.) and senior officials from government departments. I see the Chief Financial Controller and I see the Chief Secretary and I see the staff from the Chief Minister's office. No-one else is here, Eaghtyrane, and, considering we are supposed to be promoting corporate planning and working together, I think there seems to be a bit of a failure here, and I do not accept the argument that has been advanced before that everybody is busy and too busy to be here and so on. The senior officials of this Island in the government are on a salary ranging anywhere from £40,000 a year right up to the Chief Executive of the Financial Supervision Commission, who, at last count, in a Keys question, clocked in at somewhere in the region of £150,000 a year.

A Member: Not worth it.

Mr Henderson: These officials are the link between the political process and the departmental process. Part of their remit is to become involved in the political process to a degree and advise our ministers and government accordingly, and there is no getting away from that, Eaghtyrane. As I say, the gallery is more or less empty, and I think that is a very great shame.

I did not want to start off on a negative note, Eaghtyrane, because I think that, in the main, the Isle of Man Government progress report so far is excellent, and, as the Chief Minister has pointed out, there are some excellent projects being progressed. There are some excellent projects for the people of this Island that have come on-stream – and they will see us years and years into the future, and that is highly, highly commendable – most of which I have been in full support of and will continue to do so.

Eaghtyrane, returning to the actual report itself, I have to look at balancing presentation. The report is obviously designed both as a document to inform Tynwald and to present the government and the Island in the most favourable light to a wider audience, but it is important that its presentational rôle does not overwhelm its information rôle. I think that throughout the report there are many examples where departments have tried to illustrate their achievements but they have also been adding in future targets to those achievements, and I think that is really clouding the issue of the actual achievements that we can see that are here today. We do not want to drift here, and

elsewhere in the report, into the British habit of announcing policy successes before the policy is implemented (**A Member:** Hear, hear.) and then double-counting it when the job is actually done, and we need to be careful of that. Another example, Eaghtyrane: no doubt perceptions will vary over what are the more important elements of government and government-controlled activity. However, you have to ask why the detailed report of, say, Manx National Heritage is almost the length of the report of the Treasury, the same length as the report of the Chief Secretary's Office and longer than the Financial Supervision Commission and Pension Authority's report combined.

Although we are committed to the notion of the corporate plan and 'joined-up' government generally, the report would benefit by rather less emphasis on facile policy and mission statements, particularly as many of them are not going to change significantly from year to year. The report of the Department of Health and Social Security appears to be obsessed with policy statements. I may have missed a few, but I have counted 23 separate policy statements in its nine-page report. The report, at least at this stage of its development, does not really present as a product of a 'joined-up' government. It is 14 pages of general review, and the remaining 135 pages remain as a series of departmental and other reports. There does not appear to be any cross-referencing, let alone broad policy approaches which cross-cut institutional structures. (**Mr Houghton:** Hear, hear.)

One last presentational point: it would be very helpful to number the tables and charts in the report so that convenient reference can be made to them, both in a debate like this and elsewhere.

Eaghtyrane, turning to the general revenue and the Treasury report, the chart with which we should have a very real concern is the one at page 8. Members will see from this a very graphic warning that for the first time in a good few years the level of receipts and net expenditure have converged and, more worryingly, this is the result of a steady rise in net expenditure and a steep decline in receipts. I think that this is one of the most important and sobering points of this report, and it is something that this hon. Court needs to bear in mind. Certainly for members, as we go down the road of our future strategies, we all need to be working together for the good of our economy and the Island on this, and there are clear signs here that we need to be pulling together on this major, major national issue.

There is relatively little in all of this on how the EU tax package, as it affects the Isle of Man, will allow us to develop and market effectively our taxation strategy. This is an area where a more themed approach would be useful.

On marketing of our financial services generally, it would be useful to have some statement of the underlying philosophy of the International Services Division beyond the usual bland statement that 'the division continues to research niche markets'. This paragraph includes a list of countries visited – no doubt expensively – which are extremely disparate in

the size of their economies and seem to have no common policy pattern. Why, for example, have we targeted two of the 10 states that are to join the EU but not the others? Who are the people employed in the ISD who are qualified and competent to undertake this worldwide research?

With regard to Brussels, Eaghtyrane, in the Chief Secretary's Office report, at page 151, there is reference to the fact that, in addition to the regular government delegations to Brussels, 'delegations from a number of government departments have met directly with EU officials to discuss specific issues over the past year'. This is not terribly informative, and it is difficult to find references to these meetings elsewhere in the report. However, my particular concern is to ask what systems we have in place for the central supervision of these various departmental visits to ensure that they maintain a consistent policy on behalf of the Island. The more such visits that there are, the higher the risk of something going wrong. The UK and other EU states' governments all have found value in setting up such central supervision. We should not lag behind until a mistake, possibly an expensive mistake, is made.

Now, Eaghtyrane, we look at the Education Department section, and although is a fine department and I fully support their endeavours (**A Member:** Hear, hear.), there is surprisingly little information in the Department of Education report on the fine initiatives and substantial expenditure of the department in supporting our students in further education off the Island, often in the UK, but as far away as the United States and the Czech Republic. Here, again, is an area where we could do with more 'joined-up' government. What initiatives are being taken in the department and elsewhere in the government to target these students and provide opportunities for them to return to the workforce in the Isle of Man, either in the private sector or the public sector? Immediately after they complete further education, or after five or 10 years of their career when they have acquired significant overseas experience, it might be said that we would expect them to be attracted back by the lure of the Island, but the international employment market is now highly competitive, and we should be developing targeted programmes to bring back our qualified people to further the progress of the Island.

In focusing on the rôle of Tynwald, Eaghtyrane, this report should also encourage us to consider the rôle of Tynwald as well as that of government. Tynwald should always be looking to ensure that it is playing an appropriate rôle in changing circumstances. Two matters illustrate my point, and at the international treaties section, at page 154, the report correctly states the present position: The Council of Ministers decides whether treaties and the like should be extended to the Isle of Man. 'A regular summary of Council's decisions is laid before Tynwald for the information of Members. In the case of a Convention with important or far-reaching implications for the Island, the view of Tynwald may be sought prior to

final decision on extension' of the international instrument to the Island. Of course, where there is a need for domestic legislative implementation of a treaty obligation which the government has entered into on our behalf, Tynwald will have a rôle. However, given other much less significant decisions that are brought before Tynwald, the time has probably come for the government to be required to obtain Tynwald approval before it enters into any international obligations on behalf of the Island and not just simply seek the opinion of Tynwald on those obligations that the government considers important and far-reaching. We have to bear in mind that although the Council of Ministers will seek the opinion of the Attorney-General's Chambers and relevant Manx government departments on these matters, it may well be offered the unsolicited advice of the UK government too. Tynwald should stand as a bulwark here.

The Tynwald policy decisions report, at 161, as the Isle of Man Government report states, Tynwald resolved, in July last year, that the Chief Minister should include as an appendix to the government's annual report a Tynwald policy decisions report listing the policy resolutions of Tynwald and what the government had done to implement them. Perhaps we should rethink this procedure. First, the appendix includes Tynwald resolutions which are not, strictly speaking, policy resolutions at all. Some are, for example, simply financial resolutions relating to policies. Secondly, does Tynwald have any procedure in place to ensure that there has been full compliance with our resolution? We have had, unfortunately, other recent comment on the importance of compliance procedures. It would be appropriate if the Clerk of Tynwald also laid a report of the Tynwald policy motions carried each year so that we could ensure that the government had not inadvertently overlooked any.

Those are my general points in the round, Eaghtyrane, and what I want to do next is just refer to the first departmental briefing in the report, which is the Department of Agriculture, Fisheries and Forestry at page 15, and just spend a few moments on examining that particular section. This is particularly close to my heart because one of my main themes – and it always has been – is the conservation of this Island and recognising it as a treasure and jewel in our crown. In fact, I would go so far as to say that our countryside and wildlife within it is of European and world significance. It is a national treasure. I have consistently and continually produced that theme, Eaghtyrane, over the past five years and will undoubtedly continue to do so, but I have to say, from listening to yesterday's debate with regard to the development at Summerland, where most members spoke and most members recognised the importance of a development for this Island and especially tourism and leisure – in fact, I would say most members made sure that their point was of paramount importance – Eaghtyrane, the single most important thing that I can think of that is important to our Island, our leisure and tourism and other business is our countryside, is our conservation and is all the special things that are out

there, including all our rare birds that we have that we are world famous for and even our marine environment. That is the jewel in our crown, and that is the single most important asset that this Island has, in my opinion, Eaghtyrane – well, it is not an opinion, Eaghtyrane, I know it to be true, and it has been said on many occasions by many, many experts worldwide.

The reason why I am focusing on Agriculture, Fisheries and Forestry, although I support the department generally, is the fact that when we look at their wildlife policy statements I am afraid it is met with a bland indifference, and I am afraid that anything that mentions our wildlife and conservation is wrapped up in foggy and elusive policy statements and there is nothing in here, where it should be, that shines out that says that the department is proud to promote our natural heritage, which is the jewel in the Island's crown. It fails to mention that, and I have consistently been banging on about that, Eaghtyrane, year in and year out. We are not recognising our true worth, and the Treasury minister hit the nail on the head yesterday when we was talking about lack of vision and how we only go half way and we do not have the motivation to promote things and go for things. Here is a prime example, where we should be better promoting the most important asset that this Island has. It is the one thing that we promote internationally as well to bring business to the Island, so it is not just from a tourism and leisure point of view. On every brochure that we produce that goes out to the international community, one of the main themes is the green open spaces we have and the lovely environment, and I have to say that the Department of Agriculture, Fisheries and Forestry have let the government down badly in this respect by not promoting this more and by not giving it more positive promotion and actually singing out what is special for once. It would not do the department any harm, and it would bring it great creditability. One of the wildlife statements in it just says that we propose to protect the odd rare species and plant and so on. I do not think that that is good enough, Eaghtyrane, because we have got more than the odd rare species of plant here, and the trouble is that they are only focusing on a handful of items. We are forgetting that the environment in which they flourish also requires protecting and careful nurturing and careful development as the Island goes down the road of its economic success at the minute, so we do not need to just be saying bland statements about the odd rare bird or something. We need to be saying that a lot of the Island certainly needs to be designated under the Wildlife Act to protect it so that, if things are developed, they are done carefully and sensitively, recognising things such as our heathered hill-lands. We have got lots of heather, and everybody becomes indifferent to the beautiful scenery, I suppose, because we are lucky enough to have it, but in European and world terms there is not much of it left, and we are lucky enough to have that here. And much of that supports the rare things that we have, including the peregrine falcon that is on the government crest at the minute and that we are very fortunate to have living

here. Other parts of the UK have not seen a peregrine falcon in their district for years and years. And I think it is important, although it may be a small point in the round, when we are looking at the economic climate at the minute. These things are all special and they are special to our quality of life, and the department needs to come back in its next report and it needs to show us something a lot more progressive, with a lot more vision and vigour to try and stimulate the Island's interest in its natural heritage, and not just make bland statements like 'to ensure the Island's most scarce and important species of wild plants and animals and their habitats are preserved effectively'. We need to be saying a lot more, and I will leave it at that for the Department of Agriculture, Fisheries and Forestry to sort out, Mr President, but suffice it to say that I may very well be bringing resolutions and further questions to cause future debates on this issue, because I do not want us to lose this national treasure at some future point.

Having said that, Eaghtyrane, there are other important things that our Island is suffering from at the minute, and the Chief Minister touched on one, which is the housing problems that we are going through at the minute. I know that the Department of Local Government and the Environment and the minister are working very, very hard to try and meet the demands, but unfortunately there is a resource implication to that, and I have to say to the Treasury minister that he may have to dig deeper in the coffers to help out here because, with all the best will in the world, a department can work flat out 24 hours, seven days a week, but the resources at the end of the day are the bottom line on that, and I think government may need to refocus and reprioritise on the slice of cake that is afforded to address the housing issues.

The other point I wish to raise, Eaghtyrane, is the Department of Health and Social Security, in as much as I still feel not enough is being done to address the lower earners of our community and the less well-off in the benefits system. Although, in the round, the benefits system is fine – and I am the first one to admit that and the hard work that goes into driving that machine and servicing folk with great need out in our community – I feel that, for the lower end of the earnings scale and the less well-off and even the homeless folks that we do have on this Island, the gap between them and the haves is widening. I think some of the benefits are out of kilter with the rising prices of this Island and we need to be re-addressing that and focusing our attentions. I realise that they have to be focused on our economy and the finance industry, obviously, and the business sections of our community because that is what brings in the receipts at the end of the day but, having said that, we do need to run down the other end of the scale and look at the other side of things and look at the less fortunate in our community. I realise that things like the Manx pension supplement are excellent, but people are disqualified for various criteria and people are only entitled to various sums of benefit at times and quite often. Certainly the calls and constituents I see at times with very great problems

have a very great struggle on their hands trying to make ends meet at times, and I think a general review of the benefits system is well overdue to measure its performance in relation to the retail price index and so forth, Eaghtyrane.

Otherwise, Eaghtyrane, I am in general support of the government progress report so far and wish the Chief Minister success with it over the next 12 months. Thank you, Eaghtyrane.

The President: Hon. member for Rushen, Mr Gawne.

Mr Gawne: Gura mie eu, Eaghtyrane. I am not going to say an awful lot today. Obviously, as a relative newcomer to the Court, I would leave that to my colleagues. There are a few issues that I would like to mention, however. Particularly, I think we need to look at the exceptional increase in capital spending of £49 million in the three years from 1999-2000 to date. This is a cause for concern to me and, indeed, many people in this Island who worry at the extravagance of government expenditure. (**A Member:** Hear, hear.) It appears that we are always looking for 'gold-tap' solutions when looking to upgrade our infrastructure, when often enough stainless steel would do. Our aspirations seem, on occasions, to have left touch with reality. My biggest concern with regard to the 100 per cent increase in capital expenditure is not so much the initial funding of projects but the ongoing costs and the staffing implications in failing to control capital expenditure of government. Government is driving population growth, causing pressures on the housing market and creating the need for an extension of the urban sprawl which is destroying many parts of our Island.

Just to prove that I am not a fully paid-up member of the awkward squad – yet, anyway (*Laughter*) – I would like to applaud the considerable progress that has been made with regard to the implementation of the tax strategy and welcome the strenuous efforts being made by the Treasury to maintain and enhance the Island's international reputation as a well-regulated financial centre. I do support calls from the finance industry, however, for much greater efforts to be made by government in promoting and marketing the financial services sector outside of the Island. This sector drives our economy and, in the somewhat rocky waters ahead, needs our full support. Indeed, all our industry needs continuing support, particularly the traditional industries of farming and fishing.

Perhaps not surprisingly, bearing in mind what I have said about increasing departmental aspirations, there has been an extremely large increase in revenue expenditure over the past three years. Looking again at the figure on page 8, we see that since 1999-2000 net expenditure has increased by £100 million – £100 million in three years – from around £300 million in 1999-2000 to nearly £400 million in the year just ended. Perhaps as I become more familiar with the processes of government I might view this matter slightly differently, but I am, at this time, concerned at

the massive increases in both capital and revenue expenditure over the last three years. I am pleased to support the message which the Treasury minister has been so eloquent in delivering at every opportunity over the two months I have been a member of Tynwald – and I understand that he has been making this point for some time before that – but we must be much more careful, when agreeing to new schemes and legislation, that we fully consider the long-term revenue implications. We must, I feel, be much more responsible in the way in which we spend the public's money and, indeed, in the long-term spending commitments we are making. I fully understand the pressures, particularly in departments like education and health, and I am not going to stand here and criticise them for making their submissions. I am not going to criticise people who say that we have a need for more teachers, more doctors, nurses, whatever, but we do have to be an awful lot more careful in deciding where and what we can agree to.

I am concerned that the rigorous application of the policy to centrally control the growth of personnel numbers was once more suspended during 2002-3. We must again, I feel, be much more careful in the way in which we allow our aspirations to leave contact with reality. We must take more imaginative approaches within departments to control the growth of our already amply proportioned civil service. I think a fine example of this – and I do not want to upset my colleagues in education – is the proposal to introduce classroom assistants. We have, at the moment, a great deal of pressure on teachers. Much of it, really – as I see it, anyway – is down to over-regulation and far too much bureaucracy and administration, but it appears that, rather than trying to get rid of some of the bureaucracy and administration, we are actually introducing classroom assistants so that we can effectively allow the teachers to spend more time on administration. That, to me, does not make sense. It does not show imagination (**Mr Houghton:** Hear, hear.), and I think we really have to be a lot more careful.

I will restrict my contribution to the Part One General Review, as I am sure many others will make more worthy comments as this debate continues. I will conclude by saying that I am generally pleased with the general direction in which government is heading. However, we must be careful not to allow spending and growth in the civil service to run away from us. The spending spree of the last few years *cannot* be allowed to continue.

A Member: Hear, hear.

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

Mr Cannan: Thank you, Mr President. This policy report that we have before us is a report as we see ourselves – or rather as the Chief Minister and the Council of Ministers see themselves – a report of what they have achieved over the past year. However, last

Tuesday we debated a report on how we are seen outside the Island. Whether we liked it or not, whether we accepted what they said, it was – and we have to accept this – as other see us. Importantly, both the reports will have been brought to the attention of the Lord Chancellor's department, who are responsible for the good government of the Isle of Man. Let us not forget: we do not control our future destiny. If the United Kingdom Government determine to join the euro, then the Isle of Man Government follows, with all the implications that apply. If the United Kingdom Government determine to become deeply involved in the new European constitution, there will be serious implications for the Island. I set that as the background. We debate today as we see ourselves. Let us not forget as others outside the Island see us. Let us not forget that the end, the bottom line, is that the good government of the Isle of Man is the responsibility of others and the implications for our future are in the hands of others. We can only determine our day-to-day running, and at our day-to-day running we are doing a very good job. The people of the Isle of Man are enjoying a quality of life and economic success that have not been experienced before in living memory, and for this success I congratulate the people of the Isle of Man themselves. (**A Member:** Hear, hear.) It is their hard work and commitment that brings success. Tynwald can only provide the facilities and guide the community. We have done that well. We are providing the facilities in legislation. We are guiding the community. We are pointing them in the direction of markets, encouraging businesses to establish, but it is the people themselves of the Isle of Man that are achieving their own success, so I think we want to take care of the trust that is placed in us to ensure that we maintain what we have and try and protect what we have from the outside influences which I have mentioned and which will be determined in another parliament in another place.

Turning now to departments that have contributed to the success of the Isle of Man, I will start with the local government department, and I believe that that department is responding to the need for housing. Housing does not appear overnight, and perhaps the wheels of government grind slowly, but they are grinding to provide housing, and housing, I believe, will come on-stream in the next two or three years. That is the good side of the Department of Local Government, and the downside is their policy, I believe, in waste management and the charges, which is causing discontent (**A Member:** Hear, hear.) to large parts of the community. Only last week, three sets of commissioners in the North withdrew the facility of skips in the parishes and issued a notice to that effect and said that if you have got rubbish, you take it to the Point of Ayre tip. And do you know what the result of that will be? (**A Member:** Fly-tipping.) Human nature is lazy. There will be dumping. (*Interjections by Mrs Crowe and Mr Quayle*) There is dumping. The hon. member for Middle says there is dumping.

A Member: Fly-tipping.

Mrs Hannan: There is. It has been in the paper.

Mr Cannan: And that is going to be an ongoing problem, and I think it needs to be addressed or it will backfire on the department.

I turn now to tourism and leisure. This department is energetically pursuing a policy of upgrading our tourism and providing first-class leisure facilities for residents and tourists alike, but I believe that it must address the future of the TT, in that it must not allow it to become jaded, as it appeared to be this year. (**Mr Henderson:** Hear, hear.) I have a little knowledge of the public response to this as, for the five days of racing, I was in attendance at a refreshment stall run by some ladies for a charity and I was talking to a large number of spectators from all parts of the world. They had complaints of over-charging and double-dealing, perhaps, in the booking of accommodation. There were complaints of where they had paid their deposit in good faith and, two weeks before they arrived on the Island, they were told that there had been a double booking. The double booking is that somebody had offered them more – that is, the provider of the accommodation – than the original bargain that was struck with the first people. There were complaints of over-charging, where a can of coke, for instance, could cost 55 pence to £1.25 in various parts of the Island. It does not leave a good impression, and I know that that is not the fault of the Department of Tourism, but I just bring it to their attention. But they do have a vision for the future. We saw that yesterday with Summerland, and they have been doing it in other parts of the Island, and they are endeavouring to upgrade the accommodation through a new grading system.

I turn to the Department of Education, which I believe is vigorously pursuing a policy of refurbishing school buildings and constructing new schools, and I wish them well in the construction of the new secondary school at Onchan, because I believe it will relieve the overcrowding at the two secondary schools in Douglas. At the same time, from the reports that I have from parents, the primary schools and secondary schools are making every effort to provide a good education for our children. In comparison with the United Kingdom, it is not the very best, but it is above the average.

The Department of Transport has a wide portfolio, including ports and airports, drainage. In all these things, they appear, from what I hear from my electorate, to be doing their best to provide a good service, but a matter of concern to very many people is the deteriorating state of the roads, and I wonder if the minister understands the meaning of the word 'pothole'. P-o-t-h-o-l-e: it means a hole in the road, minister. There are an awful lot of them around the countryside.

A Member: Looking into it.

Another Member: A good thing too.

Mr Cannan: The Department of Trade and Industry: I asked the minister to give a positive commitment to the expansion of the light industrial and manufacturing industries to be diversified to other parts of the Island outside the Douglas-Ronaldsway triangle, in particular to be encouraged to establish in the north and north-west of the Island by the introduction of a sliding scale of grant incentives. I have been asking this in several Tynwalds, when Minister North was here, that for the grants to be given to new businesses to be established there was a sliding scale. Why give full grant assistance to one to establish in an already crowded industrial estate when there are other industrial estates in other parts of the Island lying half empty?

Agriculture: the agricultural industry is in need of all the support we can give. We all expect the countryside to be flourishing, particularly at this time of the year – the hay, the combines working in the fields, the hedges to be trimmed and the place looking very beautiful – and so many visitors to our Island say how beautiful the Island looks, but I think sometimes we forget that all those who manage the countryside and make it the beautiful place it is need to be paid. They need to have an income to support themselves, and therefore I say to Tynwald: you must nurture the agricultural industry in these difficult times. If you want this beautiful countryside of which we are all so proud, it needs to be nurtured and kept that way.

Turning now to the finance industry, which, as everybody agrees and accepts, is the backbone of our economic success and our major employment of people in the Isle of Man – thousands are employed in the financial services and the provision of services to the financial industry – without the success of the finance industry, not only would the people directly employed in it be in hardship, but those who provide the services to keep the industry going. And they are in now a tough market. From all the reports I receive, the finance industry is generally tightening up. We all know that, in the City of London, there have been large numbers of redundancies in the financial industry. We are fortunate here – there have been few, and we hear them on the radio – but the small numbers we hear all mount up, and we are not hearing of new financial institutions establishing. We hear of big financial institutions moving their headquarters to Jersey – though, on the one hand, one that was in Jersey has come to the Isle of Man – and it is a matter of concern when we see that happening. It is a matter of concern when you make a telephone call to a large financial institution in the Isle of Man and your call goes to Jersey.

A Member: Or India.

Mr Cannan: Or India. We need to look to – again I use the word – nurturing our financial industry. It is so important, important to those that work in it but important to the government because it provides the income for all these capital programmes and for the provision of facilities that we now take for granted.

One thing that I have heard – and I continue to hear it, and I have mentioned it before – is that there is a complaint that there is an over-zealous over-regulation by the financial services industry in respect of the amount of returns and paperwork that is generated. Long-standing people and customers at the bank wanting to open a new account – and I mentioned this some months ago – have suddenly got to provide a passport photograph of themselves –

Mr Houghton: Hear, hear. Absolute nonsense!

A Member: Hear, hear.

Mr Cannan: – and a utilities bill –

Mr Houghton: Nothing done about it.

Mr Corkill: Anti-money laundering.

Mr Houghton: Small account holders?

Mr Cannan: – and they say to the manager, ‘Don’t you know me? I have been your customer for 20 years.’ (**Mr Houghton:** Yes.) And this is where the over-zealous regulation comes in. (**Two Members:** Hear, hear.) There is no common sense applied. (**A Member:** Hear, hear.) I agree that if a man – or a lady – steps off the boat and wants to open a bank account, you have got to check it and you have got to check who they are –

Mr Houghton: With a case full of cash?

Mr Cannan: – but when somebody who has been a customer of the bank for 20 years (**Mr Houghton:** Hear, hear.) then wants to open a new account in their child’s name or something like that and then they have got to produce a utility bill and a passport photograph to say who they are . . . And they are standing in front of the manager!

Mr Houghton: Who has known them for years.

Mr Cannan: ‘Don’t you recognise my youth and good looks?’ This is only generating bureaucratic work (**Mr Houghton:** Hear, hear.) for the FSC but annoying the customer and annoying the bank, and I give this as just one example, because smaller financial institutions, as I understand it, are saying, ‘It is becoming so over-regulated, and we are spending so much money on paperwork and returns’ – and what they do with all these returns in the FSC I do not know. They say, ‘Well, it is hardly worth carrying on. Let us go somewhere else where we can carry out our work.’ I also know a little bit about the FSC in the sense that, from being chairman from January 1987 to December 1989, a month short of three years, we saw it grow to establish proper regulation. Since then it has grown like topsy. All right, the finance sector has increased too, but the constant introduction of more regulation is causing serious concern, not only in the

small financial institutions but in the bigger ones too, on the amount of time that their staff are committed to filling in endless returns which, in terms of sorting out money laundering and crime, seem so pointless. However, we must always give our backing and support to this financial services industry which is the backbone of our employment. It is the backbone of our economy and the backbone of the well-being of the Isle of Man, and it has my full and undivided support to secure that. So many people’s future and home and income are all involved in their employment in the finance sector.

And lastly, I turn to the health services, and I join with the Chief Minister in congratulating all those involved in providing at the new hospital. It is a wonderful facility (**A Member:** Hear, hear.) but, in the euphoria of congratulation, there is the downside of primary healthcare, and here in the policy document, Mr President, is the specific policy of the department: ‘to provide for a comprehensive and readily available range of primary care services’. Fine words, lacking in performance. Yesterday evening, the acting Minister of Tourism, Mr Lowey, said, in presenting their (*Laughter*) Summerland report for the development of Summerland, that they were responding to people and meeting their aspirations – quite right too. I am sorry Mr Lowey is not here to hear it. But unfortunately, in respect of primary healthcare, the Department of Health is not responding to people and meeting their aspirations. You will recall that, in early May, up to 2,000 people marched through the streets of Ramsey – the biggest demonstration the Isle of Man has seen – to protest at the closure of a 24-hour service at the cottage hospital. And the Ramsey cottage hospital is not just for the residents of Ramsey but for the whole of the north of the Island: three-quarters of my constituency, the whole of Ayre constituency, the northern part of Garff constituency. There are more people outside Ramsey dependent on the cottage hospital than there are total residents of Ramsey. And nothing has happened, and the complaints keep coming in. I can assure you that the complaints keep coming in, and what needs to be done – but it is falling on deaf ears – is that the administration of the hospital is removed from primary healthcare to the Isle of Man Hospitals, where it becomes a branch of Isle of Man Hospitals, staffed by Isle of Man Hospitals on a 24-hour service to provide a service. The people I represent say to me, ‘We pay our tax the same as everybody else in the Isle of Man, and we do not see why we should not have a health service as good as other parts in the Isle of Man.’ Douglas enjoys a first-rate health service, and I have just congratulated them. They have got a hospital. They have got 24 hours. Wherever they are in Douglas and Onchan, 65 per cent of the population are well provided for. Within five or so minutes, they can be there 24 hours a day. It is all there, but we had a hospital, fitted out at great expense, in the North that now closes at 6.00 p.m. at night. (*Interjections*) I am sorry. There is not a doctor available after 8 o’clock, 9 o’clock. People are turned away. There are case loads of it. And then I go back to the old complaint that I

have – and I have been on about it for so long to the Chief Minister that he is tired of receiving letters from me (**Mr Corkill:** Never.) – that there . . . And I have supported all these proposals of the provision of new doctors surgeries from Ballasalla to Castletown, to the South, to Laxey and so on, and yet there is a refusal to provide it in the North-west because the system is being reviewed. I have been told it is being reviewed for three years. Does government take three years to review something? I have got letters going back five years, and then they are told, ‘Well, few patients turn up’, but then the doctors do not turn up to one small, three-afternoons-a-week branch surgery in Kirk Michael. He really comes out to see somebody who may be there and a few home visits. It has all been documented. It has all been sent to the minister. Half of it has been sent to the Chief Minister, and I am beginning to think that there is a policy that it shall not occur for a health service that *the people* want – not that *I* want. I am like all of you here. I am just an elected representative to voice the concerns of the people. But the word ‘stubborn’ begins to cross my mind, that there is somehow a stubborn determination that it shall not happen. But I too have a stubborn determination that I shall still continue to press.

Before I sit down, and having made my grouse about the lack of primary healthcare in the North-west, Mr President, I say to the Chief Minister: watch your back for people outside the Isle of Man as they see how you conduct the government in respect of the report that you have, because people outside the Island will have a choice either to believe what that report says or to believe what is said in here, and we cannot determine which report they will believe. So, do that but guide this Island, steady as you go, to maintain our prosperity and to keep up the expectations of all the people of this Island that we will continue on the path that we are enjoying at the present time. Thank you.

The President: Hon. member of Council, Mr Waft.

Mr Waft: Thank you, Mr President. Can I first congratulate the staff who have enabled us to move to these premises in a very short space of time? I think they have done an excellent job. (**A Member:** Hear, hear.) The only question I have heard is about the acoustics – and that might be good sometimes – but I think they should be congratulated. I thought I would make that comment as I do not think it has been made before. (**A Member:** Hear, hear.)

With regard to the corporate planning and the business plans which we seem to be so deeply embroiled in at moment, a lot of members, I think, expect things to be done straight away. Well, corporate planning and business plans take some years, in the initial stages, to achieve anything, and I think we have got to give it time to allow all the people involved in this – because it is new to the civil service, it is new to the members and it is new to the public as well – to realise what a considerable change is going on. I know that, within the civil service area, there is a lot of

learning to take place, a lot of training to take place, and if the ministers are to be served by people who know what they are doing, everybody has to be patient and allow a little bit of time to accept the new ideals and the way forward.

Mention was made of the growth in the civil service and the salaries et cetera. I would just point out that growth in the civil service is not an arbitrary thing; this has to go through various hoops before there is an increase in the civil service. It begins, perhaps, with the departments wanting some more staff for some reason, and that goes to the Civil Service Commission, and it has to get through the personnel control sub-committee, and it has to go through Treasury and the Council of Ministers, so there is quite a convoluted lot of stages before there is an increase in the civil service. But with new hospitals and new schools et cetera, we have to realise that that growth has to take place, albeit that it has to be carefully considered.

Mention has been made of congratulating the minister with regard to the new hospital, and I would be the first to agree with that, especially with regard to a thing that I have been bashing on about for a long time, and that is that MRI machine. It will be of considerable assistance to people who previously have had to go to the UK, and I congratulate the minister in being able to provide that. It certainly relieves some of the concerns of people who do have to go – who are not in a good state of health – to Clatterbridge or elsewhere at different stages of their illness.

I have to make mention as well of the disability discrimination Bill which we have been promised for some years now. We have had a report, if you remember. I know it is in the pipeline. I know the legislative draughtsmen have considered it, and I know there has to be broad consideration from the different departments which are concerned, but nevertheless I think we are going to have to make it a higher priority than we have at the moment. Now that the hospital has been built, hopefully that situation will ease, and perhaps some highlighting can be done within that department on getting this disability discrimination Bill through.

With regard to an old chestnut of mine, the smoking and the cancer scares, we have got 500 new cases every year, and I do think we should be making a more positive effort, in the different departments, to try and eliminate some of the passive smoking that does go on. I know that we have made a good start, and I compliment the DoLGE minister with regard to the canteen – I believe that is smoke-free now. I think we have to show the way, because we cannot allow the 500 cancer cases every year to be ignored if we can do anything at all, especially if we can relieve some of the asthma problems that are created in smoking premises. It is reliant on us, perhaps, to try and find a Bill, especially a small Bill, that would include enclosed public premises with regard to passive smoking.

Praxis within that department seems to be working very well and doing an excellent job with regard to providing services for the mentally ill in the community, and I congratulate them there. I cannot say

anything about the hospital service per se because I am on the committee, unfortunately. I was put on that in my absence, but nevertheless we will see it through.

The Department of Transport: I have been a bit concerned. I appreciate all the work that is done down there. It is done throughout the Island, and we get a long string of things that the Department of Transport are doing, and they are to be congratulated for that. There have been marvellous improvements in areas that will be of significance, especially the routes that will be involved with the incinerator and the waste services, but at the end of the day we cannot ignore the major roads in Douglas and the promenade. It is going to take years to complete that, and the sooner we start looking at that, the better. Some of the roads in the capital have to be looked at, if only on a piecemeal basis, to start the process going, because it is going to cost multi-millions of pounds, if you leave it too long, to make any impression whatsoever.

I cannot let these little debates we have on this report go by without a mention of the overseas aid situation. We have now got a gross national product of £1.1 billion. As you all know – and I keep beating on about it – the United Nations recommendation is 0.7 per cent, so we should be giving £7 million to overseas aid pro rata. The £0.5 million that we do give per annum is gratefully received by the people who do receive it. It is given directly to the people in the area; it is not given to governments. The situation is that we get requests every year for much more than we can possibly look at. It is well over £1 million that we get requests for, so even if we double that, we would be getting somewhere at least in the ballpark area. So, I think we should be looking seriously at what we do give and perhaps start trying to get a little bit more.

With regard to DoLGE, the problem I find is really that the local authorities appear to be doing their thing with regard to waste management and how it is being addressed in the different areas. I would like a little more cohesiveness in the area of the different local authorities to try to do something that is more unified throughout the Island and so people know exactly what is happening, because I do not think they really do know what is happening. They get increases in their rate bills. They do not know exactly where it is going to, what is happening in their area compared to another area, and there seems to be a lack of knowledge as to where we are going with that. Some areas are putting chipped wheelie bins in that area and some are not, and some are worrying about the software and how long the software will last and where it is being tried and tested. There have been problems and a little bit of discontent that might be a managed a little bit better than that.

I think I should mention the Steam Packet Company. I think we should give our best wishes to the new company that has taken over. (**A Member:** Hear, hear.) I am sure that they will do well, and I am delighted that they are keeping the staff ashore and aboard to carry on in the future.

Mention has been made of the form filling et cetera and the problems that people have in going into

the banks – it has happened in my area as well – and the problems that have been diversified through the financial sector, and we have not really addressed that. It is still there. They are still having problems. People who have been 20 years working or in the area and are well-known are still asked to give information. Something has gone wrong somewhere, and it needs looking at by somebody who can do something about it.

I also would like to mention the Data Protection Act. The Data Protection Act is seen by different people in different circumstances, and it has to work to the benefit of the community, but sometimes I think that it does not work to the benefit of the community and that people are hiding behind the Data Protection Act when actually they have not got any right to do so. We have got problems, when we are trying to communicate between one department and another department, with data protection. We have to see that that is ironed out and people know exactly what they can and cannot do.

All in all, Mr President, I do believe we are going in the right direction and congratulate the people who have made this report up and the civil servants who have typed it out. Thank you very much.

The President: Hon. member of Council, Mr Gelling.

Mr Gelling: Thank you, Mr President. First of all, I would like to comment on the contribution of the hon. member for Michael, in as much as yesterday, Mr President, or the day before – I cannot quite remember – the hon. member was lumping Ballasalla, Malew into the great DHSS supplying off, and I would like to just put it on record that, of course, the one in Ballasalla is being erected and developed by the community, by the local commissioners, and they will be leasing part of that to the general practitioners in that area. It does not come within the development plan, if you like, of the DHSS; it is something where there has been a little bit of self-help – although, I have to say again, Mr President, at some times great frustrations – but it is now there to be seen. It is being built. But it will house the general practitioners of the area, the police and the local commissioners. It is a community effort, so I would not like people out there to think that this is just part of what is being developed in the strategy of the DHSS.

Mr Cannan: But they are paying full market rent.

Mr Gelling: I appreciate, Mr President, that all the GPs have to provide their premises and then they get a reimbursement of the rent that they pay, but of course what I am really trying to say is that it is not at the behest of the DHSS, it was at the behest of the local community and the commissioners.

Mr Cannan: We can do the same.

Mr Gelling: I would also like to just touch on, Mr President, the situation that the hon. member has put out about KYC. I would like members just to consider: why do we have KYC – ‘know your customer’? The reason we have it is because of things that have happened in the past where we did not know our customers. This is not a problem just for the Isle of Man; it is a problem all over the world, so we have to be in the same international régime of knowing the customer to make sure that you get the customers that you want rather than the customers that want to use you. I must say that, with this know your customer régime, each bank puts in its own régime to know its customer. Again, it has been put forward that it is an FSC problem. The FSC say to the banks, ‘You must know your customer’, and the banks decide that, to know their customer, this is the régime that they want to put into place. That is up to the bank. If the bank can find a way of knowing their customer better, simpler, easier, it would be much easier for everybody, but it is a very, very simple way for them to ... If someone walks in, the person on the desk has boxes to tick, and if you have got your passport and a utility bill, they tick the box and you open your account. If you have not got it, they perhaps do not know that person. The managers might and the chairman might, but the person on the desk does not. So, you have got to think that this transaction is being done through a counter, through a front office, and they put in a régime where they find that if all the boxes are ticked, they open an account. If they are not, if there is a box left, it probably goes upstairs to one of the under-managers who will then look to see whether, in fact, they do know that person. But the reason that these are in is because of the situation we have in the world today of people trying to use offshore jurisdictions to be able to use places like the Isle of Man, and that is something we have tried to eradicate in the general international régime that we have today. I chair the IPA. It is very similar. Today we are getting complaints that the insurance companies are now finding that they are having to adhere to much, much more discipline than they had before. Hon. members, we had nine months of consultation before that particular Bill went out. We had all the consultation you could have, but once it actually became law and they studied it and they actually looked at the fine detail, they find that there are other jurisdictions that have not got this. Well, obviously they will have to have it, but we just happened to be a little bit ahead of the game. That is something we have tried not to do, be in the vanguard, but sometimes you end up being in the vanguard. Of course, the biggest problem is the fear of losing business to these other jurisdictions, and it is even more frustrating when those jurisdictions are actually in the European Union. They are in the EU. They are members, and yet they still have not introduced it. So, this is something that we have to find a balance with, and I can assure hon. members that, even now, we are still consulting with the industry to see if there is any way in which we can still keep a rigorous hold on the

fact that we know who we are dealing with but make it simpler for that to be administered.

Mr President, that was just really in response to the hon. member who just flicked them up in my mind, but I wanted then just to return very, very quickly to what the Chief Minister said, and that was: judge their performance. That was his statement when he started, and my only plea to the Chief Minister would be, through his ministers, that we see that this percolates down through in the departments and it actually then ends up that our people do actually see this, our people appreciate it, because there are problems, I think. Certainly of late, I have been getting people who are seeing the simple things that perhaps are being overlooked. The grand things are there. This was mentioned before by one of the hon. members, and we see it. I touch on small things, such as in the Department of Agriculture, when I read through here, I find nothing at all that I can find in here about the lowly pig. Nothing about the pig, nothing about what we are trying to achieve for the pig industry. Nothing at all about what has happened. There is nothing in here except a mention of legislation that is coming forward about the foot and mouth, and I would like to say to the Chief Minister: we have unfinished business in that particular area, and these are the areas that I feel we should be paying a little more attention to. We had two more petitions put to Tynwald this year. He put a petition last year, and this is the only man in the Isle of Man who was actually affected directly when his whole herd was wiped out. He is still not satisfied. I would say to the hon. Chief Minister: to come back a second time to Tynwald with yet another petition, there is unfinished business. We could do with actually seeing what that business is and trying to sort that particular area out. I was rather amused, I would say, Mr President, to see in the research in the survey – I am sorry, Minister for Agriculture – that we appear to have found the lesser mottled grasshopper out at Derbyhaven. *(Laughter)*

A Member: Hurrah. Hurrah.

Mr Gelling: This was unseen for 50 years, and if the minister has now been able to find it and locate it, I wonder whether that is why there is an expensive fence that has been erected out at Derbyhaven. Is that to keep the lesser mottled chappy in or is it to keep people out from actually seeing the little thing? I would be interested to know whether we have identified this particular little grasshopper.

I would then turn, Mr President, to the agricultural and sea fisheries support, and it says ‘statement of policy’. I am delighted to see all of the ones, (a), (b), (c), (d), (e), (f), all of the way down, are all fishing, and then we come on to (j), which is fishing. Super, all this achievement in fishing, but agriculture is only mentioned in two of them, and I begin to wonder what you have achieved in the agricultural sector. As I say, I am not decrying the fishing, but where are the agricultural achievements which are not mentioned in that particular area?

Mr President, on that basis of corporate government and on the basis of performance, I would turn then to an area which is in the front line – and I apologise to the Minister for Transport straight away – because everyone is going along either in a car or walking. Again I come to this point that we have got these grand schemes – and you must give credit to the department for what they have achieved at Kewagie and all these places – but I tend to feel that the small things are not being attended to. I think it was Mr Cannan who said to the minister about potholes. I am not particularly talking about potholes; I am talking about the pedestrian who actually walks our pavements.

Mr Cannan: They do not exist.

A Member: Yes, they do.

Mr Gelling: I am very conscious of a piece of legislation that the hon. member of Council now, Mr Singer, put through the Keys a little while ago about pedestrians who have accidents. I look at an area, and only this morning I had another telephone call of yet someone else who has fallen in the area from Cross Four Ways to Billown. It is an area with 14 standing-up Telecom manholes, and I was astounded to find that the first accident was 18 months ago – and that gentleman is still having treatment on a shoulder injury. Another lady last year broke her wrist and her arm, and she is still having treatment. Then there was a lady in the parish walk, and she has fallen. She is a self-employed hairdresser, and she has got a broken arm. This is causing a great deal of distress, but to be told that the manholes belong to Telecom but the reason that the manholes are sitting up is because the pavement has gone ... There is no surface on the pavement, so all these 14 manholes are sitting proud, and I have to smile because we have been going in on the old Castletown road now for two or three years, with raised ironwork to the motorist, but to the poor pedestrian, they are going along inch-high over the goal, and I begin to wonder about the legislation that we put in –

Mr Singer: We did not. We refused to put it in.

Mr Gelling: The idea was that if it was reported within three months, it should be repaired or there should be something done. I tend, in a joking way, Mr President, to think that they resurfaced the wrong pavement, because they resurfaced the pavement from Ballasalla to the Blackboards, and I only ever see three people walking on that. (**A Member:** Hear, hear.) And yet the piece around the Southern 100 is the piece that should have been done, and again I wonder whether, if it was on the TT course instead of the Southern 100, it might very well have been done. So, really, what I am trying to say, Mr President, is that okay, this is fine and I go along with it and I think it is great. We have got to have a strategy. We must have policies, but if we are going to judge on performance, which is what the

Chief Minister said we should do, we are going to be obviously looking more critically as to whether or not it is happening. It is all right having it in here, but let us see what happens down the line.

I will finish, Mr President, by touching on how impressed I was at the hon. member for Middle's contribution yesterday into tourism. I was delighted to hear his enthusiasm for tourism. I was delighted to hear his enthusiasm with regard to – and I see it in the actual document here – us now having a shortage of beds. Everyone, I think, in the Court agreed that the new hotel at Summerland was something that was badly needed and it was something that we should all go for – and we did. We went for it. All I can say is that there are still out there entrepreneurial people who would very much like to invest into our tourist industry and beds and who are getting very frustrated. I will leave it at that, purely and simply that I think the Chief Minister should just pull a bit of this corporate government together so that one department knows what the other is doing, because otherwise they are going to fall between two stools, and private entrepreneurial people and companies will not hang around. They will just decide to do something else, because it is difficult – and I know I have found this myself, Mr President – trying to deal, as a government, with private entrepreneurial people, because they want to do a deal – 'Come on. Let us get it done.' We have to go through a ramification of things to be able to achieve it, and it is a difficult area, but all I can say is that I fully support tourism. I fully support what we want to do, but all I say is: Chief Minister, try to bring this 'corporate-ness' together in the way that departments will operate together to be able to achieve the very thing that we said we needed yesterday. Thank you, Mr President.

The President: Mr Speaker.

The Speaker: Thank you, Mr President. I think that we can all say generally that we are content with the way that things are moving forward, and in fact this report really is just identifying for us what the government departments and the statutory boards are doing, what they have achieved and so on. So, it would actually be quite easy, I suppose, just to say, 'Well, that is fine' and say nothing else, but it does provide an opportunity for us, which we are taking – and rightly so – to express concerns and views for government to take into account before they provide the policy documents and say how they are going to move forward again. So, generally, I do not think there is any doubt that we continue to improve the services and we improve the quality of those services, and again we can only do that as long as we are successful, successful in generating income for the Island, and that success, of course, as we all know, comes from the work undertaken by the people of the Isle of Man and also others who actually help and assist in that way. So, as a team, the Isle of Man has to work together to make sure that it has the income to provide the people with

the services that they want, and that clearly is the way forward.

What we do know is that we actually are in a more competitive world now. We have pressures on us that, certainly in my time in this hon. Court, since 1981, have never been there before in the way they are today, and I believe that we have, to date, effectively dealt with those pressures and we have effectively protected the Island's position, but I do believe that that is something that we need to continue to be vigilant about. We do know that the present stance of the Blair government is that some of his senior people are endeavouring to get us to do certain things that we do not want to do, and I think it is fair to say that they are being unreasonable and unfair to the Isle of Man. I certainly look towards the government to ensure that they protect our position, that they stand up to those pressures and that they, in fact, use whatever means that we have, legitimately to use, to protect this Island and its future. So, we do not need to step back and just say that because we are being shouted at or pushed or cajoled by the United Kingdom Government, we have to do certain things. We do not. We have our constitution. We have our own way forward. We are a well regulated jurisdiction – and, in fact, better regulated than the United Kingdom in many areas – and I do not think you have to look far to see where our regulation is very effective. We have already heard some of that today. So, I think it is important that if we are, as Tynwald Court and as the government, to protect our interests externally, then the Isle of Man has to be very vigilant in that area and use the means that we have to protect our position.

All in all, as I say, Mr President, things are generally moving forward, I think, to the contentment of most members, and I think that contentment is reflected within our communities, but there are people in our community who rightly express concerns – and we, of course, echo those on occasions – and those concerns come because of their own experiences in what is affecting them in their life outside. Some of those issues have to be tackled, and I think that that is where the prioritisation, sometimes, of what we do has to be taken on board. I also believe, in doing that, that we have a problem of this issue, which I have raised before with the Chief Minister, of continuing to call what government does its 'business plan'. Government is not a business. Government is a service industry. It services the needs of the people. Therefore, the sooner we start talking about a government *service* plan and not a government *business* plan, in my opinion the better we will concentrate on the provision of services. That does not mean, because we are a service industry providing services, that we are going to be inefficient and not effective. A service industry has to be efficient and effective, especially one that is there, as government is, to look after the best interests of the people of the Isle of Man. So, I do believe that there is a need to change that emphasis. I think it is important, because it gives the right message. The message is: we, the government, are here to provide services for our people. We have to run them effectively, we have to be

efficient and we have to ensure that we, if you like, meet the aspirations of our people as much as we can with the resources we have available.

So, I made that point again, and I do not apologise for it, because I believe we need to make that change. I believe everybody needs to think service-orientated, not business-orientated, because what happens is that if you look at it in a business sense, then quite clearly many of the things we do do not make sense. If you look at it as a service and you know that you are trying to provide the best for the people of the Isle of Man ... And many of the things that we are criticised for, in fact, are there for very good reason. They are there because the needs of the people are that they need this facility, and the pressures are actually greater on the Isle of Man because we are small, because government is so dominant in terms of its provision of what it provides – and we heard about that yesterday in Summerland. Where else would you get a government providing a facility like that? You will only find that in small islands like ours, because there is no one else to do it. So, therefore, accepting all that, the philosophy is that we provide things that sometimes business would not provide. We also have to provide it, as government, because we have an ineffective local government structure, and I believe that the continual ineffectiveness of that structure is impacting on government and we need to restructure local government to ensure not only that we just restructure them, but that, in fact, we restructure them with proper authority, proper ways of raising funds and proper responsibilities. There is no point in the community electing people if they have no financial responsibility – or very little financial responsibility – or they have very little responsibility to provide services at local level, and I think we are seeing it declining more rapidly now than we have seen in the last 10 years. Local government is dying, and it needs to be restructured for the good of the government of the Isle of Man, because any government, any structure like ours, requires a government level and a local government level to ensure that there is a proper access at local level for the people to see how their community is run. This centralisation, I believe, of everything is having an impact, not only on the workload of the members in this hon. Court and the civil servants, but in terms of understanding, at local level, of the needs of that local community, and the only way you will combat that is to restructure local government. I know it is not an easy task, Chief Minister, but I have to say it is one which needs a proper concerted effort, if possible bringing local government with you, but it needs to be identified that there is a need for a real change or else we will end up with local government fading into nothing, which I believe is already starting to happen at a more rapid rate.

One issue I would like to cover in general terms, Mr President, because I do think it needs raising, is my concern about the issue of the civil service, and I think it needs to be said, Chief Minister, that, in my opinion, there is much concern and frustration within our civil

service at the moment. If you talk and listen to many civil servants, most of whom are loyal and moderate to their work, they are frustrated. They feel that they are not recognised adequately for what they do. They feel that they are not supported by the body that is there to look after them, and I think that all these things need to be tackled, because it will be unfortunate – in any workplace it is unfortunate – if our civil service feel that they are not supported by the very body that is set up to look after them. I have to say that is the feedback that many of us get, and I am sure that I am not alone in this. There are people who are finding it difficult now, and we need to tackle this problem. And the reason is quite straightforward: we have a large workforce, the largest in the Isle of Man, and we need to ensure that our workforce is content in carrying out its duties and feels that we want them to do their job well. No business, if I use that term – and I should not – no service can be effective unless its employees are content at work and feel that they are being recognised for the job they are doing, and I have to say that there is a feeling within the service, the individuals within the service, that that is not the case.

Mr President, I want to cover a few of the departments of government, and the first one – and the reason there is quite a bit to say about it is because, in fact, that department has, of all, I suspect, the greatest impact on our way of life – is DoLGE. The Department of Local Government and the Environment, of course, has a very broad sphere of responsibility, and it affects every community and every individual on the Island in a way that I really think no other department does. It affects how we develop. It affects how we live, because it has such an impact on everything to do with our way of life.

The first issue is housing, and I am delighted that we are now seeing housing coming off the ground, and I pay tribute to the minister and the department for actually getting out there and trying to make these things happen. I know what it is like. I have been there. It is difficult. The pressure is on you, but it takes 18 months to get houses up and running if you are lucky – and that is if everything goes well. So, we are seeing a change, and in Castletown, in my constituency, I am delighted – and I know there are many in the town who are delighted – that we are seeing the first number of first-time buyers' houses being built in the town for in excess of 30 years. So, I am delighted with that. However, I have to express a concern, which the minister is aware of, that, in fact, the policy of allocation for first-time buyers, because the department is dealing with it on an all-Island basis, does not give any special recognition, through the system, to people who live in that area. I have spoken to the minister, and I asked a question in Tynwald previously and I said to the minister that I would hope that the people of Castletown would be given preference of opportunity to get these houses, and the reply from the minister was something like she was not in a position to do that because there was this list of people waiting for houses, and they would be considered but not given preference. That is my understanding, and if the

minister clarifies that and says that the people of Castletown will have the first choice in getting these houses (*Interjection by Mrs Crowe*), then I am very pleased about that. And the reason I raise it, Mr President, is because it is important that opportunities are provided in each community so that, first and foremost, the people of that community get housing in their area, so I will be pleased for the minister to clarify that – which is good, because that is what the basis of debate is about.

The other thing that I am pleased about, Mr President, is that we are now seeing the scheme for the progression of Janet's Corner, which is quite an old housing estate in Castletown, actually being brought forward. Again, I am conscious of, and I thank the minister and her department for, the work they are putting into that. They are endeavouring to keep the residents advised of what is going on, and I know there is going to be consultation with them, and I know that that is welcomed by the people in the estate, and the sooner we get on with that job, the better.

I have noticed, Mr President, on the information that we have before us, that the public sector housing list that we have, the latest figures, shows a decline in the numbers on the actual department's figures, which cover all local authorities. Understandably, looking at that on the face of it, you could say, 'Isn't that great?' –

Mr Karran: It is gerrymandering.

The Speaker: – but the point is – and the point I would like to raise is – that here we have a situation where not that many houses have come out of the ground yet, and yet the numbers on the waiting-list have declined. I have to say, and the experience that I have is – and I have raised this issue before, and I will raise it again – that the situation we have is that the criteria for getting onto the public sector housing list are causing hardship for many people. (**Mr Karran:** Hear, hear.) It is stopping them getting on the public sector housing list, and whilst the criterion, which is the income-based one, stops them getting on the list because they have too much income, they do not have enough income to buy a house, and those people now are having to live in the private sector, in private rented accommodation, paying anything between £500 and £600 a month, with no hope of getting onto a public sector housing list and no hope of being able to buy a first-time buyer's house because they have fallen into this trap. This issue has to be dealt with, and I would suggest ... And if it is not the case, I hope the minister – and I do not expect her today to provide the information – will provide the information to show that, in fact, the reason the list has declined has been because people have actually moved into first-time buyer ownership or have been housed within the public sector. I do not believe that is the case, because I have cases in my own town of people – with families, not individual single people, but families with three children – whose income has debarred them from getting on the public sector housing list but they

cannot afford to buy. One of the factors in why they cannot afford to buy – and again I have raised this, Chief Minister – is because of their age. We have a scheme that does not take into account a person who, let us say, is 45 years of age and who has an income that enables them to get a first-time buyer's house but debars them from getting on the public sector list. The thing that goes against them is their age, and they cannot move. We have to make provision for this. If we want to get people into the first-time buyer market – and I have always been in favour of this to provide the opportunities – we have to take these anomalies out of the system. With the greatest respect, it does not take a lot of work to rectify the anomalies, but I raised this issue last year. It still has not been dealt with, and, in the meantime, there are people in our society, born and bred on the Isle of Man – and some who are not but are contributing to our society – who are stuck in this black hole of having to pay rents of £500 to £600 per month because they have no choice. I think that this is one of the most serious issues we have to deal with, and I would ask the minister – and I would ask the Chief Minister – to deal with this issue now. It needs dealing with, because we are putting people into a position that is causing distress, causing difficulty and is using up all their income – or the vast majority of it – only to pay rent in the private sector, with no hope of going forward in the future. We have to deal with it. These are real issues. They are not things I am making up. This is what is actually happening. It has happened in my constituency. So, we need to look at this one, and we need to put in an age criterion for a person or a family whose income is enough to get them into the first-time buyer ladder and the only thing that stops them is because they have got such a short period of repayment of mortgage that they cannot get into the system. For goodness' sake give them a big grant. It costs £100,000 to build a public sector house. Come down from there if you really want to help these people – and, given opportunity, there are ways to do it.

Now I move on to the next issue, which is to do with the general issue of the outer towns and villages of the Isle of Man. The hon. member for Ramsey, Mrs Craine, raised yesterday – quite valid – the issue of what seems to be the lack of investment, encouragement, development of the towns outside of Douglas. Douglas 2000 as it was, and whatever it is called now – and I cannot remember the name, so I apologise, but it is the same principle – was set up to improve the quality of Douglas. In other words, we had shops looking shabby, we had all sorts of things, the place looked drab, and it has been very effective. Government has played a part in that, and a very effective part in that, but the point I make is: is it not time that we moved on now to actually do the same for the towns and villages outside of Douglas? They are not getting the same help. They are not being provided with flower displays and promotional advertisements and street plans. They are having to be done by their own local chambers of trade. In some cases, the commissioners try to help, and they have a very small

income, most of them – less than £2,000 for a penny rate. Douglas has £20,000 for a penny rate, so the outer towns are trying to do something and are struggling to do it because they have not the income, yet we continue, as government, to pump money into Douglas to provide the businesses and, if you like, the improvement and enhancement of the town centre, but we are not doing outside. Why not? It is time we moved on. The same person can do the same job. You do not need to employ anybody else, just extend his remit and, if necessary, yes, maybe extend the budget slightly to enable it to happen, because we should have the same things happening out of town. If we want our town and villages to retain effective business centres to provide jobs regionally, then we need to support them. In Castletown, for example, regionally there must be something like 3,000 jobs. I do not know what it is in Ramsey; it must be somewhere near the same – 2,000 or 3,000 jobs regionally. If all the retail shops and the other things that spin off from that decline, those jobs go and your centres go, and once they have gone, you will not get them back. Once you have the deterioration of your centres, they go, they vanish, and you just do not get them back, so if our communities are going to survive in the way that we wish them to survive, that is important, but it is also an important factor for tourism, because tourists come to the Isle of Man, and one of the things that they enjoy is going to what they see as these quaint towns and village. It is the way we live, but to them they are nice, quaint old towns and villages, because most of them still have the buildings as they were built 150 or 200 years ago. Therefore they do have a value not just for everyday life, but, in fact, for the whole way of the Island portraying itself and what it does. So, in my view, Chief Minister, there is a need to move forward by utilising the resources of the management of Douglas – whatever it is, partnership – and extending that remit to come out of Douglas.

One issue which I just want to have another gripe at – it is not a gripe, the other was positive – and which I just ask, really, the Minister of Local Government and the Environment about, is: she will recall that there is a question about provision of grant aid for skateboard park facilities. The minister said that her department was in discussion with the Department of Tourism and Leisure over this issue. We are not talking about any responsibilities on any department of government in terms of liability; we are talking about the provision of a grant. It does not take long to make a decision if you want to make it and if you want to provide grant assistance out of the existing budget – because the budget for play areas and leisure facilities from DoLGE is not always used up anyway, and even if it was, you just determine which comes first, because it is always based on first come, first served – so I would ask the minister: has a decision yet been made, some two months since that question was asked? Have the departments actually corporately got together to make a decision, and when are we going to be advised that grant assistance is available?

One area that is starting to cause me concern, Chief Minister – and Minister of Local Government and the Environment – is health and safety. (**A Member:** Hear, hear.) Chief Minister, health and safety has changed its attitude. It is becoming over-zealous. It is starting to impact on Island life. It is impacting in a way that is not being impacted in the United Kingdom, and the law here is exactly the same as the UK, and that impact is in relation to local organisations, local events, all sorts of things. None of us mind taking reasonable steps to ensure that the public are safe, but I make the point: in making sure – and we all expect the public to be reasonably safe – there is a difference between that and being over-zealous. The feedback I am getting is that we are having great strides into our life being controlled by health and safety, and I would ask that that be dealt with.

Conservation: I am talking now about building conservation, and I have to raise my concerns on what I see as a lack of positive, proactive promotion of improving the areas that are conservation areas. It seems to me – and I may be wrong – that we are being less effective now than we were previously, and I am talking now going back some years, not just a few years. I see very little promotion. I do not know of any leaflets that go out to businesses or to houses in conservation areas to promote them to improve their property. I do not see anybody putting anything out saying, ‘Do you know that you can get a grant to paint you house? Do you know that we can give you a grant to put windows in?’ or whatever, and I think that is unfortunate, because the whole reason for developing conservation areas was to protect the integrity of them and to promote the improvement of them by way of government providing assistance. It seems to me – and Castletown has one of the biggest conservation areas, Peel has got another, and Douglas has got a few – that there seems to be less going on now in improving and promoting than there was previously. I know we have had a change of Conservation Officer, and I wish to make it clear that I am talking now over the last five to eight years, not over the last year. We do not seem to be as effective. We are not proactive enough. I note from the department that it says 47 properties have been awarded grants – 47 properties out of the whole of the properties in the conservation areas of the Isle of Man. It is absolutely pathetic, and I think we need to do something more proactive. If we really mean what we say and we care about these areas, then for goodness’ sake let us get out there and promote and get them improved. It is not a massive job. In my constituency, we have got a property – 21 Arbory Street – right in the heart of our conservation area, and it is absolutely appalling. I have reported it, and I had to, in fact, *insist* that the Conservation Officer be sent down to look at it. I have not heard anything yet, but the point is that sometimes you only need to knock on the door or find out who the owner is and tell them, ‘Do you realise the state of your building, and can we help you?’ The first answer I got was, ‘Oh, the local authority can deal with that.’ No, they cannot, because

the law, where the local authority comes from, is if, in fact, the property is injurious to the population or whatever it is, to the public –

A Member: The amenity of the area.

The Speaker: – not that the place needs a coat of paint. That is the difference. Why aren’t the people we employ to do this getting out there, out of the office, and looking at these places, not waiting for a telephone call, not waiting until one of us gets onto them, actually getting out there and looking at the Isle of Man and saying, ‘What can I do to improve it?’? And if they need more money, minister, that is your job to find it.

We have two important properties in Castletown, both registered buildings. One is Balcony House, and if you know Balcony House, you will know that is the one in the Parade, and next to it is a building that used to be an office and, way back, used to be the commissioners’ office. Both are prominent buildings and both are owned by one person, who is doing a major development on the corner of Queen Street. I have been in touch with the department over the last two years about this, as have Castletown Heritage, as have the Castletown Commissioners, because of the condition of them, and, to be honest, we get platitudes: ‘Oh, yes, we have written and told the owner.’ They are being used as workshops. I hope someone is going in there and checking that they are not being damaged, because it is a criminal offence to damage a registered building. And it does not matter who damaged it; the owner is liable. These are two prominent buildings in our town, where the rest of the area has been enhanced and done up, and they are just there and you see builders rubble going in and out, you see all sorts going in and out. They are being used as a canteen for the builders. Well, I have asked and I have chased and I have pushed, as have others. We have no evidence that anything is being done to ensure the safety of them, except, dare I say, ‘Yes, we have told the owner.’ It is not good enough. Heaven help the department if those properties are damaged, because I certainly will be one pursuing that action be taken, and I will not be alone in it.

The other issue I wish to raise is in relation to planning issues, and I would ask the minister to actually encourage the planners to advise people when they may be trying to do something that actually falls within a PDO, because I have to say that it seems to me that, whether it falls in a PDO or not, it tends to be, ‘Well, you had better put a planning application in, just to be safe.’ That is what happens. I have got a case in Castletown that I am waiting for an answer on at the moment. There was a planning application in the town where somebody wanted to put in uPVC windows. The planners opposed it, the only people to oppose it. Planners have got a job to do; I do not criticise that. They are there to protect the integrity of the buildings, the integrity of the streetscape, the integrity of the town or whatever, or village – no problem with that – but when all these other properties around it have

uPVC windows in them and suddenly this one property puts in an application and it is, 'Oh, no, you cannot have them, but, by the way, if you put hardwood in or if you put aluminium treated that might be okay.' Hardwood is alien. Most of the wood in the Isle of Man is softwood, not hardwood. You try and paint hardwood; it does not have the same look. But we take these people all the way through the planning system, and, in the case I am talking about, the gentleman won, and here we are four hundred yards away and we go through the same process. Are they not taking any notice of what the planning inspector said? Are they not taking any notice of the minister's decision? To me, and to the people I represent, the answer is 'No, because we will fight you if we can, because we do not want them, but if we lose it, well, okay, we will fight the next one.' I just think, again, somebody should be saying, 'This is how that decision went, so we accept that, in this next one, that is okay.' This is not a conservation area. This is well outside the conservation area, and the one that I am at the moment dealing with is a building that, I think, falls in the PDO, but they were told that they had to put planning in, and the person has been dragged all the way through appeal. These appeals cost government a fortune.

A Member: It costs people a fortune first.

The Speaker: And the person. And the point is: yes, if it is right, then that is the system, but when there is a way to avoid it, we should be being proactive. We should be trying to help people, not trying to put obstacles in the way. I may be wrong, but I am just describing the situation I have found in two cases in Castletown, both outside the conservation area, where I believe these issues could have been dealt with sensibly, and all that happened is they get dragged all the way through to appeal. So, somebody else made the decision is what it seems to me.

I must make comment about waste. We have had a number of debates about waste, Chief Minister, and you know that many of the members of this Court are unhappy. The public are becoming increasingly unhappy. I had a question down on this session about the Western Civic Amenity Site, and I got the answer from the minister – we ran out of time in terms of question time, and therefore it was circulated in written answer – and that is fine. I have no problem with the minister's response on that, but the follow-up would have been: if – and as it was confirmed – that was a legitimate public notice issued by the Western Civic Amenity Site, why was there no ownership? It did not say who issued that notice. It could have been done as a prank. It did not say, 'Issued by the Clerk' or 'Issued by the Authority'; it just said, 'Western Civic Amenity'. But then we have the nonsensical situation that, that said, if you come to our civic amenity site, you must bring photographic proof of who you are – a driving licence or a passport. We must be the only place in the world where you need your passport to go to a tip! (*Laughter*) And for goodness' sake, do not

dump your passport or you will not be able to go on holiday!

Mr Singer: Singapore is the same.

The Speaker: I just find it unbelievable. I think the people of the Isle of Man find it unbelievable.

A Member: I do.

The Speaker: It is absolute nonsense.

Mr Downie: Bureaucracy gone mad.

The Speaker: What are people thinking about? People are elected into positions to act sensibly. For goodness' sake, the whole idea of civic amenity sites, whoever in theory owns them ... And, in fact, they are owned by government but operated by these boards. I suppose, in legal terms, they are owned by them, but, in fact, the investment was done by government. But the point is that all we should be saying is, 'We want your household rubbish put in the civic amenity sites and not in the countryside.'

Mrs Crowe: Absolutely right.

The Speaker: That is what matters. Let me give an example. Let us say that I was coming from Castletown and I happened to be going to Peel to see my mother-in-law, so I say to my wife, 'We have got a few boxes here of household rubbish. Let us put them in the boot of the car, and we will drop them off in the civic amenity site on the way to Peel.' I get there and I am told, 'Passport, sir?' 'No, I have not got my passport.' 'Have you got your driving licence?' 'No, I left that at home.' 'Where do you live?' 'Castletown.' 'Sorry, you cannot come in.' 'Pardon?' 'You cannot come in. You will have to go to the southern one.' So, on my way to Peel, I cannot go into that site. Environmentally, I am being told that I have got to travel five more miles from where I live when I happen to be passing it. My understanding is that, whilst the western civic amenity authority and the southern one pay for the administration – and I want the minister to confirm whether or not there has been a change of policy – the cost of removal of the rubbish from the site to the tip is borne by government. If there is a change of policy on that, we should be told, and I would ask the minister to confirm that today. If there has been a change of policy and if these authorities are being charged, then I think that is outrageous, because it will destroy the whole basis of the civic amenity sites, and, to be honest, in an island of our size, it is absolute nonsense.

Mrs Crowe: Yes, quite right.

The Speaker: I can actually get into Peel more easily than I can get into the civic amenity site, which is not bad, considering I am married to a Peel girl. But anyway, seriously, minister, I do have a concern. You

know my other concerns about the waste. I have made those points, and I am sure I will be able to make them again, but that one is a direct impact of something going on that just is a nonsense. I understand what it is doing is it is actually driving people away from using the facility, and I think that will be very sad.

The other issue that I just want to cover is in relation to the Department of Home Affairs. I was interested to note that the fire alarm units that are provided free by the department are still being provided, and I would again make a plea to the minister for a change of policy on this. These fire alarms are only available if you live in your own home, in a private home. These fire alarms are special units that have a 10-year battery life, not the ones where you buy a PP3 that lasts about one year to 18 months. They have a 10-year life. They are fitted free by fire officers, and they are provided to retired people living in their own home. What I want to know is – and if it is not for the minister, it is certainly for government: why are we not making the same provision in our public sector houses?

Mrs Crowe: We are.

The Speaker: People from public sector houses ring up, and they are told, ‘You cannot have it because you live in a commissioners’ house’ or ‘You live in an LG house’, and yet they might have less income than the person that we go and give one to. If it is about fire safety, stop messing about about money. If it is about fire safety, then they should be in every house. It does not matter that the retired person lives in a bungalow at School Hill or in Peel or whatever; if it is fire safety, provide it. I have argued this case before, Chief Minister, and I am arguing it again. It is not fair. If the Home Affairs Department is there to look after the private sector with these units, then let the DoLGE also then provide them for their own units. I hope that, when they are building new houses, they provide them in the houses anyway, but we are talking about thousands of old houses that do not have them. Yes, people come along and they buy these small units, and that is fine, but these units, I understand, fitted by Home Affairs are actually a higher quality unit, a longer battery life, so that you do not get people forgetting to put a battery in, and the whole reason they put them in is because it stops a retired person climbing on a chair to put a battery in and falling off the chair, which happens. So that is why it has a 10-year life. I would ask for that policy to be reviewed, because I do think that it is unreasonable. How government deals with it is a matter for government, but let us at least provide the same throughout the Island.

I would also like to add my congratulations to the Minister for Health and Social Security, the hon. member of Council, Mrs Christian, who we know, over the years, has been under considerable pressure politically (**A Member:** Yes.) by certain members of this Court about what is going on at the hospital, and I would also like to not forget – and I am sure it will not

be forgotten when the time comes – that Bernie May (**Two Members:** Hear, hear.) did this job, as a politician, with his officers, and worked hard to make this happen. (**A Member:** Hear, hear.) I have to say that I have been a supporter of building the hospital. I was 100 per cent supportive of using the funds from the national insurance fund, because that was money earned overseas. It has been a wonderful investment. It is a fabulous hospital. I have seen it empty; I am waiting to see it when it is actually up and running, which it now is. As the chairman of the Chronically Sick and Disabled Persons Committee, we are hoping to make a visit in the not-too-distant future, when things have settled down a bit more. When you think about it, Mr President, just over 100 years ago, the Isle of Man could not afford to build a hospital. It was built for us. Today we have built a state-of-the-art hospital, and we have built it not with taxation, but with funds that we have earned from investments overseas by utilising the capital of the national insurance fund. I think that is absolutely fabulous, and I think that when the people of the Isle of Man see the new Noble’s Hospital and the facilities, they will be really proud of what we have got. The one thing that then spins off from that is that no matter how good the building is, the service has got to be good as well (**A Member:** Hear, hear.), and that comes down to those providing it – the doctors, the nurses et cetera – and I am sure that we will meet that challenge, and I look forward, as I am sure most members do, to looking at that.

I was the first Minister of Health and Social Security with Ken Tomlinson – and, as we know, Ken retires next week – and he also, with his officers, has been in the thick of this, not only dealing with the building of a tens-of-millions-of-pounds hospital or whatever the final figure is – £80 million or £90 million – but also continuing to ensure that the DHSS has advanced, progressed and improved the facilities for the people of the Isle of Man. It has been a massive undertaking, and I know the professionalism of Ken, and I know that others in this hon. Court who have worked with him know that as well. Quite honestly, what he has done with the politicians and with his staff over the years has really been a tremendous job for the Isle of Man. (**Two Members:** Hear, hear.)

I would just like to cover the issue of the Castletown surgery, which again we are pleased to see developing. The building of the new surgery and the unit that goes with it, the health centre, comes to an end, I think, in the next six weeks or so, and then it will not be long after that before it actually takes up occupation. Again, I would just say that it has been a long uphill struggle, and I thank the minister, Mrs Christian, for her support, because we actually had a long push to get this brought forward, and I am pleased that we have actually got there – a £490,000 investment. It is going to improve absolutely substantially the facilities in Castletown from what is basically an old shop to now being a purpose-built centre, and it is going to be fabulous. And all I would say is that what we then need is to ensure that we then have the right number of doctors for the town. I have

to say that two doctors are not enough for Castletown. People are having to wait too long to get to see their doctors. I know that that is a contractual matter between the doctors, who, of course, work on a self-employment basis, basically, under contract to the DHSS, but I would say that it would be sad and most unfortunate if this improvement in facilities was not echoed by the introduction of at least one extra doctor – and I think one is adequate. We had three before. We are now down to two. I know it is not the department stopping it, but there is a need to push this forward and get it sorted out.

The Department of Tourism and Leisure is the one issue that I just wish to raise, which is the issue of the Villa Marina arcade. I am not going to lose the opportunity again just to make the point. We are investing substantially in the Villa Marina and the colonnade, and I would just make the point that it will be most unfortunate if we do not do the arcade up in time and make sure that is refurbished. If a slippage in the capital programme will provide the funds – because this scheme is a very small scheme (**A Member:** Hear, hear.) – it will be ridiculous for it to remain as it is for the next two or three years. Chief Minister, the money, through slippage, is there. I would ask that we get on and support the department to get the scheme designed if it is not already done and to get on with the scheme to improve it so that the whole of the Gaiety Theatre, Villa Marina arcade and colonnade and the Villa Marina itself is all finished. I just make that point because I think it is important. It is easy to be too stuck into the rigidity of the systems. Politicians are here to say, ‘Hang on, that is fine in the system, but by the way let us do that because of . . .’, and I hope that you will.

Mr President, the final item I just want to raise is in relation to the water authority. Chief Minister, the water authority had a strategy approved by Tynwald Court. Based on what I have read in the document – and I think I am right in reading it – the implementation of that strategy is delayed. We know about the Douglas treatment plant and so on – that is fine, that is a planning issue – but I would just like to seek an assurance from the Chief Minister, or at least a confirmation, that whilst we have the strategy being delayed – and delayed by a few years – why is it that the financial strategy is going apace? We are seeing the water rates being increased year on year in line with the strategy, but I do not see the investment being in line. What is the strategy? If that is the case – and I stand to be corrected – and if the actual strategy is delayed, I think that it is unreasonable to continue to implement the financial strategy through the water rates system so that people are paying for something that they are not yet getting. I would ask the Chief Minister to look at that and see whether or not it is reasonable that the authority continues to implement these large increases – which Tynwald has approved it should – whilst, in fact, it is not actually implementing the strategy to the degree that that funding is meant to be paying for at this stage. Thank you, Mr President.

The President: Hon member for Douglas West, Mr Downie.

Mr Downie: Thank you, Mr President. Government’s annual report, I feel, is a key element in government’s continuing initiative to introduce government and corporate and business planning, whilst at the same time I recognise the comments that Mr Speaker made that areas such as health, education, social services et cetera cannot really be run on business lines but are genuine services provided by government. As a document, the annual report is specifically intended to report on what has been achieved during the year by departments, boards and offices. It has to enhance openness and transparency and improve accountability to Tynwald and the public. These are important objectives, and while it must be accepted that the business planning process is still being developed, it is a vital element in improving corporacy and in engendering a more businesslike approach to the identification and resourcing of priorities and the delivery of efficient, high-quality public services. The system of business planning in government is now more open than ever before, with clear statements of intent contained in government’s corporate plan and department plans and the reporting of actual performance through the annual report. Together, business plans and annual reports allow a more objective assessment of the performance of government to be made than ever before.

I now wish to talk about matters relating specifically to the economy, and I think that members are under no illusion that there are many challenges facing us ahead. It must be recognised that significant changes are continuing to take place in the global economy which inevitably have a direct impact on the Island. This emphasises the importance of government’s efforts to address these issues through the adoption of new approaches to taxation and the further development of the Island’s economic strategy. In particular, efforts must continue to be focused on continuing to encourage economic growth and further diversification, as it is only through economic prosperity that government can actually meet the ever-increasing demand for services. Government’s performance in encouraging diversification and growth is set out in the annual report, as are government’s efforts to develop and improve services and to introduce social and other reforms.

I would now like to refer to a number of matters relating specifically to my own department, the Department of Trade and Industry, and refer to the contribution to the national income. National income statistics for 2000-1 show that manufacturing generated some 6 per cent of national income during the year, and whilst this is a slight fall over the previous year, it demonstrates that manufacturing continues to be a significant contributor to the economy. I think, as previous speakers have said today, it is important to establish new jobs and new business opportunities right around the Island. All of the communities need to have their fair share,

including Jurby, and I am pleased to say that, at present, we have three new factories under construction, and ironically they are all based in different parts of the Isle of Man, so that strategy is paying off. As I said yesterday, there are parts of the Island, Ramsey and Peel in particular, which have a special tax structure in place which investors can have access to when looking at putting new businesses together in those particular areas. Information and communication technology – ICT: this sector contributed almost 3 per cent to the national income during the year. That is a 43 per cent increase over 1999-2000. This sector is growing quickly and is seen by the department as a key area for generating further economic growth and diversification. Retail and construction sectors also continued to be significant contributors to national income, with retail generating over 5 per cent and construction in excess of 7 per cent during 2000-1. During the last year, the department undertook a review of the economic benefit generated by the Island's maritime sector. Initial results suggest that the sector's contribution to national income, in overall terms, now exceeds 2.5 per cent. The shipping register and the registration of commercial yachts continues to grow, and there are now well over 300 merchant ships on the class 1 register, representing 6.35 million gross tonnes. The registration of commercial yachts was commenced during the year. This initiative has been very well received by members of the local maritime industry and should help to generate considerable new business for the Island – and we have already seen the first commercial yachts registered. The development of the film industry is one of the Island's success stories. It is an example of successful diversification and the benefits to the Island in terms of publicity, local spend – that is, new money into the economy – and exchequer benefits, and during the year, eight productions were completed, four of which were TV-based. In total, 421 days of production activity were generated on the Island, with an estimated local spend of £6.1 million.

The department is also pushing ahead with a programme to introduce modernisation of the economy. The business support service was revised significantly during the year and is now considered to be better than comparable schemes in the UK, and this is backed up by a report from Salford University Enterprise Liaison. The department continues to pursue development opportunities in relation to communications and e-commerce to ensure that the Island establishes itself as a recognised leading international e-commerce centre. To encourage take-up of ISDN and ADSL by businesses and individuals, the department has continued to fund connection charges during the year to some 1,800 connections, and these were funded by the department. The DTI-run internet courses for members of the public were successful, with 212 attendees during the year, and the department has recently joined forces with the Department of Home Affairs to take on responsibility for promoting the Island as a location of internet gaming and associated sectors. Hon. members will be aware that,

this year, the department's legislation division brought forward the Gas and Electricity Bill 2003, which has now completed its passage through the branches, although we are still waiting for Royal Assent. This will, amongst other things, amend the functions of the Manx Electricity Authority to enable the authority, which owns a fibre optic cable, to provide telecommunication services, of course subject to the consent of the DTI and a licence from the Communications Commission. During the year, consultation documents in relation to an Employment Amendment Bill and proposals for further maternity and related rights were also issued. The department is looking, along with others, at the feasibility of establishing an air register in the Isle of Man by means of further diversifying the economy.

We are also very focused on our vocational training, and developing and updating the skills of the Island's workforce is a key priority of government. The department leads the Investors in People programme, which encourages organisations in both the private and public sectors to improve the effectiveness of their employees by creating a culture which encourages and reinforces learning and development. By the year-end, over 4,500 workers were employed in IIP-recognised organisations. This represents 13.5 per cent of the Island's employed workforce, and this is a tremendous achievement. Currently, there are 476 apprentices and technicians under a training agreement with the department. This represents an increase of 5 per cent over 2001 and 2002, and I am advised that even more people are wishing to come along and take up positions for apprenticeships in the construction and other allied industries and fill in this gap which we have at the moment. We have a chronic labour shortage in the Isle of Man for certain trades, and we are very keen to address that problem and provide a very good base for our Island's workforce. Our training centre: the department continues to progress plans to develop a new training centre on land owned by the department at Ballafletcher. Investment in training and retraining is absolutely vital for the future wealth and economic well-being of the Island, as ultimately it is on the skills and dedication of those who work in industry and commerce that we all depend. This development will stand as a testament of government's commitment to investing in the skills of its people, both young and old.

Mr President, I think the majority of members who have spoken in the debate thus far have really supported the principles enshrined in the report, although there have been odd criticisms about a few local issues. But I think, by and large, the report is to be supported, bearing in mind it is only the second report of this type that government has produced. I think, as previous members have said, we are moving in the right direction, and I give it my support.

The President: Hon. members, I think it is an appropriate time at which to make a break. Can I remind hon. members that there is a CPA presentation

at 1.15 in the Millennium Room, and when we return after lunch at 2.30, I will call on the hon. member for Rushen, Mr Gill, to be our first speaker. Thank you, hon. members.

The Court adjourned at 1.04 p.m. and resumed its sitting at 2.32 p.m.

Isle of Man Government Annual Report 2003 – Debate Continued

The President: I would perhaps ask members if they would keep one eye on the clock whilst they are making their submissions this afternoon, and then possibly we will have the other eye on finishing this item before teatime today. (**A Member:** Hear, hear.)

Hon. members, in light of the comments made by the hon. member for Michael in his submission this morning, I have asked the Attorney-General if he would just make a short statement relative to the good government aspect of the Island.

The Attorney-General: Thank you, Mr President. Mr President, hon. members, I did not anticipate making any contribution to the debate in relation to this item of business. Having heard the speech of the hon. member for Michael, however, I feel that it is appropriate that I should make some statement as to the effect on the constitutional relationship between the Island and the United Kingdom of the publication of the report of the Commission of Inquiry into Development Matters at Mount Murray.

As I understood the hon. member's speech, it is suggested that the conclusions of the report will result in some intervention by the United Kingdom in the Island's affairs. (*Interjection*) It is suggested that, because the Lord Chancellor's department, as it then was, had recommended the names of persons who would be qualified to chair the commission, the fact that there have been some adverse findings by the commission will trigger concern in the United Kingdom of such gravity that we can expect some intervention from the United Kingdom. Whilst we will be able to manage our domestic day-to-day affairs, our capacity to manage our broader international business will inevitably be prejudiced. I should like to make it perfectly clear that, in my respectful view, no such concern is warranted. (**Several Members:** Hear, hear.) I do not consider that the conclusions of the commission raise any matters of good government of the kind which would justify intervention by the United Kingdom in our affairs. (**A Member:** Hear, hear.)

I would, if I may, remind hon. members of the statement made in May 2000 by Lord Bach in response to a question raised in the House of Lords by Baroness Strange. The question was raised as to whether Her Majesty's Government was responsible for the good government of the Crown dependencies; if so, how they defined good government; and in what

circumstances they would intervene to that end in the affairs of the dependencies. The reply from Lord Bach was that – and I quote – ‘The Crown is ultimately responsible for the good government of the Crown dependencies. This means that, in the circumstances of a grave breakdown or failure in the administration of justice or civil order, the residual prerogative power of the Crown could be used to intervene in the internal affairs of the Channel Islands and the Isle of Man. It is unhelpful to the relationship between Her Majesty's Government and the islands to speculate about the hypothetical and highly unlikely circumstances in which such intervention might take place.’ And I finish the quote, Mr President. And so it can be seen that there are only two circumstances in which intervention from the United Kingdom would be appropriate, namely a grave breakdown or failure in the administration of justice or a grave breakdown or failure in civil order. Hon. members will recall that I emphasised, in my contribution to the debate on the report, that it was abundantly clear that the commission had not, in its conclusions on corruption at section 18 of the report or elsewhere, made any findings which lend credence to the suggestion that the integrity of the law had in any way been questioned or undermined or that the administration of law in the Isle of Man had been corrupted in any sense, conventional or otherwise. And of course, there is no question that there has been a breakdown or failure of civil order.

I do not consider that the relationship between the Island and the United Kingdom has in any way been jeopardised by the publication of the commission's report, and certainly not in the way suggested by the hon. member. It is my perception that the United Kingdom Government has increasing confidence in the Island. We have, for example, played our part, at the OECD forum, in developing new international norms in the context of disclosure of information in tax matters. Based on a letter of entrustment given by the United Kingdom Government, we have been able to do business directly with the government of the United States in relation to such disclosure. It may well be that, in the not-too-distant future, we will similarly be entrusted and empowered to enter into other important agreements of an international character. The fact that the government has been criticised in relation to a domestic planning matter which arose some 12 years ago does not, in my respectful view, provide any justification for concern that the United Kingdom Government will wish to intervene in our affairs (*Interjection*), and I believe that the government of the Isle of Man will be able to continue to transact its business as hitherto, both domestically and internationally, for the benefit of those who live in the Island and for those who do business with the Island. Thank you, Mr President.

Two Members: Hear, hear.

The President: Continuing with the debate, I call on the hon. member for Rushen, Mr Gill.

Mr Gill: Thank you, Eaghtyrane, and thank you for your guidance about being conscious of the clock and the importance of brevity. Further to the words of the Attorney-General, I was reminded of the comment from the former Chief Minister, Mr Gelling, when he said he would rather deal with the problems of success and not the problems of failure, and happily that has been a challenge for this Chief Minister as much as it has for Mr Gelling and, prior to that, Sir Miles in his time. This report gives us a lot of comfort that the very successful operations of government are continuing and that things are in reasonably good form, and so I do not propose to go through each department and pull holes in any of it. Perhaps I would suggest that if we have any concerns, I would propose raising them in the March sitting when we discuss the government plan, their business planning.

But if I could just briefly turn to some of the comments in the introduction from the Chief Minister, when he talks about that business planning and he sets out that the Council of Ministers has led significant change in the process, with three aims. Those three aims are at bullet points where he talks about ‘improving government’s corporate working’, ‘introducing a consistent framework of corporate planning across government’ and, thirdly, ‘improving government’s accountability’. Within all of that will be actually delivering services – that is the other overall umbrella heading that supports all of those – and it is just on that point that I want to make one point which has been touched on previously, and again it was Mr Gelling who raised this when he spoke about some dissatisfaction in the civil service. So if, considering the civil service, we turn to the personnel office element of this report on page 12, they begin by saying that ‘recruitment activity remains buoyant across government’, and they also talk about a welcome trend, I would suggest, where they are delegating recruitment management and human resource practices to the departments. I think that is to be commended, and I hope that we will see more of that, and perhaps the Chief Minister, in his summing-up, could confirm that. They also talk about staff turnover of 8 per cent in this year being reported, compared to 10 per cent the preceding year, and perhaps that is a reflection that people are actually – particularly in the public service – valuing the fact that the security of tenure that their employment offers them is such that that is an attraction compared to perhaps higher wages that they may be able to receive outside.

But I just want to hinge on that when we talk about the higher levels of the civil service, and members will be aware that I have asked this question in another place and had an unsatisfactory answer – to my ears and, I suspect, to the ears of many outside. It has previously, and rightly, been stated that government provides a service and we should not therefore be compared strictly as a business. Of course that is true. We would all accept that, but we do have a responsibility to act in a businesslike manner. I am going to suggest one area – and a crucial area, not only of today’s administration, but of the strategic future for

the Island – where I believe that government really could improve. It is a straightforward matter, and I would welcome the Chief Minister’s response to it. Within any group, there is a normal distribution curve. At one end, you will get somebody who is particularly good at something. Most people will be somewhere in the middle, where they have a reasonable competence level; they are good at some things, they are weaker at others. We all expect that. Equally, at the opposite end, you will get people who are failing. In any group, you will get that; that is a normal distribution curve. The Chief Officers’ Group in the Isle of Man Government is no different. We have some *extremely* good officers, we have some average officers and, frankly, if we all were asked to write the name of one or two failing officers, I do not doubt that if we open those envelopes in private, we will come up with the same names. I will say no more on that point, other than to hopefully prove the fact that there is a distribution of ability, and we would all accept that. That is not reflected in the terms of employment. All of our chief officers are basically here for life (**Mr Houghton:** Hear, hear.), and what I would suggest is a meaningful five-year – and I have taken that out of mid air, but a fixed period – contract for each of those chief officers. Their pay certainly reflects that. In one breath, they say, ‘We want to be level with market competition’, but, on the other hand, they are not market competitive, because they are here for life. If we think about that . . . The proof of the pudding, then: how many chief officers have left to go into the private sector which is banging on the doors of government offices to headhunt them? And, of course, the answer is none; not one in the last 10 years. So, it is a pretty flimsy argument to say that our chief officers should, on one hand, be given the same level of pay as their opposite numbers in business but they do not have the same demands and the same requirements placed on them. So, I hope that the Chief Minister will seriously consider that and will introduce – or at least think about the feasibility, the pros and cons, of – a scheme where those chief officers can make the decision. For those chief officers in post, of course, we will have to honour the terms and conditions of their existing posts, and that is no problem (*Interjection*), but from now on I hope very much that we can move to a culture where we will make people, not only within this Court, who are on five-year terms – a very strict five-year term – but also those officers who are ‘in partnership’ with us – purportedly, according to the tenor of this document – in providing services. So, that is the only suggestion I care to make at this sitting on this report, but I do hope that the Chief Minister will consider that. What I am saying is we want accountability, we want focus, and we want ability and effort. The Isle of Man Government also wants the ability to get rid of people who are not performing, and we also want value for money. That is what this report is about. That is what the government plan is about. That is not reflected in the tenor of the Chief Officers’ Group as the arrangements stand at present.

So, on that point and that point alone, sir, thank you to the Chief Minister for the preparation of this report. It has got some interesting reading. Under the new arrangements that he has described, I would hope that the March sitting will give us the chance to talk about some of those policies and measure whether they are being achieved, but I would just reiterate that one way we could have much more 'rick', as my friend from Douglas East would describe it, on this process would be to actually get the key players, all the key players, both political and chief officer, on the same sort of tenure, where they have to be accountable for their practice in that preceding period. Thank you, Eaghtyrane.

The President: Hon. member of Council, Mr Singer.

Mr Singer: Thank you, Mr President. I will certainly be pleased to offer my general support for the annual report that is before us today. I think it is a positive report, and it does show that we are moving forward, but I think that, whilst we are moving forward, we must be aware of everything that is going on around us and ensure that our officers are fully aware and sensitive very early to the international changes and threats that are coming forward at all times and that they are formulating policies to advise our politicians accordingly so that we are ready before these threats actually rear their heads almost. I think particularly of the protocol 3 threat, which the Chief Minister mentioned yesterday. There is definitely a feeling that, within the new Constitution of Europe, protocol 3 may well be changed, and we have to be ready with a policy of what we are going to do if that is, in fact, implemented.

There are general matters, I think, in this report which do cause concern and can be constructively criticised, and I hope members will take my comments in that spirit. If I may refer first of all to the speech by the hon. member of Council, Mr Gelling, who was talking about, and complaining about, the problems with the highways and saying that people were tripping over on highways and the DoT were doing nothing about it, he referred to the legislation that had gone forward. In fact, Mr Gelling, the legislation did not go forward. I attempted twice to get an amendment to the Highways Act 1985 so that, when there were problems on the pavements et cetera and the department were aware of those problems, then they became responsible. In fact, I did think I had, at one time, come to an agreement with the minister at that time, who is now Mr Speaker, but when it came to the actual discussion within the House of Keys, it was not accepted, and at that time, sir, you were the Chief Minister. (*Interjection*). I think you probably voted against it at that time as well. So, to a certain extent, the wheel turns a full circle.

Mr Corkill: Not on our roads.

Mr Singer: But I know that the present minister has said to me that they will achieve that aim you were talking about without legislation, and I would be obliged if he could perhaps tell us today if that is now part of his policy and, if so, how it is going to work or, in fact, how it is working.

I would like to touch briefly on the Manx pension supplement, because it was raised within Tynwald not too long ago and the DHSS minister seems to have not taken any further the proposal that perhaps those who have paid into the fund should be entitled to receive from the fund, so if they had paid in for a proportion of the 10 qualifying years, they should receive a proportion out of that fund. I would also welcome any comment from the minister as to whether that is going to be implemented. Such a move would certainly receive support amongst the population who did contribute to the National Insurance Fund in the years that they worked here before they retired.

I would now like to refer to the prison. Obviously I am concerned, as are many other people, about the large increases from the original cost – and I am sorry that the minister is not here at the moment. When it was sold to us to go to Jurby, one of the reasons given to us, and one of the advantages given to us, was that the people of Jurby would have access to some of the sporting facilities within that prison and that they would be able to use them. I do not know whether it was a gymnasium or whatever it was; they would be able to use it. That was a very good point to sell it both to us and to the people of Jurby, but, as I understand it, that is now not the case. I think I look at it as quite a serious matter that that has now been taken out after it was sold to us with that specification. I would also like to see, before the prison is constructed, subject to getting planning permission, what the facilities are going to be there for the prisoners. Are the facilities to be, as the public would expect, of a standard no greater than the average person who does not have Sky television, who does not have access to luxury items? Yes, of course, we should provide education facilities for the prisoners, exercise facilities, but not, I believe, what should be considered as luxury standard which the average person will not themselves have. So, I would be interested to see what the provision will be. And I would also like for it to be assured to me that there is going to be a conscious effort to prevent the access of any drugs into that prison. There appears to be great difficulty, at the moment, in stopping drugs going into the prison in Victoria Road to the prisoners. The question on that is 'Why?', and the question is also 'How are we going to stop that in the new prison?'

It was indicated yesterday, of course, that 60 to 65 per cent of the public in the Isle of Man live around the Douglas area, and that is where the money is spent in general. There does appear to be a reluctance to do anything but pay lip service to spending in the north of the Island. There seems to be a block to allocating finance for the desires of the North, and this is the seventh year now that I will mention the Queen's Pier. There is a case, without doubt, for why refurbishment

should take place. Of course, it is not a major priority, but neither are many other items that we are undertaking and we approve within this hon. Court. I believe we have hon. members in this hon. Court who will not consider the advantages of refurbishment because they have a personal view and they are voting from a personal view and not saying what is the view of the people who are paying their rates and paying their taxes and looking and are anxious to see such a refurbishment. We have had, with the pier, delay after delay. I know that the DoT minister is coming back in October or November with his view as to the way forward, but no doubt he and other members can understand the cynicism of those thousands of people who support the refurbishment, because they have been waiting to hear something positive for 12 years, since the pier was closed for alleged vandalism. It does continue to deteriorate. It is a registered building and it therefore comes within the responsibility of the Department of Local Government to ensure the owners, the DoT, do not allow that deterioration, and I would question whether they are fully accepting that responsibility and taking the action that is necessary to ensure the DoT accept their responsibilities.

Whilst I am talking about heritage and places in Ramsey, I would again like to refer to the Albert Tower, because I went up to the Albert Tower the other day, and that tower is not recognisable from what it was two or three years ago. It is now bristling like a hedgehog with unsightly aerials. Apart from that appearance, people go up there for a bit of peace, for a bit of recreation, and when you stand at Albert Tower now, you can hear the buzzing of the electricity going right through you. There is the rattling of the metal poles that contain some of the aerials. It is a place that is far now from being peaceful and tranquil, and I do not think that is acceptable at all, and I think that the Communications Commission and DoLGE should look at that and take some action to try and return it at least to some of the peace that it has enjoyed for over 100 years.

When we are promoting the Island, one of the ways that we promote the Island is through the internet, through our website, and it is the opportunity we have to inform the world about us, but I am not very happy with the website as it is, particularly the links. Some of the links are out of date. Some of the links have not been brought up to date, and I would ask the Chief Minister whether he could look into the reasons why it is not updated, as perhaps some of the parts are not updated as perhaps they should be. Some items have not been updated and still refer to 2001-2. I think we have to look at the efficiency and know how much we are paying to the company, who should be keeping it up to date, taking a positive action. *They* should be taking the positive action to chivvy departments to give regular updates, not leaving the departments frustrated at the poor service of updating the system. We should not have spelling mistakes. I have not seen it, but I am informed that there is a reference to the Irish parliament, the Dáil, which is spelt D-o-y-l-e, which hardly promotes us to the world.

So, perhaps the Chief Minister could look at the out-of-date information and the misspelling, because that, as I say, is not a very good impression to the world.

The Minister for Trade and Industry certainly gave a comprehensive overall picture of the situation and the promotions that are going on with the DTI, and I would personally like to pay tribute, from within the department, to his enthusiasm and his leadership. We have advanced a long way in the last 18 months. As he says, there are good signs of positive investment in the manufacturing sector, and, in response to the comments of the member for Michael – and, again, the minister touched on this – the DTI are sensitive to the needs of Jurby and investment in that area and, in fact, are looking very much to ensuring investment goes into that area. We are seeking expansion in particular areas of e-business and working with the Manx Business Connection to promote business in the Isle of Man in a positive manner, actually promoting business-to-business, not government-to-business, and I think that there is quite a big difference in that. We have talked about the continued success of the film industry. We now deal with the high-quality filmmakers. The Film Fund has made a positive contribution to this success, and this continuous success – I suppose, to a certain extent, because we will have had 12 films at least, 12 productions, from last October to this October, and we have been victims of our own success – has caused its own major problems, and I would like to here pay tribute to other divisions of government, particularly the DoT, and the local authorities for their co-operation and understanding of the economic benefits that flow from the film industry and their help to keep it running smoothly.

The Treasury minister has been most positive in emphasising his backing to those charged with bringing the cash in in order to finance our services and the tax strategy. Comment was made about Jersey and Guernsey. As far as I read, Jersey and Guernsey are facing much greater difficulties at present on the world scene than the Isle of Man, and as far as the ‘know your customer’ is concerned, I do think that it has gone a little bit too far. I had a lady who had been with a bank for 50 years, across and here, and they were asking her for identification. It is wrong, isn’t it, when a lady who has been there 50 years ... She probably could have gone across to Liverpool or to London or even to New York and walked in and opened an account much more easily than in the Isle of Man. So, that is something that we have to watch carefully, because we are trying to guard against the villains coming and opening an account, but the villains are the ones who know which boxes to tick. It is the ones who are straightforward people who are the ones who are having the difficulties.

Whilst we have a positive profile outside the shores of this Island, there are everyday things that can be annoying and frustrating to the citizens of this Island, particularly those that affect our living standards. Recently, I think it was a *Diesel* magazine, a motor magazine, brought 12 of the new diesel Minis

across to this Island. They thought they would test them on the Island. I saw the report – and the *Diesel* magazine is the one that is read the most commonly throughout the United Kingdom – and what did it say? It said that the test was on a beautiful Island, except for the ‘Third-World’ roads. That was in a special box, and I think that is something that we have to be very careful about and we have to be sensitive about. Similarly, there is the quality of our water, which is not getting any better – in fact, it is getting worse – and I do think we have to recognise also that Glencrutchery is at its total limit and it cannot be pushed any further, so where we go on the water at this very time, how we improve it in the short term, to me seems very unlikely, and how we provide more water to people is going to be very difficult.

Finally, if I may refer to the health services briefly – and I do not wish to say much, because I am a member of the select committee on GP services – we do have medical services of a different level in this Island depending on where you live. It is factual that, in areas around Douglas, people have the A & E and they have the emergency doctor service. Because we have the possibility of better services in areas which have now been taken away, it is not a case of raising your hands and saying, ‘What can we do about it?’ What we should be saying is, ‘What *will* we do about it?’ We are all here to serve the people, and nothing is of greater value to the rich or the poor than their good health. Thank you, Mr President.

The President: Hon. member of Council, Mrs Crowe.

Mrs Crowe: Thank you, Mr President. Little mention so far from hon. members of government’s priority, housing, so I suppose that must be recognition of a degree of success – and, indeed, I thank the hon. member for Michael for a rare pat on the back – but I would like to say that, with the £20 million extra budget that we were allocated in the year 2002-3, we have been able to accelerate the provision of housing. Our government will be providing £88 million to fund local authority schemes for public sector housing for the next five years – a commendable performance from any government – and with regard to public sector housing, my department is delivering 476 new homes and 311 replacement homes – that is twice as many as we had originally planned. Our first-time-buyer waiting-list does still exceed a thousand, but I must comment that our target for new homes – our target was 400 new homes – has been well exceeded, and to date we have 623 completed new builds. But I will be giving the full housing policy report at item 11 on the agenda, so I will not bore you once again with statistics.

I came to my feet to answer some of the questions specifically put by the members. The hon. member for Michael commented on the fact that three local authorities had withdrawn services from their ratepayers for the disposal of waste. I wonder if they have refunded their ratepayers, because it is their

ratepayers that they serve. The local authorities provide the services for the collection of waste. If they are not providing those services, then the ratepayers must question their authority. It is not government’s function to collect waste at the present time. (*Interjection*) For it to become an all-Island effective waste management system would require a change in legislation. The hon. member of Council, Mr Waft, asked why we were not looking at efficiencies for the collection of waste. Indeed, we have asked all local authorities to look at some kind of unification in order to provide effective services for their ratepayers.

Mr Speaker commented on a great deal of things to do with my department, some of which I feel I must answer. Mr Speaker, of course, as Minister for Local Government, was responsible for the ‘Time for Change’ document, which was the restructuring document for local authorities. Of course, any action regarding the reconstruction of the local authorities on the Island would require a clear political decision, and this Court may well be once again called upon to make that decision, and that decision will, of course, affect all their constituency electorate, but I think we all recognise that there may well be decisions that have to be made.

Mr Speaker also commented about first-time buyers, in particular about the preferences for locality. On our first-time-buyer waiting-list, we make quite sure that the people who wish to live in the area, perhaps in which they were born, perhaps in which their parents live, or perhaps in which they work now, make their first preference their choice on our waiting-list, and we do allocate houses to first-preference choice. This does, of course, cause us some problems where we have areas at the present time where the local authorities have not identified in their area any land for affordable housing, so we have had to inform first-time buyers that have a first preference for Onchan that there will be no affordable homes in the Onchan area in the near future. Mr Speaker also commented about the public sector waiting-lists, and it is true: the public sector waiting-list has not reduced. It is very similar to what it was and what it has been, and that is that there are a thousand people on that waiting-list, but that waiting-list does now include 396 single persons, who, of course, previously were not eligible for the waiting-list.

Mr Speaker commented again about skateboard parks. I know that meetings have taken place with the Department of Tourism. At the present moment, we have no budget provision, but I know that discussions are ongoing about the leisure strategy, and I do hope that he will be able to have an answer very shortly.

There were comments also from Mr Speaker about health and safety, and I know there have been many comments in that area, not only from hon. members but from the Council of Ministers. Health and safety, of course, is about the protection of our people, the protection of the people of the Isle of Man, but I do take the point that maybe we need to, in the department, look at some stringent risk-assessment

management regarding that rôle. That is being addressed at the present time.

Mr Speaker also commented about conservation and the need to promote conservation, and we are doing just that and, in fact, we have had two open days on conservation on the Island. I myself have been at the open-house forums, as has the chairman of planning, Mr Henderson. We only have one Conservation Officer at the present time, and we are doing our best to make people fully aware of the help we will provide in making homes in conservation areas up to the correct standard.

Mention was also made of permitted development orders, and yes, we have made great play, particularly yesterday, in the Mount Murray debate, about modernising the planning process. We are in that process. We have been in that process since March last year. That process would have been far more advanced if we had not been waiting for comments. However, that process can now proceed. Hopefully we will have a website, where anyone on the Isle of Man can dial in and see exactly what is permitted, in development terms, and what is not – far easier for everyone on the Isle of Man, far less burdensome for my department, having to deal with queries. I think it is most important that we simplify the process and give as much information as we possibly can.

The final comment, I think, from Mr Speaker, in his lengthy speech, was regarding waste and civic amenity sites. Mr Speaker, I have said it once, and I must say it again: I have no control over the way in which local authorities manage their affairs. The local authorities form statutory boards to manage their civic amenity sites. It seems nonsensical to me that one person from one area cannot take their rubbish to another, because I feel certain if you were going to Peel, someone else would have a mum in the south of the Island and could deposit their waste in the South. The charge for the disposal of waste is the same as the standard charge to local authorities for the disposal of household waste, which is £10 per tonne. Presumably, what you had in your car would be about £1 worth, so it really does not make much sense to me. We need to encourage recycling, and that is the whole idea of having civic amenity sites: to encourage recycling. (*Interjections by The Speaker*) No, I am sorry, Mr Speaker, I have no powers to do that without a change in legislation, as I have previously said.

I think I have addressed all the problems that were directly related to my department, perhaps in a far shorter time than Mr Speaker made them. However, there is one point I would like to make, and I hope my hon. colleague, the Minister for Trade and Industry, will forgive me, but it is regarding Mr Henderson's contribution about students and the need to encourage them back to the Isle of Man. I, in my time in the department, was, I suppose, very interested in the introduction of the Shell Technology and Enterprise Scheme, which I now know operates very successfully with the department and the Department of Education, as a joint scheme. At the present time, we have 30 students, pre-graduation students, on the Island, all

working in projects in industries that they perhaps did not know even existed on the Island, and it does, indeed, encourage these graduates to come back to the Island. Hopefully, shortly, the civil service will encourage them to join the civil service with graduate employment schemes. (**A Member:** Hear, hear.)

Thank you, Mr President. I hope that that has been helpful to Mr Speaker, in the main, and any other member that has questioned the department.

The President: Hon. member for Peel, Mrs Hannan.

Mrs Hannan: Gura mie eu, Eaghtyrane. I think all governments have opposition, and I think ours is no different. I suspect that this report will be received with very little concern or problems being expressed. However, this project was first started in 1987 with the report called 'The Prosperous and Caring Society', and it was started in those days to improve the lot of our people, and I think that should not be forgotten. (**A Member:** Hear, hear.) At times, I think that government should be prepared to sit back and look at what they have created and not to see what they have created and think that this is all wonderful. I think government – and I am talking here about the Council of Ministers – should be prepared to question themselves along with us questioning them. I do not think that the Council of Ministers should see that they are not above question. Along with that, I think the administration should also question themselves.

We saw the other day the debate that we had over what you could say was an inquiry into planning, or into the areas around planning, and I think a number of us, over the years, over the last 20 years, would say that we have been concerned about planning, not just from 1991, and not just from when permanent development started and people started living everyday life at Mount Murray. But there are many issues, I feel, that have not been addressed, and I think while they have been addressed in this Court and brought forward by members of this Court and people in other places, I do not think they have been treated with the respect that they should have been treated with over that period. Homes are fine, but we need community areas, we need communal living, we need people to get on with each other, we need people to know who is next door so that they can support each other, we need the social interaction of society. That has not been addressed, but I would hope that maybe, with the minister bringing forward the planning document, that, I dare say, *may* address some of the issues. But we have not got the strategic plan. The strategic plan was to look at these sorts of issues. The strategic plan has been ongoing, people have commented on it, and nothing has happened. So, there are these issues which I think that ... It is all well talking about administration and listening to some of the comments that we make here this morning and going back to the Council of Ministers and maybe looking at them, but they need to be addressed. We are elected to represent the people. I know what it is like, in the Council of Ministers and

within a ministerial position, to have to address the everyday issues, but everyday issues can also be affected, not necessarily more money, but just by doing things a bit better, considering something that we say in here, and even considering it formally and seeing if there is not something, not just, 'Oh, it is that again, Mr Speaker mentioning something about housing' or whatever. These are very important issues, not, 'We have got our policy on housing, and it is going to proceed, no matter what'. These issues are important, and I see this particular debate as being extremely important to what is going to happen in the future. This, presumably, is the last time that we are able to discuss, without necessarily approving budgets and the like, the government policy and what is happening in the future. So, planning must be improved.

Housing: government must take control of housing at *all* levels. It is all very well to say, 'We are supplying housing, and we have got £20 million to supply local authority housing, first-time buyers and the like', but there is a huge housing stock out there that is also supported by government funds, and that is within local authorities, and the whole of that has got to be addressed, the whole of it. I think more control. Government has got to properly audit what is going on in local authorities. It is all very well the minister saying, even on waste – and I will come to that in a minute, but I will conclude this now – that we cannot interfere with local government, but we provide housing for local government, and we have no control over what they do.

Mrs Crowe: That is right.

Mrs Hannan: It is all very well saying, 'That is right', but government is providing the money, 100 per cent funded by government. Local authorities do not care about the housing. They treat the people in the housing, most of the time, with disrespect (**Several Members:** Hear, hear.) (**A Member:** Nonsense!), and therefore I think there has got to be more of a grasp taken of this particular nettle, and it has got to be treated with the seriousness that I believe that it deserves.

Government does not know what and how local authorities are spending their money on housing, in the same way that government does not care about waste. Local authorities pass on their charges on waste disposal, but why have they had to do that? Because government has changed the policy, just like that. Just like that. It was even bounded on us. It was in legislation, yes, it has been in policy documents, but until it was approved by this particular Court, we knew it would never come into being. It was introduced prior to it coming to this hon. Court and, in a way, it was actually bounced into it because of the situation that was then created. Local authorities have had to deal with that, but local authorities do not care about our constituents, because all they will do is pass on the charges to our constituents. It really does not matter how much. They are not out there in the community,

trying to educate people about how they can reduce their waste, which is what we have always said that our policy is. Our policy is to reduce, reuse, recycle, *then* incinerate, and as a last resort anything that cannot go to incineration goes to landfill. But we want to stop all of that. We have had it for over 12 years now, a policy that has not been enacted upon, not just by this administration, but by the previous one. Members who were here then will understand the questions that I asked the then minister, and the then minister said, in very clear terms, 'Yes, we are recycling, because the civic amenity site at St John's is wonderful.' That is the level of understanding that we have had within government, and now government is saying, 'We are washing our hands of it. Recycling, reuse, does not matter any more. It is up to local authorities how they do it.' We should be doing more and more and more, and recycling bins should be on virtually every street corner, certainly in public areas, where it is made very easy for people to deposit their recyclable materials. As for local authorities having to pay to get rid of materials that are dumped at the civic amenity site, I think that is short-sighted, and I think any of the civic amenity sites should be willing to take waste from any area so that we do not end up with fly-tipping. That should be the answer – it should be – that any civic amenity site takes any amount of rubbish because it is much better it being deposited there. It is much cheaper to remove it from there to wherever it should be going, rather than having lying it round the countryside, which is not attractive and certainly can be very dangerous, in lots of levels, including to agricultural animals. We heard the member for Michael this morning talking about 'know your customers'. That relates exactly to the point that Mr Speaker was making in his questions about passports and knowing your customers when you take your waste. So, on one hand, to deposit your money, you have to have to your passport, and on another hand, to deposit your waste, you have to have your passport, so there you are.

There was a comment made by the member for North Douglas about the benefits system, about the 'haves' and the 'have-nots' situation widening, and I can accept some of that, but I do not think that is just the Department of Health and Social Security's responsibility. I think that is government as a whole. The social security side of it is part of it, it is reciprocal, except for where Manx support is greater, and I think that is always what the Minister for Health and Social Security has striven for over these years: to try to provide better than anywhere else, where that is possible to do it. Sometimes, I think the member for Douglas North maybe should address the other areas where it can make a great deal of difference to his constituents. But the costs of government are going to grow, and the costs are not just going to be in the social security area, but they are going to be in the social services and in the health service, and I think that one thing that we should not forget is that the health service is not going to stop, or having a hospital is not going to make a better community. It is going to

address some of the health problems that need putting right, but there are lots of other areas where it cannot be put right, and so there are added costs within the community, such as looking after children, for whatever reason, looking after the elderly, looking after the disabled – which are growing in number – that need ... And if you look at the document that is before you, under 'Social Services', you will see that there is an added need for an input in this very area of social services, simply because we do not want people to be in hospital for a long time, we want to try to get them back into the community, but they have got to have support in the community. That costs money, and so, yes, there is going to be ongoing commitment to further resources in all of these areas, and I think also with regard to primary healthcare. I think the initial area – which I will just comment very generally on – is that primary healthcare, I believe, should be increased in all the areas, all the areas of the Isle of Man, within the working day. That is where I think it should be. Some of our social services are outside of those hours, but I think the primary healthcare should initially be during the working day, and outside of that there should be emergency services – and sometimes the services that have been used in an emergency have not been what you would call, necessarily, absolute emergencies.

There are just a few points I would like to raise before I go on to other issues within government departments, and I would like to ask the Treasury minister: when he is considering his budget for next spring, would he look at increasing the income tax thresholds, especially for people with little or limited income? With the added costs being thrust upon them by various areas of government, I do think that the tax thresholds not being increased this year has had an important rôle in people feeling less comfortable with their income because they have had more outgoings with regard to rates and all the other issues that they feel extremely uncertain about for the future – water rates going up and also the threat that sewerage is also going to. So, people are very wary, at the moment, about some of these added issues, and therefore I think government could help a little with raising the tax thresholds, even if they raise nothing else, because it will affect the people I have mentioned here.

Of course, I am on the Overseas Aid Committee, but I would like to support the comments made by Mr Waft, the member of Council, with regard to the overseas aid support. Mr Waft made particular play about revenue being raised around the world for our government services, and I think we must remember that we should really be helping to reinvest in the poorer world. Maybe then, if we did, there would be a little less threat to us from bio-terrorism, and therefore we would maybe encourage to spend less on bio-terrorism by supporting some of the poorer communities in the world so that they did not feel as though they were much inferior to us and a case of the *real* 'haves' and 'have-nots'. We can only look back to how we were fifteen years ago, with maybe the lack of services at that particular time. So, I think we really

need to look at the sort of support that we give to overseas aid and the real difficulties that people have with regard to water, sanitation and the supply of food, knowing that we know about all of these issues, but I do think that needs to be looked after very seriously by government.

Just to look at a number of issues, with regard to ... We had a debate yesterday, and the issue was raised regarding the redevelopment on Summerland and with regard to regional support. We then find out that, to pay for that, some of the regions have to give up some of the areas held by government to support this creation in this particular area, and I do think that, while I did not mention it yesterday during the debate because I do not think it was made clear until the winding-up of this debate, in the leisure document – and I know the minister is not with us – it does suggest that the Department of Tourism and Leisure should treat swimming pools equally throughout the Island, and I just wonder where that particular policy is up to. My constituents and constituents in the west of the Island, the South and the North are paying into and supporting a swimming pool, whereas in the Douglas area they are not. So, when we are looking at equality, I do feel it is something that should be considered extremely seriously, not only from that point of view, but also because of the standards that you need, in this day and age, to make sure that the actual structure of the swimming pool is preserved and enhanced and the longevity of it is guaranteed, and therefore I think that is extremely important.

The other area which I do feel is important ... We have heard lots of comments transport and transport policies, and roads mainly, but could I issue another plea for the railway to be recreated to the West? It is the area that should have been kept initially, but I do believe that it should be recreated, and I think there is something that could be looked after which is possibly cheaper than having a heritage line, and that is a monorail system. I know that a lot of work has gone on with monorail. It is quite a bit cheaper than anything else, and I do think it is something that should be considered for the future.

I will just mention, very briefly, education, because I do feel that there is a need for further investment, not just in the Peel area, but in the western area. We can hold our hands up and say that we have got a new school in St John's, but there is investment that is needed in Peel, and also to serve the west of the Island, in the high school, so I do think that is an area that the Department of Education should address, not just in other areas. It is only fairly recently that a parent wrote to me to say, 'The school has not changed since I went to school', and he was not the youngest of parents but very concerned about the fabric. I know there is a programme to do so work in the future, but we hear all sorts of people going in to the Department of Education and getting their areas all sorted out before these particular areas are sorted.

I do hope that the Department of Education will look at exams. I really think there should be fewer exams, and I really think there should be fewer

inspections. I think what we should be doing is looking at good quality education, and I think that there are ways of doing that without ushering in inspections, giving schools a long time to prepare, and then we say, 'Oh, aren't they wonderful?' We should know that before; we should not have to send inspectors in from other places. How can you judge something where the school has had three or six months to prepare for an inspection? We should be inspecting them as they are (**A Member:** Hear, hear.), and, I think, keeping it within the department, not running around shouting and saying, 'Oh, this is wonderful!', when you know jolly well that there are areas of concern within that school, or flagging up concerns which should be addressed internally, I believe. So, I do hope that the department will take action with regard to this, because I believe that it could help not only the schools, but also the pupils, to have a better and more constructive education.

Eaghtyrane, not very long ago – I move on now to Home Affairs – in this hon. Court, the Minister for Home Affairs did state that Peel Hill would be reinstated from the construction road that was created, and I hope that the Minister for Home Affairs will stick by that statement that he made to us in this Court, and I hope that he will take a lead in this particular issue. Work has been done in Peel Courthouse, but again I come back, and I hope the minister will take action with regard to this. I think it is all very well to preserve things, and I am a supporter of conservation and conservation areas, but we have now, in Peel, a courthouse which has been preserved – not for use, but it has been preserved – and we have not created a police station, which I feel should have been created for a modern working environment (**A Member:** Hear, hear.). It is satisfied, maybe, at the moment, but I do not think that we should be preserving everything in aspic. I do not think we should. I think we should, in certain circumstances, be saying, 'We did not preserve the courthouse in Athol Street. We did not say that had to be preserved, but we are saying that these two, the Peel and the Ramsey ones, have to be preserved', and I think that, really, the Department of Home Affairs should come back to that one. I really do. I think it is very, very important.

I have got this down under the Department of Local Government, but that is only because of housing, and again I think it relates to the Treasury. I would hope that the Treasury will look at mortgage tax relief, because I do feel that people with houses can re-mortgage their houses to buy another house to let, for quite considerable sums of money, and that is not in the best interests of the Isle of Man. What it is doing is pushing up the price of housing, so I do believe that this is an area that should be urgently looked at by the Treasury. It might scare some people off purchasing houses, but then it might reduce the price of houses so that ordinary people can afford them. Ordinary people cannot get mortgages, but they can – and they have to – scratch together £600 or £700 a month to pay for rent for very basic accommodation. Therefore, this mortgage tax relief is there to actually support the very

people who have maybe two, three or four – maybe more – houses, and therefore I think it is something that should be seriously addressed if we are looking at being egalitarian and looking after our people, as a prosperous and caring society started out to do in 1987.

Comment has been made with regard to graduate entrance into the civil service, and I hope that something will happen in that area. If not, I will come back with more questions, I do not see the point in our investing heavily in education and not being prepared to support graduates by encouraging them back into the service of the Isle of Man, and I think that is extremely important. The other thing, I think, which is very important within the civil service is continued training, because I think we let our people down if we do not train them so that they can take the promotion when it comes along. So, we have got to do more training in that aspect, and it has got to be committed training, to ensure that we do have people who can step into line. The other area of concern I have is salaries. It is all very well talking about putting people on five-year contracts and the like, but we are not going to get anybody into these jobs unless we actually pay them, and we pay them and make sure that they carry out the responsibilities that they are given to the highest possible standards, but they cannot do that unless they are trained. This is a whole ongoing situation which I believe we have got to address.

Within this document, Eaghtyrane, I am quite surprised at some of the areas that have been addressed by this document, the Tynwald Policy Decisions Report. It reports the setting-up of select committees, which is nothing to do with government – the outcome is, but not the setting-up – and yet, for some select committees, the outcome has not been reported. So, I do feel that somebody somewhere has got to get some rick on the policies that are decided here, at the resolution of the motion that is put before the House, and then that action has got to be taken. I do feel that it should be put into somewhere and flagged up as being, 'Must report back by July', and that was what the report . . . I think it was brought up by the member of Council, Mr Singer, but I do feel that even just the rest of that report should have been actually acknowledged by the Council of Ministers, because it was *extremely*, I suppose you could say, damning – it was – on the administration of the Department of Local Government and the Environment, and therefore, if it is not considered by Council, we do not know that anything that has been considered at select committee has actually been seriously considered when we have reported it. Why should we spend our time on issues such as this, looking at it to make sure that we put in proper procedures and investigate an issue that it has been considered satisfactorily?

With regard to my area, I do welcome the Peel Harbour works. They are to proceed a little bit late, but they are to proceed, I am told, in July, and I hope that is the case, although there is a meeting coming up in August, so presumably they will not have started by then, but I am just hoping, and although the minister is not with us, I am sure he can hear us.

The other area that has been developed is street cleaning, which has been ‘agencied’ to local authorities, and I think we have got to be extremely careful. I would like, sometime, a report on what is happening in my area, because it is most unsatisfactory, and the biggest complaint that I have had in the last six months or so is about the street cleaning. I would hope that some action could be taken with regard to that particular issue.

If I just refer to this report, somebody said, I think, about this report – and I noticed that, maybe, it is the forerunner of what we are expecting to get ... Mention was made of Manx National Heritage. Manx National Heritage, I have to remind members, is a quango. It does not have anybody, really, who reports to this hon. Court. It is outside this Court, and yet it comes very high up on the list of ... It comes after the Treasury, before the Office of Fair Trading, which comes in under, I think, the Department of Local Government – (A Member: DTI.) DTI, right. Electricity is DTI, Water is DTI, Post Office is DTI, Financial Supervision is through the Treasury, Insurance is through the Treasury, Communication is through the Department of Home Affairs, and the Chief Secretary’s Office, and at number 13, right in the middle, is Manx National Heritage. You would think it is one of the departments of government. It is not. All right, we appoint two people onto that – or three people, I should say – well, two people, the Speaker is co-opted, but it is not a department of government, although it is funded by here. I mention this because of the length of this particular document, but if you look at ‘Corporate Governance’, if you look at the end of it, you will see that this is the quango that is controlling virtually every department of government: Department of Agriculture, Fisheries and Forestry, Department of Local Government and the Environment, DTI, DTI, DLT, Department of Education, Department of Tourism and Leisure, Department of Transport and Department of Agriculture again. There you are. They are the ones that are controlling the works of all of these departments. I would just bring that to everybody’s attention, and I think that maybe the place in a government document where you have no control at all, government, I would suggest, is not the place in a government report, except to say what the funding is and that they are carrying out their policy to the satisfaction of government.

I know I have probably not been watching the clock, Eagh Tyrane. I have not. I make no apology for that.

Comment was made about the Department of Health and Social Security’s move to the new hospital, and I would certainly like to pay tribute to my minister. (A Member: Hear, hear.) I have not been part of it, but my minister has carried this for six or seven years now, and I think the recognition has probably not been given. She has had a lot of criticism, over the years, from many members of this hon. Court, for a most difficult department, dealing with very difficult personalities – and that is not just me (*Laughter*). I think it is a very difficult, disparate

department, but along all of that the minister has had the hospital, all of that, trying to control the spending of that. It is not easy when you have got all these sorts of people involved, but the minister has done it, the move has been on time, and I would really like to pay tribute to the minister (**Members:** Hear, hear.) before the Court today, and also Mr Anderson – he has only been with us a couple of years (*Interjections and Laughter*), but I would. And I would hope that, when the opening take place, the minister is truly recognised.

Two Members: Hear, hear.

The President: Hon. member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr President. I rise to give broad support to the annual report 2003. I think there really cannot be anything much more important than the ability for us to govern ourselves so that we have the facility to manage our own economy in order to provide the services in health, housing, education and law and order to meet the rising aspirations, hopes and demands from the general public.

Turning firstly, then, to the economy, this is central to everything, really. I, in fact, am very pleased to be involved in two departments of government, namely Tourism and Leisure and Trade and Industry, which bring in revenue to the Island to actually assist the other departments of government to provide the essential services that everybody is requiring. In terms of the economy, with the financial sector 41 per cent, professional services 15 per cent, tourism 6 per cent and manufacturing and the construction industry 6 per cent, they are the significant players, but we should not, in any way, underestimate those others involved in the other businesses that contribute so much. When we think in terms of e-commerce, the film industry and the shipping register, they are all adding very much to our economy. In fact, we have some world-class businesses here on the Isle of Man already and, in fact, there are some that we are attracting to the Island, I believe, hopefully, in increasing numbers. Unfortunately, though, we are reaching a situation whereby expenditure is nearing revenue, but hopefully, with the implementation of the tax strategy, along with the entrepreneurial efforts of businesses on the Island, everybody will rise to the challenge, as we have predicted.

In terms of constitutional and external affairs, I believe while there are threats, there also opportunities. The Isle of Man has dealt adequately with them over the years, and protocol 3 was mentioned earlier on, in terms of the European Union. There are still threats from the European Union, the OECD, and certainly new challenges lie ahead in dealing with the United Kingdom and its newly-formed Constitutional Affairs Department. Of course, there will be common ground, I believe, that can be found with Jersey and Guernsey, which can strengthen our cause in the various matters that will lie ahead. The British-Irish Council, which, I am pleased to note, is likely to come to the Isle of Man

in 2004, hopefully to be accommodated in the newly-refurbished Villa Marina, will be something which will show the Island up in its full glory and as able to fully participate in such an international forum.

Turning to some of the concerns of the people – the Health Department – I would echo the congratulations to the hon. Minister, members, officers and staff for the new Noble’s Hospital in Middle (*Laughter*) and certainly wish it every success. I always give a warm welcome to anybody coming to Middle, but sadly, if they have to go to the hospital, hopefully it is not for too long a period before they are back on their way home and enjoying the good care that they will have had in the new hospital. The recent MORI poll showed concern in relation, though, to dental care and the drug and alcohol problems that we have on the Isle of Man, and I know that has obviously had the keenest of attention through the various groups that are looking at that. And in terms of waiting-lists, I think there is an increasing concern in relation to the treatment that is afforded by private means, perhaps undermining that which can be provided by the National Health Service. I think that has been brought to attention in the last few days, and I hope that that can be looked at.

In terms of education, I think congratulations for the excellent results and the fact that we have a good pupil-teacher ratio. In most ways, I think the educational system over here is superior to the United Kingdom – and long may that continue to be so – but we should not always just use the UK, either for education or for other matters, as the benchmark. We should look to other areas around the world to hope that we can do even better than we are doing at the moment. Certainly, with an increase in population in Middle, I look forward to the provision of a new primary school at the earliest opportunity and hope that can be provided.

In terms of Tourism and Leisure, we have a bit of a quandary that, while the film industry is so successful, it is actually putting quite a bit of pressure on the number of bed spaces that can be offered by those in the industry, and whilst we encourage and hope the film industry can continue to progress, we certainly would not wish for that to be at the expense of the traditional tourists who come to our shores. I hope we can see more than the one hotel that we referred to yesterday, a very exciting prospect, then: a new hotel, an ice rink facility, the TT Experience, as we heard, to be located at Summerland and to be opened in time for the centenary of the TT Races in 2007. Whilst talking about the TT Experience – and the TT, in fact – I noticed that it has come under criticism, perhaps, from one or two members thinking that it is time for new ideas and time for a change. (**Two Members:** Hear, hear.) I would draw to members’ attention the fact that there is a TT think-tank, and whilst it is all very well people perhaps giving criticism of the festival or all or any aspects of it, I would encourage members for the ideas that they may have. It is very easy to criticise, but please be constructive and not just criticise. It would be much

appreciated if members could direct their views to the TT think-tank or to myself or to any other members of the department. We are all here to do the best for the Isle of Man, and I hope that, by working together to utilise everybody’s ideas, that will help us to provide a secure future for the TT for many years beyond that which will be its centenary in 2007. I mentioned before the new hotel at Summerland, but certainly we would hope that any further hotels could be provided, because there is an important need for new bed spaces to be provided, and in that regard there are strenuous efforts being made to raise the quality of the product that is on offer, because, increasingly now, the tourists coming to the Isle of Man are expecting higher standards than, perhaps, have been offered here in the past.

The Villa Marina, I think, is an absolutely exciting opportunity. When that will be refurbished next year, along with the Gaiety Theatre and the gardens, I think it will equal, if not better, anything that will be provided in the United Kingdom, particularly with the accelerated refurbishment of the Villa Marina Arcade. In that respect, I would concur with and support the comments earlier of the Speaker. I hope that the Villa Arcade can be accelerated in the budget. Certainly, it is not able to be within the budget as it stands, and I hope that can be dealt with.

The National Sports Centre, I believe, is a facility that is better than actually anything that can be provided in Dublin, which is catering for something like three-quarters of a million people, so I think the Isle of Man can be very proud indeed of what it offers our people here.

When I think in terms of the IRIS scheme, I look forward, in fact, to the time when this scheme can be brought to a satisfactory conclusion, particularly in south Braddan (*Interjections*), where my constituents have endured a living nightmare. They will question, in fact, the Chief Minister’s interpretation of how successful the IRIS scheme has been, because I recognise that although that is a relatively small section of what is a major series of schemes, it is one which is causing a huge amount of concern, and hopefully it can be rectified within a short period.

In terms of capital spending, I have certainly done my best, whilst being a member, to try and ensure that the least amount of money is spent on particular schemes, and that is why it saddens me, then, in terms of Archallagan, to have seen it leap from the original £3.1 million to £6.4 million, and now to the best part of £12 million, I understand. We had a little more degree of success in controlling the capital costs of the prison, whereby, although it rose from its original projected figure, certainly, with the pressure from many members here in this hon. Court, it has seen a reduction of what was projected, eventually, to a reduction of several million pounds, and I am sure everybody around the Isle of Man will be gratified to see that there were such savings to be made. So, it just shows what can be done, providing there are correct and comprehensive figures put forward at the start and then, hopefully, a degree of scrutiny to make sure that

we can get the capital costs down to what are more realistic figures.

In terms of housing, I would recognise the efforts of the hon. member of Council, Mrs Crowe, and her officers and members of that department in what they have achieved so far in what has been a very difficult series of events to try and organise to do what is required for our young people. I know we will be considering a report later on, and so I will save some of my comments for later, but when we think that there are a thousand on the list for first-time buyers, it does show just what requires to be done. The MORI poll that was conducted some time ago highlighted the high costs of purchasing houses on the Island and the huge rents that are having to be paid over here, which, I think, equate to some of the more expensive parts of the United Kingdom, and that really has to be a great worry.

In terms of law and order, I mentioned the prison earlier, and I think we should congratulate the Chief Constable and the police force on their efforts to reduce the various certain areas of crime and the success that they have had. I hope that that can continue.

In terms of bureaucracy – and I think I have to link with this the European Union – it really is of great concern to me to feel now that the European Union is becoming increasingly bureaucratic and, with its closer association of member states, is likely to become even more bureaucratic. In terms of health and safety and all the other areas that have been mentioned before, I feel that whatever will arise out of the European Union, when it is being dealt with by the United Kingdom, it seems to be that they deal with anything in a finicky, pedantic fashion, compared to the European Union neighbours. Here in the Isle of Man, I think we have a tendency to virtually approach the matter with a belt-and-braces approach, and whatever the UK seems to do, we will make sure that our understanding of the situation actually adds further draconian, unnecessary bureaucracy, I believe, in dealing with these matters, so I would hope that some efforts can be made to tackle what will be an increasing amount of bureaucracy.

Refuse disposal charges are not a new subject and will, obviously, come back to be discussed from time to time in this Court. I would say that, although for the next few months there are going to be relatively few charges on the individual houses, the fact is that the rates the people are being charged take no account of the ability of the people to pay the increased demands on those who are paying the rates. In fact, it would appear as though we are putting an increased demand on those least able to cope with the additional charges, such as those on low or fixed incomes, and I hope that will be something that will be considered by the Treasury minister and members of Treasury.

Turning to Agriculture, Fisheries and Forestry, here I think I have to link it with tourism (*Laughter*). I am glad to see that the Minister of Agriculture is making a few notes now, and I hope I will not be too critical of him – or too complimentary (*Laughter*). So,

in linking it with tourism, I would say that one of the main reasons why tourists come to the Isle of Man is because of the spectacular scenery, and that scenery is only provided by the way in which it is being looked after by the efforts of the farmers over generations. It is a very volatile situation, where we have a lack of confidence in the industry for the future and an ageing profile of the farmers that are within the industry. The sons and daughters of the farmers certainly have a lot more opportunity now to take up the opportunities within the financial sector and other areas of our economy, which is doing well, and that, actually, is adding more and more pressure on the industry to actually survive for the future. I know the minister and his members will be looking at it. In fact, the Promar report is something which is ongoing, and I hope that the efforts of all involved will secure a future for agriculture, it being one of our main industries. I feel even those within the towns would recognise, when they are off on holiday or going about the countryside at weekends and at nights, that they derive great pleasure and benefit from the countryside, as we all enjoy it. I think that, in terms of the minister's proposals for the marketing society, or those thoughts that he seems to have had so far, I would have had hoped that, in any reforms he is contemplating, it would actually add to the incomes of the farmers. Maybe the minister may, at some stage, be able to reassure us, but I cannot help but think that there will be no additional income to the farmers by the actual alteration to the marketing society, and it seems to me that there is an inordinate amount of time being spent on this particular matter, which will not benefit the farmers financially. Actually, it would be difficult to know just what benefits may accrue out of looking at that.

In terms of transport, I think I should firstly compliment the minister for some of the schemes that have been made which have helped to deal with the traffic – increasing volumes, much as we have them. I feel as though I can compliment the minister before then being entitled to give him a bit of a kick – I hope he will forgive me for that – and that is in terms of the two schools in Marown and Braddan, as we earlier spoke about, and the problems which, I am sure, hopefully, he will be able to resolve in conjunction with the Minister for Education. But when we think that Braddan School is on the major approach to the hospital, the hospital we have known about since 1996 is to have been located at Braddan, and here we are, late in the day . . . I know the Minister for Transport is only appointed within a year-and-a-half to that department, so I am not saying that he can be fully held responsible, but I would have thought that, certainly, that department could have been a little more proactive than it has been to address the serious issues and concerns of the people in that area using Braddan School and the safety of the children. The same thing occurs with the problem of Marown School. Somehow it is actually designated as a haul route, and I hope the minister can overcome the problems by, hopefully,

redeploying the HGV vehicles along another road, should the facility go ahead.

In terms of employment, I think it is fantastic to think that, in the economy, we have less than 1 per cent unemployed, which, I think, adds burdens to our employers. We have people changing jobs on a regular basis, and that impacts upon the quality of service offered in our shops, restaurants and the service industries. I think we need to be, though, alert, in the changing economy that we have, to the redundancies and the need to re-train people who, through no fault of their own, find themselves out of work.

I mention now the water treatment plant, and I think this, in fact, puts in threat and jeopardy our hopes for the continuation of a thriving economy, because if we are not able to provide the housing for our people, it certainly will affect the economy. I would hope, if it has not already been resolved, that this proposition of locating a water treatment plant can be dealt with, all the problems that have arisen can be dealt with, in order that we can look forward to a water treatment plant at Glencrutchery Road at the earliest opportunity (**A Member:** Hear, hear.), so that the people around the Island who are suffering with the poorer-quality water will be reassured. I talk not just for Middle, but for quite a few other areas around the Island who get their water from that plant.

I mention, too, then, the TT access road, and I notice – and I should have mentioned it earlier under transport – that it was deferred. It was increasingly important that we have a new TT access road, because, with the new Noble's Hospital, that will add problems to the existing one when that is happening.

The Port St Mary Marina, a one-liner: I hope that can be going ahead as soon as possible.

I am pleased to see the income per capita on the Isle of Man is now 104 per cent of the UK, when, just a few years ago, it was less than half of that. The tax credit scheme I think I have already mentioned. Limited, though, as it is, it will assist those on lower incomes. I think we should maintain and build upon the high quality of life, and when we think in terms of some of the major schemes, such as Noble's Hospital, the energy-from-waste plant, the power station, the gas pipeline across the Island, housing, IRIS, schools, the Villa Marina, the new parliament building refurbishment and the prison, I think if we look back to the Victorians' achievements, the provision and renewal of infrastructure now is actually almost as unprecedented as what probably was happening in those sorts of times. I think it is a wise course of action to undertake this renewal and repair and replacement of our ageing infrastructure now, while the economy has been buoyant over the years. We obviously need the growth in the Island's economy to sustain that which we have provided and must continue to provide.

Finally, Mr President, (*Laughter and interjections*) I believe that it is absolutely crucial, and of overwhelming importance, to ensure that the Island economy should continue to grow and flourish to allow us to maintain and seek to provide enhanced and increasing services to meet public aspirations and

demands. Much has been achieved, many challenges lie ahead, and the Isle of Man has acquitted itself well in dealing with them in the past. The huge challenges that lie ahead will certainly continue, and with, hopefully, with the support of everybody within this hon. Court, we will meet that challenge and hope for a continued successful economy.

The President: Hon. members, can I remind the hon. Court that, in fact, the motion that you are debating is that the Isle of Man Government Annual Report 2003 be received? (**A Member:** Hear, hear.) There is absolutely no need for every member to list everything which is within that document. (**Several Members:** Hear, hear.) I have still got eight members on my list wishing to speak. If you are all going to continue to do the same, we will be here a long time. Can I make the point, hon. members, not to be repetitive (**Two Members:** Hear, hear.), if at all possible? I call on the hon. member for Rushen, Mr Rimington.

Mr Rimington: Thank you, Mr President. (*Interjections and laughter*) I will try to deliver my message in measured style. (*Laughter*) In the debate the other day, on Mount Murray, when I was questioning the lack of politics, a voice from the background, from the hon. member for Douglas East, who unfortunately is not with us today, asked what my politics – or my policies – are. And I would just like to summarise them in one word, although I will expand a little later, and that one word is 'sustainability'. That obviously has an environmental aspect to it – over-consumption of the earth's resources, management of our lands and seas – but that is not what I am talking about today; my primary concern today, relating to the government report and the issues in hand, is the sustainability of public finances. The hon. member for Douglas North quite rightly pointed to the graph on page eight, looking at the income and expenditure, and unfortunately, if you concentrate too much on that graph, it could be very alarming, because it does show that incredible little dip in income. If that was projected, by this time next year we would all be back on the spuds and herring. That obviously is not quite the case, but it does show – and there is an underlying reality there – that the gap between income and expenditure is narrowing, and there are some serious issues there.

My hon. colleague from Rushen, Mr Gawne, related very well to those issues and what that holds for us in the future. It is very easy. We have been through this period of growth in recent years, and when you have that period of growth, you can provide better services, and everybody wants better services, whether that is care for the elderly, whether it is education, whether it is in the infrastructure. All these things we have been able to address more resolutely in recent years than in times past, when the money was not there – and obviously I was not here during that period. But what happens when that rate of growth slows down, and possibly – we do not know, we

cannot predict the future – what may occur? Actually, it could slow down completely and come to a full stop or go negative. These things are always possible, so we try and work against that. But as you will see from that graph, having put those services in, that demand for those services is still there. Even when income gets reduced, services are still there, they are still in train, people are employed, people are employed in our hospitals and our schools and many other areas, and you cannot just switch off those services overnight, because things happen to your income which supports them, and that is going to be like an incredible difficulty.

There is, I think, in the public eye, a misconception about our capital spending, and that misconception is: we have money now, and therefore we are spending it on capital facilities now. So, the money that is spent on, say, a new courthouse or whatever comes from the money we have in our hand now, and that is actually not true. It is, in a very minor sense, in that we do transfer some revenue to capital to keep, if you like, the consolidated loans fund in good order and in balance – and that has been done very well by Treasury – but essentially the capital spend is our mortgage for the future, and it is parallel with a family going to buy a house. They put a deposit down, maybe out of their savings, but the bulk of the money for that house is going to be paid off in the future, and what we have done, over the years, with our very necessary money that we have had to spend on our infrastructure and on improving our schools, the hospital and so on, is actually put a lot of demands on our general revenue for many years to come. If you take the parallel again with the private householder who has that quite significant mortgage, when they have come into that, say they have got a good job and they know that they can meet that mortgage and have good living expenses as well, then in an economic downturn, and maybe if they have to take a different job on less money, their mortgage payments still remain. What is squeezed, and then squeezed heavily, are their living expenses, and that is the position that, potentially, projecting into the future, we are in. If the money for general revenue, for our services, gets less, then the actual money that is available for the ongoing costs of those services becomes a decreasing proportion. That is, if you like, my concern for the future, and that means, effectively, that we have to look at more difficult decisions as we go along into the future, because the money may well not be there to the extent that it has been in recent times. And the difficulty that we hopefully will not face too much – but we may face – is: where do we spend our money? Have we got the balance right between, say, infrastructure, which is necessary, between the services, which are necessary and what the people want and what, in many ways, we are here for, and for income generation, on the other hand, which is also vital to provide for the others and to get that balance right? Luckily, hopefully, with my own area of responsibility in agriculture, we potentially straddle all three areas there: we are part of the infrastructure, we

provide a service in terms of food, and there is income generation there – and obviously, I believe there is a potential for greater income generation there.

I think too much of our thinking in recent years – and it is understandable, and we all do it – has been that we are looking at what we can do now, we are looking at today's problems and trying to resolve today's problems and at the fact that we are going to be up for election in three years' time and so on, your focus is quite narrow, but, in many ways, we do have to try and look at where we are going to be in 10 years' time or in 20 years' time or 30 years' time, because the decisions we make now reflect, very heavily, on those future years, and I think we probably need to become less short-termist in the way that we look at our provision of services and the way that we manage our general finances. And we cannot, in any easy way, change what we are doing, even if we wanted too, because you cannot, if you have an economy, start switching off bits without being in danger of creating a catastrophe. If you decide that, in 10 years' time, we want maybe a more sustainable pace of growth than what we have been having in recent years, then that is something that you have to work towards over a long period of time, rather than putting in mechanisms which would disrupt that on a very innocent basis, because, in doing so, you are in danger of, if you like, causing a collapse in the housing market or taking out various engines of the economy. The construction industry, the development process, which many of us feel suspicious about, possibly, and do not like the impact that is having, maybe, in our rural areas: if you actually switch it off overnight, you are actually switching off quite a motor in the economy which generates wealth, and you would be in quite serious danger.

So, you have to be very delicate, in fact, in how you handle these things, but then I do think you need to look 10, 15, 20 years ahead to see where we want to get to, and that is obviously the need for decisions, but also for some vision of where we actually want to go. At the moment, the central part of that is left in the hands of the Council of Ministers, and the Council of Ministers, as we know, are ten individuals with mixed views and feelings, with their strengths and weaknesses – and I claim to have my fair share of weaknesses, but a few strengths, hopefully. But that is why we need, if you like, not just within Council, but outside Council as well, to start looking and saying, 'Where do we want to go? How do we want to direct our economy? What balance of services can we provide, do we wish to provide and can we afford to provide?' And whereas issues like transparency and accountability are there and need to be addressed and are always going to be important and we are never going to be satisfied – they will never be truly transparent or truly accountable in our process of government – I do believe we do need to, at the same time as handling those issues, readdress that issue of policy – or vision or focus or whatever you like to call it – for the future. It has been quite easy not to maybe have done that whilst the good times have been there,

because where there have been demands for services, you have been able to meet those demands, but when the times are not as good as they were, then harsher decisions are going to have to be made.

If I may, having said my little economics bit, I will just revert to some of the issues, like the lesser mottled grasshopper, that have been raised from my department. First of all, to the hon. member for Douglas North, I would not describe bland indifference being quite the correct phrase, but yes, there is an issue about how we promote our natural heritage. I would say that promotion, in those terms, is not best placed in my department, but maybe we should have a stronger rôle there. I cannot think of anybody in our department who has a marketing or promotion expertise or is geared in any shape or form to that, but there is an issue there of how we utilise, and I think it does obviously go outside of the department, anyhow, in terms of the Island generally, whether it is for the finance sector or for tourism, and we will help the DTI in actually putting forward the image of the Island in a very positive way – and we do have a lot to contribute from our natural heritage. I do accept the point that sometimes a lot of the work on the wildlife conservation side is reactive – and is reactive, possibly, because of the legislation – but it is my desire to try and address that and make it slightly more proactive in that respect, and I hope to come to this hon. Court with some ideas on that in the future.

I welcome the support expressed rather simply from the hon. member for Michael, Mr Cannan, which was essentially that the agricultural industry needed more money. I agree. It needs more money. I think Mr Quayle touched on that. And while we are on this idea of additional income, the important thing there is that is not just a question of handing out more money from government coffers. Government coffers cannot necessarily take it, nor does it actually fit in with our protocol 3 and European obligations, that is to provide the structure and facilitate the industry in trying to generate that additional income. That, in respect to Mr Quayle, in terms of the marketing Acts, is what I am trying to do, which is to act not just . . . There are the very legalistic issues and there are technical issues there, but it is that reappraisal of the industry and where they are going, how they can go forward and generate extra income, and marketing does have to be a particular part of that, and we have possibly failed in that direction in the past. My department does not always bring pleasure – I recognise this – to the farming industry; it does bring some pain in respect of some of our compliance issues, such as the tagging of cattle, and I am very well aware of that. I hope that, in future times, we can change some of that, bring a little pleasure back into that, by improving what we are doing and providing a better interface with the industry, electronically, so that they can get some benefit out of that system.

Mrs Hannan: Why? What have they done?

Mr Rimington: Lastly, to the hon. member of Council, Mr Gelling: I appreciate that there is not anything in the document about pigs in particular. I also appreciate that there is possibly an imbalance in the structure of the report, in terms of agriculture, though I can assure you that it has not been through any lack of activity in that field, which has obviously been my main area of activity since I have been in office. Even as I went to the department at lunch-time, there was yet another document in relation to pigs, and we are discussing those issues tomorrow and on Monday and onwards, because it is a vital part of the industry that we have at the moment. And I am sorry he was disturbed about the lesser mottled grasshopper, and I could not tell you the precise science of why the fences are up there on Langness, but it is in terms of stock containment, so there is grazing, which is part of creating the environment in which the lesser mottled grasshopper survives best. But I am afraid that you will have to direct your comments to our Wildlife Officer in that regard.

Just in closing, Mr President, I will be coming back, as is itemised in the report at the back, in October to this Court with policy on the agricultural industry, not just on the terms of the Promar report, but trying to get some form of agreement on agriculture, the policy for agriculture, for some years to come, because it has tended to, I suppose, in time, just drift with whatever is going on on the day. Mr President, thank you.

The President: Hon. member Mr Houghton.

Mr Houghton: Thank you, Mr President. The government has enjoyed another excellent year, with a continued receipt of finance and its huge infrastructural renewals and with the recent opening of the new hospital. The Department of Health and Social Security, that is the minister and all staff involved, require to be thanked and praised for the recent opening of the new hospital. They deserve the highest accolade for this, and what a wonderful facility it is now for the people of the Island. Credit must almost be made for the provision of a dedicated diabetes centre, adjacent to the new hospital, which has been refurbished to a high standard in the building formerly known as the Greeba Ward.

Additional infrastructure items include the IRIS project, which is progressing well. I have recently visited the Meary Veg plant, and it is reaching completion. The site at Meary Veg is extensive and is a credit to the Department of Transport and the contractors responsible for its construction. I do note, however, that the toilet facilities on site at Meary Veg drain into a septic tank.

Continuing with the infrastructure, the Manx Electricity Authority's gasified power station project is a credit to the MEA board, and I congratulate Mr Proffitt, the chief executive, for keeping this project on time and on target. The future supply of natural gas to householders in the Douglas-Onchan area, via Pulrose power station, is progressing well. I do, however, fear

whether the actual supply price of gas to the consumer will be out-turned at the price which was more favourable to that that is currently being paid for the gas at the present time. I do fear, on that price, whether there will be a price reduction or otherwise, but, as Chairman of the Office of Fair Trading, my board is keeping a watchful eye on this serious issue. My chief officer, Mr Ken Kinrade, and his staff maintain regular monitoring of gas prices, and we are comparing the prices of gas, as currently supplied, with the background costs of the provision of natural gas, when it comes on-stream, to the consumer.

In his opening speech, the Chief Minister made reference to a sharper focus required on overall government priorities, with which I agree, with an assertion – with which I also agree – when he says that government performance will be scrutinised by the public. That is very true, so why are the many shortcomings of government not honestly stated in this government report? That is what it is, isn't it – a report covering the previous year's activities? The Chief Minister looks to good government in the future, a comment which I also support, but he does go on to honestly state that the implications of the Human Rights Act were indeed underestimated by the government at that time. That is an understatement, I believe. The Human Rights Act will lead to greater bureaucracy and the possible collapse of many criminal prosecutions, if a prosecution is ever brought in the first place. I have always contended that, with the introduction of the Human Rights Act, it will follow that criminals will be treated as paramount with their human rights and be defended by the state, and the innocent will have no rights.

The Chief Minister's opening remarks concluded with him looking forward to debating items in this report. I would, however, contend that it is what is not in the report which is what really matters, and it is on those matters which the public accuse the government of a lack of transparency. One of those issues not reported, and which is an old chestnut of mine, is the thorough lack of control of adolescents with challenging behaviour in the care of the social services. Hon. members are fully aware of my continued campaigns to this Court with regard to this very serious matter. Adolescents with challenging behaviour continue to terrorise the public on the streets, particularly in the Douglas area, without any proper supervision. Matters have not improved *at all* since the double-murder tragedy. Following the conclusion of the murder trial, if it ever gets underway, I shall be coming to this Court for a full and searching public inquiry. I am quite certain that the findings of this inquiry will make the Mount Murray fiasco look like a walk in the park. There are still a dozen or so adolescents with challenging behaviour regularly stealing vehicles and crashing them at high speeds, usually whilst under the influence of alcohol or drugs. Hon. members may have noted the reconstruction currently underway of a stone wall at Millmount, near to the Quarter Bridge. This wall was demolished by an adolescent, who was accompanied by another person

in care, in the early hours of the morning last Christmas. Had an innocent member of the public been on the road at that time, they would have been killed outright. The stolen car was completely wrecked. There have been many serious incidents since that horrific accident which involved care-home adolescent children, but, alas, nothing is done about addressing the severe lack of control of children in care. The adolescent unit, which is run by a notorious care agency from the United Kingdom, has recently had to be closed down after an adolescent with severe challenging behaviour tried to burn it down and another took it upon herself to smash as many windows in the building as she possibly could. What on earth is going on here? The secure unit based in the same site at White Hoe is not being properly run either. Staffing and management is inadequate, it is totally inadequate, but the DHSS would elect to blame the care agency concerned, as the department chooses to employ a care agency rather than operate residential child care directly under its control. Mr President, this matter needs to be addressed urgently before another adolescent gets killed or, indeed, kills an innocent member of the public. Thank you, sir.

The President: Hon. member of Council, Mrs Christian.

Mrs Christian: Thank you, Mr President. As you quite rightly pointed out to us, the resolution on the order paper is about the annual report to March of this year. I may be forgiven, I hope, if I stray from that to respond to the remarks of many hon. members about the opening of the new hospital, which has, of course, been completed in this year. I cannot pay enough tribute to the extraordinary efforts of the department's staff in bringing about that move. (**Several Members:** Hear, hear.) Indeed, if we go back, it has been the effort of a decade, almost, to bring this to fruition. Many, many people have been involved in a variety of different ways, all of whom have worked extraordinarily hard to produce for the Island what is, I think, a magnificent facility which will give the Island the opportunity to deliver very excellent healthcare going forward. It has not been an easy process. There have been times when I compared it to giving birth. I did say there are occasions when a birth can be very difficult and one does not immediately love the baby but hopes to develop bonds in time (*Laughter*); that is how I have felt from time to time. I have to say that now that the process is complete, I love it dearly. (**Several Members:** Hear, hear.) The staff who worked particularly in the commissioning period over the last six months or so have pulled out all the stops. They have worked extraordinarily long hours. The porters, the cleaners, the cooks, the domestics: everyone has made an amazing effort, with the result that we were able to open on the date which we set ourselves – and that was a fairly demanding target.

I would also like to reiterate and endorse the remarks of Mr Speaker in respect of the chief executive, who is retiring next week. He is a man who

started from school in the civil service and has been the Chief Executive of the DHSS since it was created with the ministerial system. During that time, he has seen extraordinary change and growth in the department and dealt with many difficult areas, and I do want to add my voice of congratulation and endorsement to the work that Ken Tomlinson has carried out over his civil service career. (**Members:** Hear, hear.)

Whilst much has been said about the hospital and the hospital services, many remarks have been made about the primary care services in the Island. Of course, these have been subject to quite close focus in this hon. Court in recent times, and the department does recognise that we have had as our primary focus the healthcare delivery in the hospital service in recent times, but we are not oblivious to the fact that we now need to give attention to making sure that the resources going into primary care balance those going into the hospital element of our health service. I would say that the hon. member for Michael does not need to develop a persecution complex, whether that is for political reasons or otherwise. We *are* looking at the need for services throughout the Island, including the northwest of the Island, and indeed he will see in our capital programme that there is a provision made for the North-west in due course. Where it will be sited has yet to be determined. Nor do I accept that the department has, in respect of Ramsey Cottage Hospital, a 'what-can-we-do' attitude, rather than 'what-will-we-do'. Hon. members have had this well rehearsed through here in recent times, and I am not going to go into it again. We all know in which direction we are going there. Anybody with any vestige of fairness will recognise that to remedy the changes that occurred at Ramsey cannot be done in a simple fashion.

Some members have referred to waiting-lists, and I do want to draw your attention to the activity report which is being laid before the Court at this sitting. Activity through our hospitals has increased hugely over recent years, and this past year has been no exception. Members have referred to the question of private work, and you will know, from the answer to questions yesterday, that just over 10 per cent of theatre work is private. The new hospital facilities will allow us to develop new arrangements with our consultant body, ensuring that we have transparency in respect of private work in a way which was not possible at Noble's because of the overlap of the facilities which we used to deliver both NHS and private work. We do believe that we will be able to go ahead in the new hospital, following further discussions with the consultants, to ensure that we have absolute transparency in that area going forward.

The department is not just a health division; it has two other divisions, and social services must not be forgotten. They, too, have delivered a major development in the south of the Island in recent weeks, with the opening of the new Southlands building, into which they also transferred very successfully from their previous accommodation. Social security has

been alluded to in a question about pension supplement. The department has reviewed the question of the pension supplement being prorated for the first ten years. It also considered that, if you prorate for the first ten years, you would, in fairness, need to prorate for the other 44 years which some people contribute, and they have decided that there will be no change in respect of their policy on the pension supplement.

The hon. member Mr Henderson referred to the requirement to ensure that our benefit rates are satisfactory and recognise the changes in the retail price index. They, in fact, do that, though I do take the point that he makes that, even if they do recognise the retail price index, the Island's economy is such that those earning most now, in relation to those who earn least, are probably much further apart than they were in the past. Perhaps there are ways in which we can tackle that, but again, my hon. colleague, Mrs Hannan, said that is not, perhaps, only in the area of the DHSS. That particular issue needs to be looked at.

For the future, I think we have major challenges ahead, particularly in the DHSS, not only in the DHSS, but we do recognise that, whilst we have had a period of excellent growth, growth is slowing down, and that will present us all with some problems. From our perspective in the department – and again this is an issue for us all to consider as we go forward – there will be challenges of meeting increasing demands with slower growth. We will be impacted by the working time directive in our health services, as may well be other departments, which will mean that we will need more staff to deliver the same amount of work. For that we will need more resource to produce the same amount of output. That, in turn, will mean that we are restricted in our delivery of new services. We will see growth in demand for existing services, as our demographic structure indicates. The needs of the population will mean that more older people will need care going forward, and we need to plan for that now and make sure we do not expend all our resources now in ways which will prevent us from having the resource, in time, to deliver that care when it becomes needed.

We have an open-ended demand in respect of some of our social services areas: the disabled, children with problems. The hon. member for North Douglas, Mr Houghton, has his view about those children. (*Interjection by Mr Houghton*) They are extremely difficult children, they have enormous problems, and we have to provide the resource to help them. I would refute his suggestion that the secure unit is badly run; my understanding is that, by all accounts, it is well run. It is visited on a regular basis by an outside agency; it has a visiting body who go in to see that things are operating properly there. I recognise his concerns about the other unit, as has the department, which has resulted in its closure for the time being, but these are problems that we have to deal with on a day-to-day basis.

The hon. member for Peel, Mrs Hannan, also referred to our need to have egalitarian systems, and I would endorse that. I do think that, in terms of some of

our provision, for example our housing provision, we do need to develop seamless systems, which go from government-supported housing to the private sector, to overcome those difficulties of people who cannot get into local authority housing and have to go to the private sector and pay considerable rents. We need to make sure, even if it is to alter our charging structure, with a consequential increase, perhaps, in the benefit structure, to make sure that people can still access local authority housing, that we do not have an area where people are reluctant to move from one section to the other.

The comments of the new member for Rushen, Mr Gawne, were, I think, significant and interesting. I think his comments echoed mine when I first became a new member: that we have to watch our revenue expenditure and our capital. Then you get into a department, and you see the demands of the population, and you are in there asking for more and more resource to spend on your services. The hon. member, I think, has already seen something of that dilemma when we looked at our own departmental accounts and he was exposed to some of the demands that we have, going forward, set against the budget that we have got to deliver them.

So, these are not easy issues. Indeed, we have to, I think, sustain the policy that we have lived on in the past, that we live within our budgets. That can be extremely difficult. I believe we are going to have to have extremely rigorous examination against policy as we go forward. It is going to be, I think, quite painful for us in many areas where we have had very generous growth in past years, and that transition from generalities about policy to detail about what we can and cannot do is a very difficult issue to handle, but we will have to do it, Mr President.

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

Mr Bell: Thank you, Mr President. We are here today to debate the evolving annual report. I am sure it will be refined still further for next year, and a lot of the points which, perhaps, get raised will be used to improve its presentation. We have also heard today a great deal about business planning. I would suggest, though, if we look at it in business terms, that any business presenting this annual report to its AGM will be very proud of what it has achieved.

A Member: Absolutely. Yes.

Mr Bell: There will be very little, in that respect, to cause concern to the shareholders. There is a danger often – and there certainly has been in the past in this chamber, when we have been debating the annual policy document which came out – that we have become far too introspective and we spend far too much time studying our navels and looking at what certainly are legitimate criticisms and problems. In doing so, we tend to forget the bigger picture that is going on around us, and we tend, perhaps, to the

outside world, to project a somewhat negative message at times when, in fact, the Isle of Man is an extremely good news story, if we are honest and we look at it and analyse it.

There are very few countries now, in Europe, that have got the track record of the Isle of Man over the last 10 or 15 years. And I would ask hon. members just to reflect on where we are today, as I say, accepting that there are areas of concern and that there will always be ongoing problems to deal with, but the Isle of Man is still achieving annual economic growth in excess of 5 per cent – that is currently about the fastest growing economy in Europe, even though the world economy around us is slowing down. We have 0.7 per cent unemployment. When I was first elected in 1984, we had over 2,000 people unemployed. Now we are talking about 200, and we have got labour shortages in some areas. The Island has a budget surplus. It is a very healthy situation to be in. The Channel Islands are struggling there with deficits; we have a budget surplus. On the basis of Standard & Poor's and Moody's, the Isle of Man has just had its AAA credit rating renewed. In the face of all the other pressures which are on us, the AAA rating is a very high accolade from an economic point of view. We should not ignore that. We are currently completing and working to the end of a major agreement with Europe over the Savings Directive and over the Code of Conduct. Three or four years ago, when all this started off, there were very real concerns that we would not be able to achieve the end that we have, and it would have done serious material damage to the Island's economy. So far, we have been able to weather that storm, we have come out of it, and I would say that we have come out of it having our AAA credit rating renewed on the basis of the agreement that we have got with Europe. That is the confidence at Standard & Poor's: one of the world's highest credit ratings. That is the approval rating they have for the Isle of Man. Very shortly we will be receiving the International Monetary Fund report on the Island. That, from the draft report we have had, is going to give the Island a very good end-of-term record in terms of regulation and controls and our anti-money laundering measures and is a measure of the great distance the Isle of Man has come, from being a sleepy backwater in the Irish Sea 20 years ago to a player now on the world stage which can hold its head up, the equal of any country in the world. We have just, a few months ago, signed our first international agreement, with the United States, as I think someone mentioned earlier on, the first international agreement the Isle of Man has been able to sign in its own right without the UK having to do it for us: a major step forward for the Isle of Man. It is very good news indeed, and it is a sign of the healthy, dynamic structure we are now developing in the Isle of Man.

As I say, yes, there are concerns, there are still problems. To hear some messages going out, everything is doom and gloom, but let us be realistic, let us see the Isle of Man as it really stands today. We have got a high-quality education system. We hear of

the turmoil in the UK at the moment with student grants and the problems there. The Isle of Man's provision here and support, thanks to the education minister and those before him, is far better than anything they get in the UK, and our students are probably the most fortunate anywhere in the United Kingdom at the moment. (**A Member:** Hear, hear.) We are currently talking about building a new secondary school, another £25 million or thereabouts for a new secondary school, on the back of a number of new schools which are in the pipeline and have now been – some just about – completed. In spite of some of the problems we have, the Isle of Man has a first-class health service. We have just completed a £100 million-plus, state-of-the-art hospital (**A Member:** Hear, hear) for a population of 76,000 people. What other community in the whole of Britain would be able to boast that quality of services? And they are all funded internally, from revenues generated within the Isle of Man. We have not had grants from the European Union or from head office in Westminster or anything like that; this is money all generated through the Isle of Man economy which, collectively, with government leading, with the work of the people of the Isle of Man, we have done between us. We have a house-building programme under way, for local authority housing and first-time-buyer housing, in excess of £100 million over the next five years. (**Mrs Crowe:** Yes.) Per head of population, I would think there are very few other communities, again, that would be able to boast that record, and do not forget: when we hear criticism about the housing situation – and I have concerns about it, like everybody else – we often compare ourselves with the United Kingdom. We have a very substantial amount of money going into local authority housing on the Isle of Man one way or the other; do not forget that, in the United Kingdom, they virtually stopped building local authority housing a number of years ago, and that has created their housing problem over there. We do not have that situation. We have remained committed to local authority housing to help those on lower incomes. A very substantial amount of money still goes in it on an annual basis, and that is something to be proud of, not to criticise. And as someone else has said, we have just opened our new power station, one which has been recognised as being of world standards, not just a good local power station. It has been promoted by those in the industry as one of the best state-of-the-art power stations, again all funded from within the Isle of Man.

So, yes, we have problems, and yes, there are areas where we can do better, but let us start being positive about the Isle of Man. We have done extremely well over the last 10 to 15 years, coming from a very, very low starting point, and there are some very good news stories to tell. There are still things to do, and a number of issues have been raised, but I have to say I think the tone and quality of the debate today has been very good indeed (**A Member:** Hear, hear.), because instead of the usual carping that we hear, sadly, every policy debate, I think there has been an air of realism round the hon. Court today,

recognising what we have achieved, but also recognising that the economic situation is changing, that there will be pressure, as the previous speaker has said, on revenues and expenditures and the need to rethink our priorities. But I think that is to be welcomed. It is a healthy change, and I think, as the hon. member for Rushen, I think it was, said, we need to trim our aspirations. I think there is now a recognition that perhaps, for a year or two, we do have to do that.

I would, though, if I could, just comment on a few points which have been raised, in particular with reference to Treasury and our involvement with the economy. There has been some concern raised by one or two members about a dramatic drop-off in income. Can I just point out to hon. members, or remind hon. members, that the drop-off that they are talking about on this, although income is certainly slowing down, is a drop-off from the year 2001-2 to 2002-3, and in the year 2001-2 there was an extraordinary one-off payment which we got of – I forget what the figure was – somewhere around £80-odd million, which considerably inflated the budget surplus that we had that year. So, when you are doing comparisons, please bear that in mind. Income is, obviously, slowing down because of the various changes, but it is not quite as dramatic as perhaps some people might consider, just seeing it for the first time.

I would like to congratulate the first two speakers this morning in particular, Mr Henderson, member for North Douglas, and Mr Gawne, member for Rushen, for their comments on how they see the economy itself, because, fundamentally, everything else we are talking about today is going to be dependent on us getting the economy right. We can all argue over priorities and how big people's parts of the cake are going to be and who is getting the crumbs. Unless we generate that cake in the first place, there will be no argument because the money will not be there, frankly, to be split, so we need to focus more than we have ever done before on the need to generate revenue, to generate a sustainable economy and to generate those revenues for government. The hon. member Mr Henderson refers to the converging line of expenditure and income. That is certainly happening, and it is partially to do with the changing economic situation worldwide. There is a slow-down in the economy, but do not forget: in our economy, the slow-down has gone because we have been in double-digit growth figures now for three or four years, and we have come down to a more sustainable level. Also, we are now starting to feel the impact of the tax package, the tax strategy which we have brought in, our move towards zero corporate taxation. As I say, this is not simply a taxation-cutting exercise; it is a necessary response to the Code of Conduct demands from the European Union. If we do not pursue this particular line, we will have very major problems with the United Kingdom government and with Europe, which will cost us far and away more, long term, in revenue, than this particular strategy which we are pursuing now. The strategy has now been endorsed by Europe, it has been

endorsed by the UK Treasury and it is something which Treasury in the Isle of Man remains committed to delivering. It will, potentially, put strains on revenue and expenditure over the next two or three years until we are able to fully implement it, but at the same time, as I think the hon. member for Middle has said, moving towards a zero-rate option for corporate tax gives the Island tremendous opportunities as well, and I am sure the Minister for Trade and Industry in particular has had a number of quite positive and healthy expressions of interest from new business looking to come to the Island, which will, I hope, in turn, sustain the employment levels and sustain new revenue streams for government.

The hon. member again comments on our marketing strategy, International Services and what we are doing in worldwide research. We are currently reviewing our marketing strategies, we have a new head of International Services now, we are working up new ideas with the member of Council, Mr Gelling, as its chairman, and we will be, I think, changing our priorities, changing some of our focuses for the future. In spite of what the impression might be, we only have a very small number of key people working within International Services. We do not, internally, have the ability to carry out the worldwide research which is necessary on the scale that I think the hon. member is thinking, but we are currently in discussions with a number of different external bodies, which we hope, in the course of time over the next few months, will enable us to pull together a new strategy which will be able to focus on the countries that are likely to be most productive for the Isle of Man, for our business services, and to develop our marketing strategy on the back of that. That is drawing on the private sector, who specialise in these sorts of areas, but also on the business community themselves, because they know, from their own experience, where their areas of best opportunity come from, and we are drawing on their own research to be able to supplement what it is we are doing. The issues with Europe will not go away, they are something now we are going to have to live with for ever, and we will be looking – because most of these are tax issues we are dealing with – to raising the profile of the Isle of Man from that perspective, both in Brussels and possibly Washington as well as London in the future, to be able to anticipate some of these problems which are likely to head in our direction.

The hon. member rightly has a priority for housing, and he says that Treasury needs to dig deeper into our resources to pay for housing. We are already committed to an expenditure of well over £100 million for the next five years, at central and local level. If Tynwald, though, decides that even more resource has to go into housing, then we need to recognise that to achieve that, there will be a need to restrain growth in other areas of government expenditure. We cannot have it both ways. The cake is only so big; if we are going to reallocate elements of that cake, clearly there will have to be some hard decisions made as to where those shifting priorities are going to come from.

I think the hon. member also referred to the need, again to help the low-paid, for a review of the benefits system. I think I have made this very clear, on a number of occasions, from my own point of view, that if the economic strategy which we are trying to develop – the move to zero corporate tax, the need to boost business and investment on the Island – is going to be accepted, it is vitally important that the benefits of this new economic growth are felt by every element of Manx society. Unless it is totally inclusive, unless we bring the whole of the population with us, then clearly we are going to have problems further down the road. I am very conscious of the points the hon. member has raised, and Treasury, whilst bringing together its budgets for the future, will certainly be bearing that in mind and will be trying to do its best to find a solution which will ease the pressures there. I hope I have been able to take the first steps this year, with the Income Tax Bill. We are ready now to go with the personal allowance credits. All we are waiting for is the Royal Assent from the UK in relation to the Income Tax Bill, and I would hope that those personal allowance credits will be paid out later this summer.

The hon. member for Rushen, Mr Gawne, expresses concern about the capital expenditure and extravagance in government expenditure. Treasury and myself have made comment about the need to contain the size of the capital budget now on a number of occasions. I think is vitally important, again, that our aspirations, as the hon. member says, are closer to reality. We can only afford a capital programme of a certain size. We have had to deal with some very big projects in the last few years. Most of those now are coming to an end. We have to come back to a more realistic approach to our capital programme, and as he says, we need to be very aware of the ongoing costs and labour requirements which flow from some of the capital schemes which go ahead.

Again, Mr Gawne mentions his support for the tax strategy and also, again, more effort for marketing the financial services. There are vitally important issues. We need to recognise that whilst we all argue, as I say, over the expenditure, we need to be more and more focused now on ways of generating new revenue, new employment and new sustainable economic activity. Alongside that, though, there is one other issue which I think is coming to the fore now, and it is something which, at some point, the Isle of Man is going to have to consider, and that is its future links with Europe. The hon. member for Michael refers to the European debate. I think the hon. member for Middle referred to the European issues as well. We need to recognise that we are getting drawn closer to the European influence. We have had the battle over the Savings Directive, over the Code of Conduct. On a daily basis now we seem to be receiving directives from Europe which we are obliged to follow, and yet we are getting nothing back in return. I think the day is coming when a debate needs to be generated within the Island to identify how we see our future links with Europe and what will be the best approach, in relation to Europe, for the long-term benefit of the Isle of Man.

The hon. member has also referred to the idea that the Isle of Man is over-regulated, and certainly there has been a feeling in the past that the Island has been over-regulated, that we have been ahead of the competition, but I think there has been not necessarily a redress but a catching-up in other jurisdictions in the last two or three years. Therefore, the position of the Isle of Man now is better balanced in most cases – I am not saying in all, but in most cases – against our competition. But we have to understand that the Isle of Man is now an international player and, as such, we are looking for international business and we have to behave by international standards. There is no shortcut, there is no way of getting around that, and in some cases it is going to be painful, and there may well be, in some cases, business lost to the Island, but I believe, because of all the changes which are going on at the moment with the European Union, the OECD and pressures from Washington and from Westminster, that a number of offshore financial centres, over the next few years, will cease to exist. They will not be able to cope with the pressure of regulation et cetera that is going on, and there will be a flight to quality. It is important that the Isle of Man builds on its reputation and proves itself to be at the very top end of that quality, that the Isle of Man is *the* blue-chip jurisdiction of choice for those international businesses that need to deal through financial centres such as the Isle of Man. It is quality, quality, quality that we have to go for in every aspect of the business we look for: quality in our regulation, quality in our standard of service, quality in the standard of professionalism that we have within our people, and therefore training and retraining are going to be absolutely paramount.

There were only two other points, really, that were raised which related to Treasury involvement. The hon. member for Peel mentions that we should look at an increase in the tax thresholds next year. That is obviously something we do look at on an annual basis, and it will certainly be on the agenda again. As I said earlier, we are aware, clearly, that some of the changes which are taking place may well – or, in fact, will – impact on the low-paid, particularly with the refuse charges, with the huge increase we have had over the last few years in the water rates and the general increase in the cost of living, so certainly we take on board the hon. member's point. I would just point out, though, because this is another area which is frequently looked at, that we hear considerable comment in this chamber from time to time about the cost of local authority housing and the subsidy of local authority housing, but we should put that figure and that concern in balance with the level of mortgage tax relief that is given to the private sector, because I think that anyone checking through that figure will see, in fact, that the amount of relief given to private mortgage owners, to the house purchasers, is actually considerably greater pro rata than given to the subsidy – if you want to call it that – of those living in local authority housing. (**A Member:** Hear, Hear.) So, I think there needs to be a sense of balance between these two when we talk about subsidy.

Finally, the hon. member for Middle, Mr Quayle, and his comments, again, about too much bureaucracy, red tape, regulation et cetera: I think it is a very valid point. It is something that the Isle of Man, and government generally, needs to focus very much on, and perhaps there is an exercise now to be done – as I think, on occasions, they have made token efforts of doing in the United Kingdom – of actually doing an audit, really, of the amount of regulation and red tape we are actually bringing in to the Isle of Man. We are following hook, line and sinker everything that comes from Europe, everything that comes from the United Kingdom. Just how relevant is a lot of the stuff that comes in here? How necessary is it? Is there a local version that we can bring in which will do the job in a more pragmatic, sensible manner and which will protect those it is intended to protect while, at the same time, putting the minimum amount of responsibility and cost and red tape on those people, especially small businesspeople, whom we are committed to helping and who clearly are the backbone of our economy? But I would just finally add, on that point, that red tape only comes in because we bring it in, and we should be a lot more conscious of what we pass through legislation, whether it is primary or secondary, and be aware of the cost implications, either financial or in personnel, of some of this legislation that we bring in. Always – or nearly always – it is all brought in with the best of intentions, but we do not always stop and think through the implications of what it is that we are bringing in, and I think we are moving into an era now where we need to be a lot more conscious of what the implications of some of this may be.

I am conscious of the time (**A Member:** Hear, hear.), but I feel it is important that the issues in relation to the economy and Treasury are clearly answered in this chamber, because, in spite of the arguments we might have over priorities, unless we get the economic equation right, unless Treasury can bring – as it intends to – its economic strategy forward, which is coming to Tynwald for debate later on this year, unless we get that right, unless we refocus now on generating revenue, on giving priority to the revenue-earning departments, then we will not have the revenues generated for schools, for hospitals, for housing, for the potholes all round the Island, and we will not be able to deliver the services to our people.

So, Mr President, I think the report this year is a very good one for the Isle of Man. We have still got a lot further to go, there are clearly areas of challenge still ahead, but let us not get too mired in all the negativity. There are some very good news stories coming out of the Isle of Man, and it is a shame, in many respects, that we do not read that and hear that in the media in quite the same way we hear all the bad news stories.

A Member: Hear, hear.

The President: Hon. members, I think it is an appropriate time to take a break. We will resume our

deliberations at 5.30. The first to speak will be the hon. member for Garff, Mr Rodan.

The Court adjourned at 5.07 p.m. and resumed its sitting at 5.30 p.m.

Isle of Man Government Annual Report 2003 – Debate Concluded – Report Received

The President: Be seated, hon. members. Hon. member Mr Rodan, hon. member for Garff.

Mr Rodan: Yes, thank you, Mr President. Earlier this afternoon, I was at a school prize-giving and heard an end-of-term report. Of course, there was a presentation of prizes, but above all it was a celebration of achievement, not only academic, but sporting, vocational and for young people for helping others and so on, and one could say that this government annual report is also like an end-of-term report, because it does report progress towards government's core aims, whether they be economic, social, the environment, public services or national identity, and anyone reading the document will see that there have been real achievements over specific programmes and projects, and this has got to be good news worth celebrating. Not to lead to complacency, but I think above all the message should be that government has, to a large extent, got its act together over key areas and has, for the first time, published a document that records in considerable detail, in an audit fashion, whether targets have been met and actually which policies and programmes have been delivered.

Before I turn to my response over areas covering my own departmental responsibility, there is one item flagged up that I, from a constituency point of view, would like to give some emphasis to, and that is the fact that next year is the 150th anniversary of Laxey Wheel. Not only is that a marvel of Victorian engineering and industrial heritage for the Isle of Man, but it is the number one tourist destination in the Isle of Man. I think the figures bear this out.

A Member: It makes a loss.

Mr Rodan: It is capable, if marketed well next year, of being the core of a series of special interest holidays. So, from the point of view of greater corporate government, I would make a plea for very close working together by Manx National Heritage and the Department of Tourism and Leisure to work closely with the Laxey Commissioners and the Heritage Trust to produce worthwhile activities and celebrations next year in order to maximise the tourist potential. It is a very significant landmark attraction, and we must do it justice. (**A Member:** Hear, hear.) It is, of course, a structure that is owned by Manx National Heritage, and Laxey itself, as a mining

village, has unique industrial Victorian interest and industrial archaeology interest. However, I do have to say that, as a tourist attraction and a visitor attraction, there is an awful long way to go with Laxey Wheel and its immediate environment in terms of maximising the potential. You have a potential Beamish folklore museum there. There has not, though, been the level of investment over the past 14 years, I have to say, in my opinion and that of many, that ought to have taken place to maximise that potential. I think we have a wasted asset there, wasted at the moment, and I do hope that, just as close attention and investment has been made in other properties – very worthy projects – elsewhere in the Island, I do hope the Laxey Wheel will have the proper investment and attention that it deserves.

If I may turn briefly to three speakers, Mr President, I will be as comprehensive in my remarks as possible. The hon. member Mr Henderson referred to the level of tuition fee funding that we make available to our students and specifically asked what initiatives were being taken to target students to attract them to return to the Isle of Man – and it is certainly a fact that only 14 per cent of recent graduates do return to the Isle of Man, and the majority of those are, in fact, teachers. Of course, we do have to appreciate that there are factors that attract graduates to the Isle of Man, back to their homeland, and availability of wide-ranging professional careers was not always the case by any means. It increasingly now is the case, and there are worthwhile specialised careers to be had in the Isle of Man, but to really be of value to employers, graduates often need to get experience and would be well advised to get experience in the United Kingdom and beyond – especially beyond – and it is often later in career that we find individuals make a conscious choice to return to the Isle of Man to maximise their graduate qualifications by career decisions here. They look at things that are perhaps not the sort of things recent graduates would look at: they would look at quality-of-life issues such as quality of schools and education for their own children, and they would look at public services and health services and so on. They would make their particular relocation decision on that basis, and there is a lot of evidence of professionals moving to the Isle of Man and moving back here based on those sorts of decisions. It is right that government looks at this issue carefully, because heavy public investment, which I referred to yesterday, to the tune of £8 million-plus a year goes into higher education, and on this investment we are entitled, I believe, to have a return. The Isle of Man should have a return on this investment. The individual does get a return eventually through their own professional and career development, but the Isle of Man does need its own professionals. It needs its own doctors, engineers, teachers and so on if our economy is to develop. It is, of course, a two-way process, in that while others may benefit from a high level of investment in Isle of Man graduates who do not return to the Isle of Man, in turn the Isle of Man benefits from expensively produced graduates in other fields who are coming here in

pursuit of developing the Island's economy. So, we must acknowledge that and welcome that.

However, we must, I believe, pay closer attention to the needs of the Isle of Man economy and ensure that the right training at the right level is available, and I am pleased to say that, within the last year or so, there has been very active collaboration between my department and the Department of Trade and Industry in respect of vocational training, looking particularly at 14 to 19. There are many, many more places available for 14 to 16-year-olds, on a half-day-a-week basis, in vocational areas, traditional trades areas, which the Isle of Man, in the round, is going to need qualified people to serve in the future, and I would far rather direct and encourage our young people who are vocationally minded into those areas rather than soft, so-called academic degrees.

As I mentioned yesterday, inevitably the system of student support is going to have to change, and if there is a place for creating financial incentives for graduates to return, I believe there are appropriate ways we could do this by identifying specific specialisms or graduate fields that the Island has a strategic interest in having people work in and, indeed, encouraging graduates to return.

I would just like to make mention, Mr President, before leaving this topic, of the Isle of Man Business School, which is well placed to provide a specialist business education for many of our young people, as well as its ultimate object of attracting overseas students to the Isle of Man, and already it is the destination of single choice for Isle of Man students. By that, what I mean is that there are more undergraduates at the business school than any other higher education institution: more than Liverpool, more than Chester College, more than Lancaster – traditional areas that attract Isle of Man students. The business school circumstances are well placed to develop further, both undergraduate and postgraduate, fields of study. In time, we would hope that there would be a very wide range of higher education courses and degrees available there as an option for Isle of Man students. We would not wish to direct them in any sense to a home university, because there is much to be said for getting the experience of being outside the Isle of Man and being exposed to other influences.

The hon. member for Rushen, Mr Gawne: I would like to pick up a couple of issues he referred to. He was claiming, I think, that the department was embarking on a trend to employ classroom assistants instead of removing over-regulation and bureaucracy from teachers. I think there is a risk of misunderstanding the situation and recent developments. In reality, there are very few support members of staff in schools in the Isle of Man compared to the UK. Our pupil/teacher ratio is much better, but we have many fewer support and administrative staff in support of teachers – and I do emphasise *in support of teachers*, not employed to teach instead of teachers. Very recently – this year – there has been published a strategy for removing

workload and raising standards in schools. This is an England and Wales strategy that bears influence on the Isle of Man situation, and from September this year there are going to be contractual changes in conditions and terms of employment for teachers which will oblige the Isle of Man education service to take very seriously the changes that are very clearly in the pipeline. Those changes are to do with removing administrative duties and clerical tasks from teachers, reducing what is often a 55-hour-a-week workload and raising standards in schools by utilising our teachers to do what they do best, which is to teach, have them teach instead of performing clerical, mundane, administrative, whatever we want to call them, lower-level tasks, exam supervision for instance, and also to maximise the 38 hours yearly that are an obligation to provide supply cover to colleagues. All this is being discussed with teaching unions, both in the Isle of Man and in England, and there are large implications for resourcing these changes, but the Department of Education has, in its business and service planning, identified the changes that will have to be made, not least in terms of staffing. We envisage the employment of, over the next four years, 90 extra staff to deliver this 'removing workload and raising standards' strategy, and it would therefore, I think, be useful for Mr Gawne, the hon. member for Rushen, to bear in mind that the personnel cap that he referred to is there not only to manage runaway growth in the civil service – and he specifically mentions the civil servants – but it also, of course, embraces public service employees and, both for my own department and the Department of Health and Social Security, that policy produces real challenges in how we can deliver the levels of service that the public are entitled to expect with the personnel that we are allowed to employ.

Mr President, can I turn now, lastly, to the hon. member for Peel, Mrs Hannan, and assure her that, when we are talking about improving the fabric of buildings and capital works schemes, the system, as far as I am concerned, does not work on anything but a system of basis of need, wherever it is in the Island? I am not going to repeat what I said yesterday, but we have wide-ranging capital schemes, both minor and major capital schemes, not least in the west of the Island. QEII, for example, this financial year has £75,000 to be spent on various alterations, improvements to corridor areas and certain rooms. Peel Clothworkers' Primary School is having refurbishment and alterations to three classrooms this financial year in the minor capital. If we look at the major capital, Peel Clothworkers' School design and construction is to commence next year, the classroom extensions, and QEII similarly, with design next year and construction to follow the following year of much-needed extensions to that school.

She referred to the need to look at exams and testing, and I would agree with her that it is a challenge for the Isle of Man education system to ensure that the testing and examinations that take place are relevant and that they are in the interests of the children themselves and the system and not simply for the sake

of it. I would say that, when you bring up and feed the baby, you do have to weigh it occasionally to see what progress you are making, and certainly we are never going to eliminate testing. It should be made relevant, and not at the expense of squeezing out some of the joy of learning that has often disappeared in recent times. Major challenges lie ahead regarding the system of exams: we have had an announcement today of yet further upheaval to the secondary exam system and A-levels with the introduction of a baccalaureate, and obviously, if that becomes the norm and the benchmark, there will be no option but for the Isle of Man to examine that. If, though, we are going through this particular upheaval, I would see nothing wrong, equally, in assessing the merits of the Scottish Highers system, which has had the advantage of being a broad-based education long before AS-levels were thought of.

The hon. member made a plea for fewer inspections and made particular reference to the period of notice given to schools for inspections. I have to say that notice is given to schools of an imminent inspection not in order to give time to prepare, to get a good result and to say how good we are, as the hon. member claimed, but for practical reasons that the inspections system requires consultations and it requires questionnaires to be sent out to parents and those questionnaires to be received back and form the basis of meetings with parents. This is the reason for a period of notice and for the fact that the inspectors do not simply turn up on a Monday unexpectedly. I agree that the 10 weeks' notice that was given at the outset of this system some four years ago is longer than is absolutely required, and that point has been taken on board. I would draw members' attention to the circulation of the answer to the question posed on Tuesday, which we did not reach, by the hon. member for Onchan, Mr Earnshaw, about the new system of inspecting schools. Mr President, members will see that we are now moving to a system of an Isle of Man framework for school self-review. Having had the full-blown external inspections of schools, the time is now ripe for modifying, with confidence, to a system of self-review. That system will certainly be externally validated to ensure that we are asking the right questions, but the point of having self-review or inspection is to assess schools' strengths and weaknesses so that the department can actually support schools better and deliver an agenda for school improvement and overall raising of standards, and that, at the end of the day, Mr President, is what it is all about.

My final point is to do with an issue on page 27 of the report, the 23 programmes planned for secondary education, of which 18 have been achieved to timescale, and details are given of the five that are in progress. One of the areas that is being developed currently is, as is stated here, the provision of courses for 16 to 19-year-olds in schools and the Isle of Man College as a way of maximising the options and flexibility available for the Island's post-16 students. I just want to say a word about recent developments in

that, because how good we are at that will determine such things as whether young people are leaving school, either into higher education or into the employment market, well equipped for the further economic development of the Isle of Man as well as well equipped for their own personal development, and it is worth just spending two or three minutes, Mr President, on this. Government, as we know, over the last five years has made very significant investment in sixth-form centres at four of the secondary schools. The fifth, at Ramsey Grammar School, is scheduled for the next couple of years. These are purpose-built centres for sixth formers as an alternative strategy to an Island sixth-form college. That particular decision was made in 1996, when you yourself, Mr President, were Minister for Education, and that investment, a multi-million pound investment, has now taken place and produced buildings of which the Isle of Man can be truly proud, well-equipped sixth-form centres for our A-level students, well equipped and built with an eye to the future for video conferencing. I am pleased to report that, within this current academic year, there have been developments that are taking place in all five of the secondary schools with the introduction of a new form of teaching, video-conferencing distance learning, and this has allowed the introduction of several new AS-level and GCSE courses into schools. This system means that students receive a weekly live video-conference tutorial with their teacher, who speaks and works with them from a location in England or Wales, and the evidence so far suggests that these courses are going very well and the students tend to be self-motivated and disciplined in their approach and increasingly independent learners. Ten groups are in operation so far, eight at AS-level and two at GCSE. The members might be interested to know that AS courses now include law, psychology and film studies – who knows, perhaps that will make a contribution to the Island's own film industry – and at GCSE level at Castle Rushen there are two groups learning Latin. I am delighted that once again, in the Isle of Man, there are pupils learning Latin (**Several Members:** Hear, hear.) at GCSE level. Much good work has been done in recent years at Ballakermeen and at QEII, with lunchtime groups doing Latin, but Castle Rushen: GCSE Latin. I do have to say that I think that a knowledge of classical civilisation, which is the basis of western civilisation, is a very good basis on which to approach an increasingly IT and technological age, because in the age of computers, where information is pumped at you and you get information overload – I know we do – what often is difficult is to critically analyse that information and evaluate it and, to my way of thinking, the way Latin is taught and learned gives a very good foundation – of course, other subjects do the same thing – so I hope we can certainly build on this. Thank you, Mr President.

The President: Hon. member for Glenfaba.

Mr Anderson: Thank you, Mr President. The annual report is another positive statement on the

improved quality of life, and although, as has been predicted, there is a slow-down in the economy, the national income figure is estimated, I believe, at between four and five per cent, and that is still quite healthy and is probably more manageable, in that it will put less pressure on our public services and our infrastructure. This has also resulted in a slow-down of our inward population, according to the report, but I would be interested to know how accurate those figures are and how they are arrived at, because it certainly does not seem to be finding its way through to the housing market. Affordable housing for our local population continues to be my biggest concern. I do acknowledge the effort being made by the minister in coming to terms with this, but we do seem to be swimming against the tide in this area, and I think we need to look at a more radical solution, especially in the lack of zoned land available for development. I think it is time to review the option of developing a new settlement, but maybe I shall leave that to another debate later on the order paper.

I can identify with the hon. member for Rushen, Mr Gawne, in his concerns about capital schemes over the past several years. We have got the message from the Treasury minister, and it is as much our responsibility, as backbenchers, as the Council of Ministers' to make sure we scrutinise these 'gold-plated' solutions. As the hon. member states, a stainless-steel solution will often do the job at a significantly lower cost, and in relation to that I will only say one word, and that is 'Archallagan'.

If I can move on, Mr President, I realise you do not want to cover too much ground that has been covered already (**Members:** Hear, hear.), but some significant capital projects have recently been completed outside the life of this annual report, and they are most welcome replacements to help to produce the service to a public whose expectations are constantly rising. The new hospital, after a long and often tortuous birth, as the minister has already said, is something we can be proud of, and I too would like to pay tribute to those who, over many years, have taken this enormous project to a conclusion and given our dedicated staff a first-class environment to work in. There are many issues still to be resolved as far as the construction is concerned, but I would like to pay tribute publicly to my minister for her determination in getting on with it. We are today in a position where the new hospital is up and running. We have also seen, in the last few weeks, an excellent medical centre opened at Laxey, a tribute again to the Estates Department in delivering a high-quality conversion within budget in a short timescale.

The hon. member for Michael continues to attack Primary Health for not providing a medical centre in Michael. (**A Member:** Hear, hear.) He must start to realise that there are areas that are far more in need of healthcare investment than Kirk Michael –

A Member: Onchan.

Another Member: Middle.

Mr Anderson: – and the department must prioritise things in order of need. There is a review of primary healthcare provision, but be warned: it will be in order of need.

Mr Cannan: Where did Laxey fit in, then?

Mr Anderson: Between Douglas and Ramsey. (*Laughter and interjections*) Southlands is another milestone for the healthcare of the Island, but what we must remember is that, whatever facilities we can provide, the crucial ingredient for success is our dedicated workforce. Let us not take them for granted.

These and other capital projects have been possible because of the strength of the economy and the decision of the Court over many years, and I welcome the initiative of the tax strategy, but we must protect those on lower incomes. As a result of things like the increased rate burdens, I welcome the tax credit as a move in the right direction, and I look forward to its further development.

Agriculture has been touched on by members in the debate so far, and it is encouraging to hear support for the industry at this difficult time. The hon. member for North Douglas, Mr Henderson, states that DAFF is not promoting the value of the countryside. I think DAFF has got to strike a balance between the environmental schemes and the support of the agricultural industry itself. If the throughput of our two processing facilities is not fully encouraged, we could face the demise of the industry itself, and that would have a great effect on the countryside that the hon. member recognises as being so important. The department must keep its priority of preserving the stewards of the countryside as its main agenda item.

The Department of Tourism and Leisure has some excellent leisure facilities, and we should encourage our population to participate in keeping us all active all through life. I supported the department's item for government financial input to the redevelopment of the Summerland site even though, from my own experience, it will undoubtedly increase hospital activity at A&E. It will give, however, our young people another avenue for recreation and exercise. There is a growing number of young people who are not getting enough exercise, and this, combined with the change of lifestyles, could impact significantly on the health service's budget in the not-too-distant future. (**Mrs Hannan:** Hear, hear.) Obesity is a problem looming large on the horizon, not in the USA, not in the UK, but on the Isle of Man. We might have to give exercise on prescription, so more power to the Department of Tourism and Leisure. In fact, the Deputy Minister for Leisure sets a good example himself: I know for a fact that he went jogging at the end of close of play last night. (**Mr Lowey:** Absolutely.) (*Interjections and laughter*)

Mr President, I must congratulate the Department of Education on their funding of our students to go for further education. We compare very favourably with UK support levels, and I hope the department can continue with these levels of support. Academic results

continue to outshine the UK, and the department has to cope with a growing school population, and we do need to keep education as one of our top three priorities on an ongoing basis. St John's School is another fantastic development over the past year (**Several Members:** Hear, hear.), and I would congratulate those who have promoted St John's School over many years. As a word of encouragement for the hon. member for Michael, Mr Cannan, it is nearly 20 years since St John's School was first put on the capital programme.

Mr Cannan: We do not expect to wait 20 years for a health centre.

Mr Anderson: I was, however, Mr President, very encouraged on our visit to the school on Tynwald Day, and I was delighted to see how school meals have changed over the years. (*Laughter*)

Mr Houghton: Provided by the staff of Government House.

Mr Anderson: I would also lend my support to asking government to increase the contribution to overseas aid, as commented on by my hon. colleague, Mrs Hannan, and the hon. member of Council, Mr Waft. We often benchmark ourselves against Guernsey and Jersey in this area, and here we are well behind. I would congratulate the hon. member Mr Karran on his initiative with a local charity in bringing two young people to train as nurses on the Island then go back to their own countries. I think that is a form of support that is to be welcomed. It is not often we have the opportunity to thank the hon. member for Onchan for his efforts, but I think in this field he has done a very good job.

Several Members: Hear, hear.

Mr Cannan: You are doing a good job all the time, Peter, so cheer up. (*Laughter*)

Mr Anderson: In conclusion, Mr President, I welcome the annual report here today, and I would like to just point out that it is our responsibility to scrutinise the schemes that are going ahead, brought forward by the Council of Ministers, to make sure we get best value for money for our constituents in the years to come. An equal amount of responsibility falls on our shoulders as it does on the members of the Council. Thank you, Mr President.

The President: Hon. member Mr Karran.

Mr Karran: Eaghtyrane, last night I was talking to the Clerk of Tynwald about broadcasting and moving a motion in October. I am not so sure whether we want to move a motion for it to be broadcast in October as far as debates are concerned, because I would imagine there would be many out there who have listened to this debate and wondered whether it is

a children's programme, because there are so many Alices in Wonderland in here it is unbelievable.

A Member: Speak for yourself.

Mr Downie: What about the Mad Hatter? (*Laughter*)

Mr Karran: You have awoken, sir, have you? You will only see what happens about the MEA in future. Eaghtyrane, I would like to just say that if we can be so proud of the new hospital, then let us have the UK Audit Office do a proper audit of the whole affair. As the ex-member for health, that is all I say, and that is the challenge I put down.

Tonight, I could be quite long, but I will stick to one important issue (**Mr Houghton:** Hear, hear.) as far as the annual report is concerned, because I believe the annual report is fatally flawed. (*Interjection by Mrs Crowe*) If we have to talk about this corporate governance and 'Isle of Man Limited', then we must not forget that everyone is a single shareholder, equal, in our society, and I feel far too often in this hon. Court that that is not the case with the actions of what happens because of the lack of separation of function between parliament and the executive. I believe that Mr Gawne's point about gold taps instead of stainless steel is the reason why you find that the absurdities go on. As far as this report is concerned, it fails to meet the basic requirements of corporate governance. It has no audit certification attached to it. No company director would put his or her name to such a flawed document, and to do so would be reckless in the extreme. You can have all the government policies in the world, but until you have meaningful compliance procedures, there is little point in debating them all. Hon. members, before it went on to recommend an independent audit commission and the commission of inquiry, it made on the following statement on page 207 of the part 1 report: it says, 'The operation of proper compliance functions is no more than what the Isle of Man Government expects of various financial institutions which its authorities licence and authorise to carry out financial businesses in the Island. There is no reason why it should not scrutinise its own actions in the same way.' At the present time, the Council of Ministers is assessing the recommendation for an audit commission, and this will be responsibly examined and evaluated, I hope, so that we can end up with the principles of good corporate governance. The Council of Ministers will convey to Tynwald in October how this recommendation can, as far as practicable, be implemented. In the meantime, to receive the annual report, which has no audit certificate attached to it, and having no audit commission in place, I believe that this hon. Court is making a very, very serious mistake.

Hon. members, the commission of inquiry indicated that a mistaken sense of satisfaction in the quality of the material defects in the government's systems remains apparent today. I leave it to the people who are listening to this radio programme to decide who is right and who is wrong. The self-congratulatory

tone of this annual report shows how accurately the commission has assessed the reality of the problems we have got in this Island. So, I will not be supporting the motion to receive such a flawed document. I strongly advise other hon. members to join me in voting against the motion. Eaghtyrane, it is a late hour. I have kept to one fundamental issue because it is a late hour. I hope people realise we have seen today, from a number of hon. members, about issues. The hon. member for Rushen, Mr Gawne, is so right about the gold taps instead of the stainless steel, and that is a fault within this place. We must not allow ourselves to get into a false sense of security as far as our economics are concerned, and I hope this hon. Court will take our part in making sure that we will look again closely at our systems that govern this Island.

A Member: Vote.

The President: Hon. member for Malew and Santon.

Capt. Douglas: Thank you, Mr President. As the previous speaker has just said, it is a late hour. Very much of what I was going to speak to, sir, has been covered in one form or another, but I would just like to look at one or two points. In economic progress, I suppose to have achieved, and to continue with confirmation of, the AAA credit ratings brings, I am sure, great confidence to the finance sector, and this, with the continuing efforts to diversify the economy, is worthy of congratulations. Of course, much of the bedrock foundation of our economic progress is based on quality education, the roots of which stem back over two decades. The Isle of Man College continues to provide educational advancement for our youngsters and the not-so-young alike. Training courses abound, and I am sure that much of our success today can be seen as a contract between the government and the people – and a very agreeable contract at that. Government-sponsored education served this Island well in the past and the present, and I hope that, with some of the exciting discussions presently being undertaken within the Department of Education, education will continue to serve our Island positively.

Much has been said today in the sphere of social well-being, and I too join in with the congratulations to the minister and her staff for the absolutely marvellous job that they have done in opening a brand new hospital – and with such efficiency and right on time as well. Well done to them all.

But, as we all know, roses shed their petals and, stripped down to the stem, even this most beautiful of flowers can look and seem very forlorn, and there is a sadness about, Mr President. It is a worthy policy to maintain housing as a priority issue, but, as we have all experienced the difficulties that our constituents face within the housing market, may I make a plea to the Chief Minister and his team not to take their eyes off the ball? I welcome the comments earlier on from a number of speakers, particularly the minister, on the large, incredible amount of money that they are going

to invest in housing. I hope it is enough, but I think there will be a lot of sad people around in five years if we have not achieved some of the targets that have been set. So, that is one of the pleas: keep your eye on the ball. It really is the number one ingredient in the quality of life, and a house or flat, somewhere to live, somewhere to call home, is very essential to our people. I just say: grasp the nettle, lead the way, be bold and innovative with grant, loan and public schemes, please, sir.

The quality of the environment: much work has been done on the waste management strategy. Much more is still to be done, but we are moving now, and the much-publicised plans and promotions from the Department of Local Government can only work as a partnership with the public, local authorities, businesses and the department itself. It needs an ability to listen by all the partners, and it needs a desire by us all to maintain our Island in as beautiful a condition as possible. Above all, it needs to be led by a proactive government who can take into account the desires of all the people. People who feel pain at the perceived desecration of local plantations as part of the waste management strategy should not be dismissed as cranks; they should be listened to, and they certainly deserve as good an explanation of the situation as it is possible to give. Concerns must be addressed in a considerate manner and professional solutions found.

The farmers have been mentioned before, all of which I agree with, so I will move swiftly on, sir.

The massive investment by successive governments in recent years is apparent to all, and my wish, Chief Minister, is to see the efficient implementation of the IRIS system. I do compliment here, Mr President, the hon. member for Middle on his brisk and businesslike speech. He is obviously very proud of his constituency, and I am proud of mine, and whilst in our own constituency of Malew and Santon we do not have a hospital, we do have Meary Veg, and I should like to invite the hon. member for Middle to visit Meary Veg, where he can see for himself the end result of all his efforts in Middle. *(Laughter)* In addition, I hope, sir, there can be a build-up of business in eco-tourism around all these undertakings. I suppose these investments in government are something that they can be proud of and the people of the Island can also be proud of.

Good government: in this document we are discussing today, Mr President, we learn that 70 per cent of residents interviewed through the quality-of-life survey are satisfied with the way the government runs the Island. Satisfying that this high percentage may be in comparison with the UK, for instance, any person let down by the government is a 100 per cent failure, and we must avoid that at all costs, even if it is perceived and not real. I would therefore make a plea here to government, as a corporate body, to address all those matters that reduce the feeling of satisfaction. I have alluded to housing, but there are other important matters which need attention, such as the drug and alcohol problems, young people's needs and other areas.

In closing, sir, I would like to look at our positive national identity. Our overseas image is very much improved, and this is good, but dark clouds loom over the horizon, and I would like to see a strengthening of our marketing programme, the External Affairs Division and a dedicated team to keep close observations on EU enlargements and policies. We need to have plans in place, ready for implementation, in the event of the UK replacing the £ sterling. I wonder: should we not keep the £ sterling ourselves, perhaps with Jersey and Guernsey?

In your own words, Chief Minister, in the introduction of this valuable annual report, progress does not permit complacency. I thank all the people involved in preparing this report, and I am sure it gives a clear indication to the members of this hon. Court and the people of our Island. I will be using my vote to support.

A Member: Hear, hear.

The President: Hon. member for Douglas East, Mr Braidwood.

Mr Braidwood: Thank you, Mr President. I will contain my contribution to those questions which have been posed to the department, and hopefully this will enable the Chief Minister to reduce the time when he is summing up after the debate.

Mr Speaker, initially, was the first person to ask a question, and that was over the free domestic smoke detectors, detectors which have been put into private houses and which have a 10-year battery life. Those have been fitted for people who are over 60 years of age, and over 180 have been fitted at the present time. I am asked what the situation was with public housing. I know that some of the local authorities, such as Douglas and Ramsey, have fitted the domestic smoke detectors, but if any hon. member knows of a constituent who is in a public authority house and has not been supplied with a domestic smoke detector, if they give me that name and address, I will bring that to the attention of the Chief Fire Officer, and I am sure we will be able to solve that problem.

The hon. member for Peel, Mrs Hannan, asked when Peel Hill was to be reinstated. And she is quite right: I did indicate that, when the installation on Peel Hill was completed, the track would be reinstated, because that was one of the conditions of the planning consent. However, my department, through the Communications Commission, has received representations from Peel Commissioners, who are the custodians of Peel Hill, and they have asked that condition 4 of that planning consent be lifted, because they feel that the path now, because it is grown over, is far superior to that which was in place previously. But the Technical Director of the Communications Division has been in contact with the hon. member for Peel, and that is still ongoing.

Mrs Hannan: No, he has not. That is why I asked the question. Are you still committed to what you said –

Mr Braidwood: I apologise, then. I was under the illusion that my Technical Director of the Communications Division had been in contact with Mrs Hannan and that the Peel Commissioners had also contacted Mrs Hannan and that a meeting had been arranged.

Also, Mrs Hannan mentioned the renovation of Peel Police Station, which has cost over a quarter of a million, and why the courthouse could not be utilised. Unfortunately, that was outwith my department's control, and it was part of the planning consent given to the Conservation Officer. As I said yesterday morning over Ramsey Police Station, at least we have been able to put a mezzanine floor in the courthouse in Ramsey to utilise the additional space. Unfortunately, it was not able to be achieved at Peel.

I believe that the hon. member of Council, Mr Singer, asked a couple of questions over the prison at Jurby. As the hon. member of Council knows, a value engineering workshop took place in November last year, when over £7 million was saved in part of the new prison. Unfortunately, one of the consequences of that exercise was the loss of the joint sports facility, which would have been the first in the British Isles, and that stand-alone facility was incorporated into the main fabric of the building. Therefore, the people of Jurby will not be able to utilise that facility. I believe he also mentioned drugs. Every month, 10 per cent of the prison population is randomly tested. I was not too sure if he meant drugs being smuggled into the prison; if that is the case, it is an area of concern. Although legislation allows for body searches, the General Medical Council, to my knowledge, are still informing doctors that they could be liable for prosecution for assault if the person refuses consent. He also, I believe, mentioned that hopefully there is going to be no luxury accommodation. I can tell him quite categorically that I have visited prisons in the UK, and there is no luxury accommodation. It is basic, although the inmates of the prison can take their television into the cell, which will have integral facilities. And there will be full rehabilitation and educational facilities at the prison.

Mr President, I will be supporting to have the report received.

A Member: Of course he will.

The President: Chief Minister to reply.

Mr Corkill: Thank you, Mr President. I have a number of choices to make at this point. I am conscious of the fact that, at tea break, I spoke with David Callister of Manx Radio and he said that the country and western music starts at nine o'clock (*Laughter*), so I suggested that I spoke until nine o'clock and he could fade the music in as I faded out (*Laughter*), but I suspect that if I go through all of the contributions that hon. members have made today, that

is, in fact, the time that I would be finishing, and I do not – looking around this Court – see the enthusiasm for such a long debate.

I also know that, at tea break, a number of ministers have actually spoken to some hon. members in relation to some of the points that have been made, very validly, in this debate. The prime purpose of this debate was to hear what people had to say, and I have to say that it is probably one of the most positive and constructive debates that we have had for a number of years in terms of teasing out what is on hon. members' minds, which, at the end of the day, is representative of all of the people that we all represent. So, I think I would like to start by thanking all hon. members for their contributions. Because it has been such a long and varied debate, I would wish to make a commitment that if there are issues that are still on members' minds as we go into the summer recess and that they are still conscious about and still not happy about ... The hon. member for Michael has already passed me a note, and obviously we know the serious issue in his mind that continues on. Some of these issues will continue on, we know that, but I think it is important, at this part of our process, that the Council of Ministers and members of departments are fully aware of what our priorities are, and this debate is very helpful in that respect.

I would also like to thank hon. members . . . And there have been a lot of thank yous in the debate today – in fact, I lost count of them – and there is a danger in that. It is very nice to sit here, as Chief Minister, and listen to all the good news, and I started the debate off that way deliberately. I thought it was time this week that we did have something positive in our debates, and members seemed to respond to that, and I would thank them for that, but in all of this we must not become complacent. It is so easy to lull ourselves into that sense of security, but you see, hon. members, that we have an annual report before us which looks at what has just happened, and I do want to make the point that this is the last of the transitional documents in this new process that we have, because when we sit to look at this document next year, it will be much improved and quite different. Quite rightly, one or two members have criticised the content of this document. Particularly, I take note of the criticism of the appendix at the back where it relates to the Tynwald Policy Decisions Report, appendix 5. We have already put in systems that are much better now at picking up on these Tynwald policy decisions and making sure that executive government delivers what Tynwald members have asked for, so that, next year, will be a much improved appendix. But I would like to thank all hon. members, really, for their forbearance over the last 18 months of the introduction of this new system. It has not been without difficulties, but all hon. members have contributed at the right times in the best way that they can, and it has been helpful to government that that has happened, because, as I have said, this document is the last of the transition. In the New Year, Mr President, we will have the budget in February as normal – that is when we expect it – and

there will be some high-level discussions in that, I believe, which will better inform us again. In March, we will have the review of the government plan which is already in place and is constantly updated on an annual basis. It is a three-year plan, but we review it each year. I was conscious of the fact, I think from a comment from the member for Peel, when she said this was the last time we could debate this report, and I can understand there is a certain amount of nostalgia, in a way, for the old policy document which we were always so used to having in the October. This process is not, in any way, condemning the process that we are moving from. I think it is quite important to note that the policy debate in October and the budget, which used to be in March but more recently has been in February, have actually provided a very sound platform for Tynwald to make a number of decisions since the late 1980s which has actually been the platform for a great deal of the satisfaction that we have, in fact, been talking about today, and so I want to make that clear.

But this brave new corporate planning process *is* looking into the future, and it is only designed, not as a business. I think the message is coming through a bit clearer now from government: we are not trying to run a business. A number of members made comments, at the last debate, that we should not be looking like a business, that we are in the business of providing high-quality public services, and so what this process is about is extracting value for money, getting more, tweaking more out of the resources that are available to us for the benefit of the public. That is all this process is about, and I am looking forward now, now that the transitional phases are over, to getting on with the normal cycle of life that we have always been used to with the policy debate and the budget debate. The new system will actually allow three debates; we will actually be, in a way, discussing the issues more frequently, but at different times of the year. So, I do thank hon. members. I know some have been accepting of this new system more than others, but the prosperous and caring society that we all seek to achieve has not gone away. That is still a goal where we have made some improvements, but if we ever, ever think that that has been delivered, then we really should be slapped down as acting complacently – and I do not believe we are.

So, I have been encouraged by the debate, because, this time next year, I think we will have an even more in-depth scrutiny of what executive government is about, and I think this is what hon. members are wanting. The system will hopefully drive departments of government and statutory boards, and I was interested to hear a comment, at one point, about Manx National Heritage, which was described as a 'quango'. Is it part of government or is it not? Are statutory boards part of government or are they not? At the end of the day, we have to bring all these things together. It is easy for me, as Chief Minister, to bang heads together between government departments. When you get out into statutory boards, it gets harder, because, obviously, they have their own autonomy.

They are set up that way, and if I can just dwell on Manx National Heritage for a moment, I will look across to my hon. colleague and former Chief Minister, member of Council, Mr Gelling. At the beginning of the last administration, when he was Chief Minister, he and I took on the task of looking at Manx National Heritage and their relationship with government, and I think we took two steps and ended up right in the treacle. People did not want it to change, and so it did not change. And they do, in many ways, a great job, but they do receive taxpayers' money. We should also be aware that it is a partnership between government and the fact that so many people – in fact, from the community, because it is not government – do a lot of giving in that area. (**A Member:** Hear, hear.) And so it is a compromise, but I found that quite an interesting and balanced comment.

I have written a lot of avid notes. The Chief Secretary has been here. There have been a number of officers here all day, listening to hon. members' comments, and so perhaps I can give an assurance to Mr Henderson, the member for North Douglas, who was the first on his feet, straight out of the blocks, when I finished my opening comments this morning. I would like to thank him for setting, I think, the tone of the debate, which was, I thought, pretty positive, although he himself felt he had been a bit negative in some respects. These were reluctant negative comments. I want to make it clear to him that the Chief Officer Group, which is an agent of the Council of Ministers, will be fully informed of this debate, and the fact that some senior officers are not here is not detrimental in that respect.

A lot of the infrastructure issues and a lot of government service issues I think ministers have answered as the debate unrolled, and I think I would like to thank not just ministers, but also departmental members who, throughout this debate, have actually contributed the answers to some of hon. members' questions, and that really has to be good, in as much as it shows that government can be integrated. (**A Member:** Hear, hear.) Departments of government have statutory responsibilities, and they are inevitably going to have differences of opinion and differences in legal status, but we, as politicians, have to make those differences work so that we get the solution that is required. So, that is what corporate government will hopefully deliver more of.

I thank the hon. member Mr Henderson for his comments on the nature of the report. I think he was the first person – and others picked up on it – to talk about the convergence of receipts and expenditure, and the Treasury minister did, in fact, refer to that as well. And so we are entering a period where we just need to keep an eye on things a little bit more, perhaps, than we have over the last five years, and that graph on page 8 has certainly caught the eye of a number of members. But, bearing in mind that Treasury helps construct this report, they would put that graph in the report, wouldn't they, Mr President? As a good Treasury, they would have to do that.

I think one of the things that has emanated from a number of members' contributions has been our external relations situation, whether it is the way we project our commercial markets, whether it is our political awareness of things in other places, in particular the EU, whether it is students coming back to the Isle of Man from other jurisdictions, our students who have been to other places and then come back. I think it increasingly shows the fact that we are living more and more in a society which is not just our own society. The boundaries between other jurisdictions are coming down, and we are having to get used to the fact that there are fewer barriers than there used to be. In true British tradition, I would say to the Isle of Man and to hon. members that, in an environment where there are fewer barriers, there tend to be more opportunities than threats if we arrange our affairs correctly and think them through, and so I do not think we should be frightened of globalisation, but we have to be aware that globalisation is making us change. I think it was the hon. member for Michael, Mr Cannan, who said that we are not really in charge of our own destiny and that there are others looking at it. And he said it in a particular context, which our learned Attorney-General, I think, clarified straight after lunch, but I would support the comments that he is making. We are having to conform to new world standards in taxation and in financial regulation, and so some of these comments about 'know your customer', which are highly irritating . . . I opened a bank account for a school charity account. I went to the bank, and the lady behind the counter was somebody I sat next to at school, and she said, 'Good morning, Chief Minister.' I said, 'I would like to open a bank account', and she said, 'Where are your passport and your utility bill, Chief Minister?' I said, 'Well,' – I will not say her name – 'we have known each other all our lives.' It is so irritating, but there is an issue there, really, in terms of regulation, because one of the themes that has come out in this debate is that people are getting a bit fed up of over-regulation, too much health and safety, too much financial supervision et cetera, but I think we have to be aware that these are also, to an extent, external factors. One of the frustrations I have with the banking industry – and they have very good arguments as to why they do it the way they do, and I am quite sympathetic to the way they have their problems – is that people on the counter who are advising customers do have to have the tick-box form filled in. They have to know you: your utility bill, your passport et cetera. But line managers do have far more flexibility than that, and line managers who know the customer already can waive these rules, because they already know their customer (**A Member:** Exactly.), and so I think there is still work to be done in the commercial sector for the banking and insurance sector to actually embrace the real principle of 'know your customer' rather than just filling forms in which cover their liabilities, and I do not think we have actually got there yet. But can I say that, when you read the UK press, there is the same problem in England now, and certainly the Channel Islands have got this same

debate, and I think, to some extent, we are ahead of the game of getting used to knowing the 'know your customer' rules, but these things are quite irritating, and I understand what is being said.

With regard to Health and Safety, which was an issue that was raised by more than one member, these are easy things to criticise, and certainly it is quite irritating to be exposed to Health and Safety sometimes, but I am told that, in fact, if we look at accidents in the workplace in the Isle of Man compared to the UK, we have twice the number of workplace fatalities and industrial accidents as they do in the UK and that our statistics do not stand up particularly well. I would say that the impact Health and Safety has had in the construction industry – and I would congratulate the construction industry, they have embraced it – has really shown some good dividends, but I would urge Health and Safety not to pick on the soft targets. I can see the minister nodding her head, and I am sure that when she allocates the budget within the Department of Local Government and the Environment debate, she will only give Health and Safety the appropriate amount of money, because these things are always going to be limited by the resources that are made available. So, that was a theme, I think, that we picked up on. I thank the hon. member for Douglas North, Mr Henderson, for raising one or two issues there which I think other people picked up on throughout the debate and expanded upon, and obviously he said a lot about wildlife.

At this point, I am in danger of going through every member's contribution, and I am sure they do not want that. I just want to make sure that people realise that we have carefully noted where the problems are. I would like to congratulate, though, the new member for Rushen, Phil Gawne, for the way he addressed the debate. He was succinct with what he wanted to say, and I take on board that he does not want to be part of the awkward squad, as he said. Certainly, his comment on the expenditure that is within government, I think, is well noted, and there again I am getting really worried that Treasury has already got to him before I have in terms of being cautious. But he also mentioned issues to do with red tape in education, and that, I think, was answered by the Minister for Education later on.

I want to thank the hon. member for Michael for his positive comments, because I have noted here on my notes that I certainly agree with him, and the issue was really about the Lord Chancellor's department. Can I say that, having met the new Lord Chancellor, Lord Falconer, over Tynwald weekend, I am very encouraged that we have someone there who is willing to listen and hear what the Isle of Man is about and what we want to achieve. I have not had the privilege yet of meeting the minister with responsibility, Mr Lammy, and I am looking forward to him being able to visit the Island in the next few weeks – those dates are not fixed up yet. But I think we need to encourage the Lord Chancellor's department to look after our interests, and I think the change from the Home Office and a number of changes of individuals have probably

rocked that confidence a little bit, and certainly I intend to work hard at that to make sure that they do that.

There are a lot of issues that have repeated, obviously, normal things like housing, health services and highways. I know the Minister for Transport has not spoken, but he has spoken to hon. members. I had a view on highways, Mr President, that, in fact, the promenade in Douglas was just about resurfaced now because all the patches are just about joined up, but we know, as a government, that to make a massive increase and impact on the highways infrastructure, you are talking real big money. That may well have to take priority over some other things, and that is something, in setting our priorities this summer, that we are really going to have to take note of.

The hon. member for Michael mentioned the jaded look of the TT, and I think he has picked up on something which is very important here. Certainly, straight after the TT, at the next Council of Ministers' meeting we had, we raised the issue with the minister, Mr Cretney, and he was already aware of that. He has already set up a number of things within the department to look at this issue, not just a think-tank, which the hon. member Mr Quayle mentioned, but also he is going to have dialogue with the ACU on a co-operative basis, because, at the end of the day, they have run the races for ever and a day. I think, for the first time, perhaps, the ACU have actually come to the department to say, 'We need to talk about this', and that is encouraging, so I think we need to keep an eye on that one.

The issue of the EU, of course, cropped up a few times, and I just want to make it clear that, in all the evidence that we have had – and I raised this at Question Time – there is no talk about protocol 3 being removed. But members, I think, are quite right to pick up on the fact that, as protocol 3 was in 1972 with the then European Community, with the enlarged European Union we are talking about the same deal with an awful lot more European Union countries – 25 – and I cannot believe that, in 1972, anyone ever imagined that protocol 3 would relate to Lithuania or the Czech Republic, Slovenia and all of these new Eastern European states. So, I think it is what protocol 3 now means in the new context that we really have to get our head around over the short-to-medium term. I do not believe we need to be overly concerned, but we have to deal with what that now means, and obviously our relationship with the Lord Chancellor's department will be very important in that respect.

A number of members mentioned constituency issues, and I am very pleased at that, because we all have our constituents to think about. It is great to have a debate so wide-ranging where we are talking about the big picture of the EU, but, at the end of the day, we have to look after our constituents, and it is back to public services again, and so every constituency issue that has been raised has been seriously noted down and will be factored into our priority-making.

In terms of another couple of comments, overseas aid was mentioned at one point, and certainly I will

refer those comments to the Treasury. Treasury has looked at this in the past, and I think there have been some reasonable increases in the last year or two, and maybe some more can be found somewhere – I do not know – but it is a very valid comment to make that we talk about our millions of pounds of expenditure here. There is on display in the Council of Ministers' chamber, in one of the locked-up glass cabinets – and it is locked in there for a reason – a very, very nice Gurkha knife. It is so sharp that that is why it is locked up, and this is something that a village in Nepal has donated to the Isle of Man as a thank you for the £20,000 that was given by overseas aid plus the £20,000 that was raised by public subscription – I think those are the figures – which created a brand new secondary school for that village. If only we could do ours for the same price. *(Interjections)* I think that debate on overseas aid puts our life and our economy into perspective somewhat, and that is important.

The hon. member who raised this first, Mr Waft, member of Council, also raised the issue about tobacco and passive smoking, and quite a lot of work has gone on now with the strategy to do with tobacco. The drugs and alcohol strategy is mid-term now; we are about three years in out of the five. This was set up by the previous Chief Minister, and we are reviewing how that should go on, but certainly the DHSS has done a great deal of work on tobacco and the health promotion aspect around that now. Hopefully, we are going to see some fruition, but, like all these things, they are waiting for some money, and health promotion can use as much money as you give it.

The hon. member mentioned the Steam Packet, too, and yes, government is very pleased at the seamless transition of ownership that has gone on. Perhaps I can share with hon. members and the public at large, now that this has finished, that, in fact, the management and the directors of the Isle of Man Steam Packet have kept government informed, all the necessary departments who deal with it, from a very early stage in this to make sure that we were properly informed – on a confidential basis, but certainly on a basis of assuredness – and I would like to thank them for having done that.

At this point, I am not going to start pulling names out of the hat (**A Member:** Hear, hear.), because we have all had our say. I would like to reiterate that I would thank hon. members for what has been a positive debate. I think I would like to finish by saying that I would like to add my thanks to all of those people working throughout government, because there was comment about civil servants, about training, about the morale of the civil service, about performance, about five-year contracts and these sorts of issues. The civil service, who are public servants ... We are public servants. I know that we all really strive to add real value to the community. How I see my rôle in this Court is community added value, and part of that is this provision of high-quality public services. I also know that, when this debate is over and when this session is over, Mr President, the many members here and, of course, officers of government will continue all

through the summer months working and beavering away at delivering what we want to have. Sometimes, when we break up in July, it does give the public the wrong impression that school is out and that everything is finished – and, as an example of that, I can perhaps say to the hon. member for Garff, Mr Rodan, that he will have the chance to talk about Laxey Wheel with Manx National Heritage at 3.15 p.m. next Thursday afternoon, I think it is. *(Laughter)* These things do get carried forward, and so I just wanted to highlight that as an example.

Many thank yous have been said in this debate, and I do not think that is a bad thing. I think praise is due sometimes, and I think praise can be a healthy emotion, and it also makes people do better if it is delivered at the right moment. A number of people have said thank yous and well done over the hospital issue. I would like to broaden that out and say thank you to everyone in the public service who works hard for our community and, indeed, those people out in the community who work very hard to produce the taxation which we have been talking about today as to the priorities of that expenditure and where those policies will lead us. That is a very important part of a democracy. I would not want to leave anyone under the impression that government is complacent. In relation to performance of government – and we have heard a lot of debate about that this week, with the inquiry being debated earlier – I believe that the Court's decision on that was an absolutely correct one. (**Mrs Crowe:** Hear, hear.) For instance, the issue about an audit commission or an auditor-general: there is a process of a select committee looking at an auditor-general at the moment. In relation to the audit commission that was talked of in the inquiry, it talked about reporting back to government. My view is that, if that is the case, it would have to report back to Tynwald Court. I think that is, in itself, a very sound reason for having allowed a little bit of breathing time for the executive government to look at these recommendations and to come back to Tynwald Court with those recommendations tidied up, and I think that was the right way. I think today, really, and this week, Mr President, have been a success – and not everybody likes this term, but I think it is a success – for consensus politics in the Isle of Man, and I would beg to move the motion in my name.

The President: Hon. members, the motion that I put to the Court is that printed at 10 on your order paper, that the Isle of Man Government Annual Report 2003 be received. Those in favour please say aye; and against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys –

For: Mr Anderson, Mr Cannan, Mr Rodan, Mr Quayle, Mr Rimington, Mr Gill, Mr Gawne, Mr Houghton, Mr Henderson, Mr Duggan,

Mr Braidwood, Mr Downie, Mr Shimmin, Mrs Hannan, Mr Bell, Mrs Craine, Mr Corkill, Mr Earnshaw, Capt. Douglas and the Speaker – 20

Against: Mr Karran – 1

The Speaker: Mr President, the motion carries in the House of Keys, with 20 votes for and 1 vote against.

In the Council –

For: Mr Lowey, Mr Waft, Mr Singer, Mr Kniveton, Mrs Christian, Mr Gelling and Mrs Crowe – 7

Against: None

The President: With 7 for and none against in the Council, hon. members, the motion therefore carries.

Housing Policy Review Progress Report – July 2003 – Report Received

Item 11. The Minister for Local Government and the Environment to move:

That the Housing Policy Review Progress Report July 2003 be received.

The President: Hon. members, we now turn to item 11 on the order paper, and I call on the Minister for Local Government and the Environment to move.

Mrs Crowe: Thank you, Mr President. Hon. members are fully aware of the issues concerning the housing market which initially were debated on the publication of the November 1999 housing policy review. I feel, therefore, that it is not necessary to recount all the past issues in great detail again today (**Several Members:** Hear, hear.), but instead I intend to focus mainly on the progress made to resolve those issues. This latest progress report refers back to housing targets in the previous update reports in October 2001 and July 2002, and it will advise hon. members of the market trends and policy developments.

Turning first to public sector rented housing, an additional £39 million was allocated in the 2002-3 budget, increasing local authority planned expenditure to £88 million over five years. Hon. members will recall that a £20 million housing reserve fund was also established to supplement my department's existing capital budget. These budgets were reaffirmed in the 2003 budget round, and I can confirm that this substantial amount of funding is enabling public sector new-build and replacement housing programmes to be rapidly accelerated. Instead of producing about 400 public sector houses, as proposed in the 1999 report, my department now has a programme which is delivering 476 new and 311 replacement homes. This

is a total of 787 homes, twice as many as originally planned.

In addition to building more public sector homes, the department will continue its established policy of encouraging home ownership, which includes assisting public sector tenants to purchase their first home, thereby freeing up existing public sector homes for rent and reducing the demand on housing waiting-lists. The uniform criteria for acceptance onto public sector waiting-lists and the allocation of properties have now been operating across *all* housing authorities for well over 12 months. The waiting-lists currently stand at just under 1,000, which is a similar figure to that prior to the implementation of the uniform criteria. However, this total includes 396 single applicants, most of whom were not previously eligible for public sector housing, so in comparative terms, the list has substantially reduced. The effect of the uniform criteria will continue to be monitored. It is important to strike a balance between housing those people in the greatest need and also creating balanced and sustainable communities.

A uniform criterion for the sheltered housing list has also been introduced by the department. Acceptance and allocation is, however, based on physical need and not the ability to pay, and I have to admit that I have observed that many allocations for the subsidised low-rent schemes have been made to previous homeowners who have sold their homes. I believe that this issue might be resolved if the private sector market could build suitably attractive retirement developments with, perhaps, a warden service. And I know this can work – it has already been successful on the Isle of Man, and there is a buoyant and successful market elsewhere. Currently, my department will be investigating opportunities for promoting private retirement developments as well as considering the support or shared equity that we could share with the homeowners where the sale of their home would not release sufficient equity.

To continue with the theme of home ownership and private sector housing, statistics produced by the Economic Affairs Division of Treasury confirm the good news that there has been a decrease in house-price inflation. There is still, however, an inflationary trend, and I am sure that hon. members will agree with me that the lower end of the market is still clearly out of reach of most first-time buyers. The new House Purchase Assistance Scheme 2002 was introduced 12 months ago to address this problem and, indeed, I am pleased to report that it is continuing to meet two of our key aims, namely to encourage greater supply at the lower end of the housing market, which will help stabilise prices, and to encourage more young people into home ownership. The demand for first-time buyer homes supported by the House Purchase Assistance Scheme continues to grow, and at May 2003 the first-time buyer register stood at 1,080 applicants, some 500 more than last year. Recent allocations have indicated that there is some aspirational demand, and we felt certain that there would be. Some of the younger applicants are applying, perhaps, with a longer-term

view, but we do not think worse of them for that. It is good to plan for home ownership. However, what is certain is that the demand for affordable homes in the private sector is high, with the greatest demand being in Douglas, Onchan and Braddan. Grants of up to £18,000 are available for applicants, and there is also the 30 per cent of the house-purchase price as a low-interest loan available. All of these schemes have made home ownership achievable for many.

I am pleased to report that, in total, 623 homes were completed last year, which is well ahead of our minimum target of 400 homes. This impetus now needs to be maintained. The department has continued to hold discussions with developers over the last 12 months, particularly to discuss plans for developing affordable housing, and the response from the developers has been very encouraging. There is now an increase in the construction of homes that are approved under our House Purchase Assistance Scheme, and I congratulate the developers on their constructive response. It is most important that they continue to support the government's drive in a tangible way by producing their share of homes that people can afford.

Unfortunately, available land zoned for residential development is currently insufficient to provide enough first-time buyer properties to meet our target of 600 homes over the next five years. Hon. members will be aware that, in order to address this problem, the department will shortly be submitting planning applications for development on unzoned residential land at Johnny Watterson's Lane and Ballanard Road in Douglas. If these applications are successful, there will be at least 133 first-time buyer homes available for people where the demand is heaviest, and that is in the eastern sector. In the medium-to-longer term, the acceleration of area plans should identify more residential land, and the introduction of the all-Island strategic plan may make construction of a percentage of affordable housing a condition of planning consents.

Moving onto existing public sector housing, I am pleased to report that planned maintenance improvements and redevelopment programmes are now in place in most local authority and department homes. These agreed programmes will need to be published in the way in which we have recently published our department's plans so that tenants will know when work is to be carried out in their homes. I am also pleased to report that the department has recently been able to allocate resources to the empty properties initiative. (**Mr Houghton:** Hear, hear.) We now have someone working full-time in the department on the empty properties initiative (**Mr Houghton:** Hear, hear.), and I hope to be able to report good progress in this matter in the coming months. (**A Member:** Hear, hear.) We are also reviewing the home improvement and conservation grant schemes and will be submitting proposals for amendments later this year.

Finally, I believe that, in the last 12 months, we have made excellent progress in the department. I should like to congratulate the officers involved, in

particular the Director of Estates and Housing, Mr Richard Senior, who, with his team, is coping with three times as many housing projects at one time as the department has ever coped with, and I commend them for the progress that they have made.

However, just to finish, I must conclude by recording that, owing to the high investment required for the provision, management and maintenance of public sector housing and as a consequence of our investment, the local authority housing deficiency support, we must determine if this support is either fully or financially sustainable (**A Member:** Hear, hear.), and we must ensure that it is fully effective. My department is therefore in the process of developing a discussion document on this topic. The document will be available for full consultation within the next two months. Mr President, I beg to move that the Housing Policy Review Progress Report be received.

The President: Hon. member for Ramsey, Mrs Craine.

Mrs Craine: I beg to second, Mr President, and reserve my remarks.

The President: Hon. member Mr Earnshaw.

Mr Earnshaw: Thank you, Mr President. I would have been happy to second this, but I think it is a report of good news, and it gave me pleasure to read the report. (**A Member:** Hear, hear.) Provision of housing, despite its fundamental importance, is an area which, for too long, received insufficient attention, which has resulted in the race that we are playing at the moment, playing catch-up. During the 2001 general election campaign, the housing problem had been highlighted as the top priority, and since taking the reins at the beginning of 2002, the then new minister for DoLGE applied herself to the task with great gusto. As a member of the department, I saw first-hand the energy and enthusiasm she displayed, addressing the difficulty whilst also needing to involve herself in the myriad of other responsibilities which roost within DoLGE. Mr President, throughout the last 18 months Mrs Crowe has suffered plenty of brickbats, and I think it is time for a few bouquets. (*Laughter and interjections*) In spite of many difficulties, she has kept her chin up, and I believe she has done her best. (**A Member:** Hear, hear.) On housing, although much remains to be done, she is now seeing the fruits of her efforts, and I would like to commend Mrs Crowe on her achievements so far.

Turning to the content of the report, on page 4 I would like to say I wish to welcome the scheme under consideration by the department to encourage existing property owners – that is all the members of our society I think we are referring to here – to buy sheltered or retirement housing on an equity-release basis. I think this is a good way forward, and it will provide a fundamental plank of our developing housing strategy. Better management of the Island's housing stock – and this strategy provides benefits at

both ends of the housing market – is the right way forward, I think, and will help first-time buyers, younger people and our older residents.

On page 6, we see the comment on the development of unzoned land, and I would like to sound a note of caution on building on unzoned land. I believe there are dangers in this and we must be aware of these, and a better way forward is, in my view, more emphasis on redevelopment of brownfield sites.

On page 8, under 7.3, I read the heading ‘Develop a Model for Establishing a Housing Association’, which I believe would just add complexity to the systems that we have got at the moment. I do not think it is going to necessarily help, and I would prefer to see the systems that we have kept simple.

The final point is a straightforward question which arises from page 3, and I would like to ask Mrs Crowe about the outcome of the review of the register for first-time buyers, which was to be undertaken in June 2003. I am not quite sure when this report was actually written and whether that has been done, but if it has been done, I wonder if the minister would advise us if this is complete and what the outcome is.

Mr President, I think the minister is doing well. Others may pick holes in this report. There is frustration, but my view of the big picture is that it is good news and it is well done.

The President: Hon. member for Rushen, Mr Gawne.

Mr Gawne: I would like to begin by apologising to members that the contribution that I am making here may be a little bit lengthier than the one I made earlier. This is – I was going to say – a burning issue for me (*Laughter*), but perhaps I had better not. I think it is an important issue as well. There are areas that I certainly was looking for in the report and did not find. Perhaps that is because you have already discussed them and I am not aware of this, and again I would apologise in advance if that is the case.

I welcome the target of constructing 120 public housing units per annum over the next five years. This will be a great success story for DoLGE if current levels can be maintained, but I note with concern that the department is already calling for more and more unzoned land to be approved for housing use. I am concerned about this because at no time does the report address issues of demand for housing; it is all about supply. If we look back to the 1991 quality of life survey, it is clear what the public feel about development and population growth. At that time, only 10 per cent wished the population to expand any further, with 27 per cent believing it to be too high. That was in 1991. Strangely enough, there was no question on population asked in last year’s quality of life survey. I can only assume that this was a clerical oversight; far be it from me to get involved in conspiracy theories. I can confirm, however, that this is still a live issue. Indeed, while I was canvassing in spring, 90 per cent of the people I met spoke of their concerns about uncontrolled population growth and the

undesirability of large-scale housing developments. People want to see a more realistic and more manageable rate of growth, and it is up to us to try to achieve this. Sadly, I see no mention of how the demand for housing can be controlled. Indeed, it was made clear by the Chief Minister, in answer to a supplementary question I asked in June in Tynwald, that government somewhat naïvely supports the notion that our housing difficulties can be solved purely by supplying houses to meet demand. I say ‘naïvely’ because this is an incredibly ill-considered approach. You only have to look at the south-east of England to see what happens when you meet demand. In the south-east of England, there is a problem with housing, and every effort has been made to meet the demand for housing, but all that happens is the demand continues. The demand gets greater. You supply housing, people go into the houses and those people need doctors, nurses and schools, so then you need more people to come in to staff the hospitals and the schools. So, whilst I fully appreciate the work that DoLGE is doing in supplying the current demand, we have to be very careful that we are also controlling the demand. Effectively, all you do by attempting purely to deal with housing by supplying existing demand is to fuel that demand. There are two immediate ways to control demand: population control and/or a more realistic approach to growth in the civil service, which I mentioned earlier.

Looking at the report, 2.2 – Continue Policy of Encouraging Home Ownership, is this wise, I ask? A Cowley Groves director was quoted in last week’s *Examiner* as saying, ‘There will still be a healthy increase, but maybe not as high as the last five years, which have been exceptional.’ There has been a nine per cent increase from January to June 2002 for sales negotiated: January to June 2002 was £203,407, January to June 2003 had increased to £221,263. Property values have risen by around 12 per cent this year. There is nothing healthy about these big rises in already overpriced property. We would not tolerate inflation at this level in any other sector of our economy, so why are these dangerous and unsustainable rises not being seriously addressed by this Housing Policy Review Progress Report? The UK average sale price is £127,214 and, as I said, the Manx average sale price is £221,263. So, that UK average sale price of £127,000 is 5.2 times the average UK salary. This is the highest ratio since the comparison was first made 50 years ago; 5.2 is worse than the last index peak of basically 5.0 during the last property market boom in 1989. This was followed by a devastating bust which led to economic recession in the UK and forced thousands of homeowners into negative equity. Capital Economics, run by Roger Bootle, formerly one of the Bank of England’s wise men, predicts that a significant fall in UK house prices is needed to return to fair prices, with an average house price of four times average income being the maximum sustainable ratio. The Manx average sale price of £221,263 is over 10 times the average Manx salary. So, remember: our average house prices are

now around 10 times average income, which means that there is a serious risk that house prices will have to tumble to reach fairer, more sensible and – dare I say it – more healthy levels. Are we encouraging people who cannot afford to buy property into long-term debt, which may not be in their best interests? Properly controlled rental might be better. If, however, this is the policy, how can we justify not acting to control multiple ownership and the buy-to-rent market, which artificially inflates house prices?

Looking at the policy of encouraging home ownership, 2.2(c), I will quote from the report: ‘Several allocations of first-time buyer properties made to public sector tenants have not been accepted, which may indicate that heavily subsidised rents are more attractive than mortgage repayments.’ That *may* be the case, but could it not also be that the quality and size of properties is poor (**Mrs Crowe:** No.) and the cost is beyond reasonable reach of first-time buyers?

In 2.3(e), we learn that the department is encouraging developers to give greater consideration to the development of properties for the retirement market. This again is welcome news but is suitably vague as to mean all things to all people. Perhaps in her reply the shirveishagh could explain how her department is encouraging developers and to what extent they are being successful.

Section 3.1(a) explains house transactions in the lower 40 per cent have slowed dramatically in the last two years. Is this because they have simply become unaffordable? Is it because one developer who owns most of the land is drip-feeding (**Mrs Hannan:** Hear, hear.) (**Another Member:** Yes.) the new properties to this lower end of the market?

Section 3.1(c) mentions that 600 homes, ranging from £105,000 to £130,000, will be built for first-time buyers. Can the minister guarantee these prices for 2006-7 or will these prices rise? If they do rise, will they rise with inflation? Will they be in line with increases in the first quintile for house prices or will the developer just slap on an extra £10,000 to £20,000 a year to feather his already comfortable nest? Later in 3.1(c), another unsubstantiated statement says, ‘The strategy, along with the change in the housing market, appears to be having the desired effect.’ Well, is it or isn’t it? I suspect the stabilisation in prices is because houses have simply become unaffordable to many people.

Section 3.2(a) talks about the first-time buyer register and suggests that 240 of the 1,080 people on the list have incomes below £15,000. At £15,000, a lowest-price first-time buyer house at £105,000 would be *seven times* their income. Should we be encouraging people on low incomes to buy their own properties or should we be investing in better-quality public sector housing?

Again, in section 4 of the report, great play is made of the need for more land to be zoned for housing. It is grossly irresponsible, I feel, to keep zoning more and more land for development when we have no measures in place to try to control demand.

In section 5, we learn of proposals in the strategic plan to make it compulsory for developers to provide a proportion of affordable housing in the future. This, if approved, would at least begin to control some of the excesses of the large developer, but I feel we must introduce some kind of control on land owned by one single developer or group of associated development companies. We cannot allow the effective monopoly situation for development to continue. A fairer share of development land between developers would open up competition and bring greater realism and fairness to the current development stitch-up.

I was interested to note, in 7.1, that we are concerned to bring back to use empty properties, a very laudable aim. I am not quite sure why this is considered to be worthy of mention but multiple ownership of properties is not. Both take away the ability for prospective purchasers to buy but, for reasons best known to the Council of Ministers, it seems that multiple ownership, despite its inflationary effect on house prices and despite it leading to a shortage of houses available for purchase, is an issue which is to be swept under the carpet.

Despite the negative slant I have given so far in this contribution, there is an awful lot of good to be welcomed in this report, and I applaud the minister and her officers for their work so far. The substantial progress towards the delivery of programmes for the provision, rebuilding and planned maintenance of affordable homes is most welcome. (**Mr Cannan:** Hear, hear.) There are, however, significant gaps in this report, and I would urge members to support all or at least some of the parts of my amendment, which calls on the minister to: look into the use of fiscal measures and rent control to remedy the shortage of houses available for owner occupation; look at ways in which demand can be controlled; and look for ways to control the ability for one major developer to own most of the development land. Our current housing difficulties are of major concern to many in the Island. We must recognise that building houses is *not* the only answer to this and, in fact, may simply fuel further demand. I understand that some of the issues raised in my amendment have been considered, particularly in relation to greater fiscal control of the abuses in the property market, but the great weakness of this report is what is not in it. DoLGE is making great steps forward in endeavouring to address what many on the Island see as a housing crisis. This progress report, however, only addresses part of the problem, whereas my amendment highlights many areas on which action, I believe, must be taken.

Vainstyr Eaghtyrane, I beg to move the amendment standing in my name:

That the motion be amended by adding-

‘and that the Minister for Local Government and the Environment should report to the December 2003 sitting of Tynwald Court on –

- (1) *all the options for remedying the shortage of houses available for owner-occupation, including the use of fiscal measures and rent control;*
- (2) *all the options for controlling the demand for housing; and*
- (3) *options for introducing measures to limit the amount of development land owned or controlled by any single developer or group of associated development companies.'*

The President: Hon. member Mr Gill.

Mr Gill: Thank you, Eaghtyrane. I beg to second the amendment and, if I may, could I just briefly speak to the report at this juncture? Sir, like probably most members, I have had considerable dealings with the housing department at DoLGE over the past year, and I have to say that I have always found them to be extremely helpful, courteous, hard-working and very efficient in what they do. I hope that the minister will take that and convey that to her staff, from the Director of Housing all the way down, particularly, if I may name two, Mr Wilson and Mr Crellin, who I found have been particularly helpful. Equally, I would echo the comments about the minister's efforts in housing as just one part of her wide-ranging portfolio. We do appreciate the effort that she has gone to and the energy she has applied to undertake the problems that we all know face us and that do still face us.

I just want to speak about two items in this report very briefly, if I may: 7.2 and 7.3. Section 7.2 is to welcome the provisions that are being developed about co-ordinated approaches to general housing issues such as: homelessness, which *is* a feature of life here and is, with the difficulties that we heard explained by the previous speaker who has just resumed his seat, likely to increase, sadly; domestic violence, which is a perennial issue; special needs; and emergency housing requirements. I do welcome them, and I look forward to some more meat on the bones that are outlined here. But on 7.3, I have to say I do not share the same satisfaction. The minister will be very well aware that we have discussed the benefits of housing associations. She has dismissed them out of hand (**Mrs Crowe:** No.) on a number of occasions, and frankly three lines saying, 'We will consider it' is hardly an explanation or a rationale for it slipping from the previous to last year's annual report, where it was a policy of the department to develop a housing association. And I do not share the comments of Mr Earnshaw, who said this would be a complication. In one breath, we hear that Mr Senior, the housing director, was recruited because of his wide-ranging experience in the UK housing association field; we do not seem to be utilising much of that. In the next breath, we have the minister saying – and this is a quote – 'Oh, we know all about housing associations.' Well, that is a big claim. I doubt anybody in here could claim to know *all* about anything, but that is the quote, 'all about', and that

quote, frankly, is reflected by the dismissive attitude of 'so we are not even going to bother'. It has worked elsewhere; it has worked in other jurisdictions very effectively. It has addressed some of the problems that we have heard addressed by the previous speaker. It has addressed some of the problems that I have raised with the department, but because 'we know all about it', we are not going to bother. Well, I think that is a shameful attitude, and it undermines a lot of the good work that the department, the minister and her officers have been doing. I hope that when this report, Public Sector Housing Discussion Document, is published, it will have some genuine addresses to this issue rather than just more dismissive lip service.

I do not doubt that I will not be the only person in this Court who will have some reservations about what is in here – as the previous speaker has said, what is not in here – and I would commend these three parts of the amendment, which are additional to the motion on the order paper, as being useful in actually having a bit more flesh on the bone of this report, which is self-congratulatory. There is a lot to be congratulatory about, but self-congratulation, frankly, is not genuine congratulation. Thank you, Eaghtyrane.

The President: Hon. member for Onchan, Mr Corkill.

Mr Corkill: Thank you, Mr President. I just want to speak to the amendment and would like to thank the hon. member for Rushen, Mr Gawne, for putting his thoughts into the amendment for the Court to determine in this area. It was before membership of this hon. member of this Court; about a year ago, Tynwald Court asked the housing task-force, which was set up at the beginning of this administration and which keeps a watching eye on the interdepartmental issues of delivery of housing, to make sure that there is nothing standing in the way of progress on the supply side. A number of the issues to do with fiscal measures, fiscal intervention options, which is what the hon. member is actually trying to seek out here – and I think they are very genuinely sought-out options . . . What are the options in order to control what we need as a community? There were conclusions in that report, and the hon. member may not actually agree with some of the conclusions in the report, but the hon. member's amendment is talking about producing options by December, and I feel as though it is unnecessary in as much as the fiscal options which were worked up with the help of officers, the assessor for tax was involved, officers of the housing department . . . There was an interdepartmental working group put together on examining these options, and that report did come to Tynwald about a year ago. It would be easy for me to have it recirculated, and may it be helpful to the hon. members. I am not saying or suggesting that the hon. member needs to agree with the conclusions that were in that report, but the options which he is seeking are contained within that report, and –

A Member: Rental agreements. Rental control.

Mr Corkill: Yes, it covered issues to do with rents, issues to do with second houses, multiple ownership and taxation issues. These fiscal intervention issues were mentioned, and so I bring that to the Court's attention for their deliberation, Mr President.

The President: Mr Speaker.

The Speaker: Yes, thank you, Mr President. I had not intended to speak on this issue, because I had actually spoken about housing in the policy debate. However, I have to say that my alarm bells ring – and ring loud – when I hear the minister. She knows my views on this, and I am going to make it clear in here in Tynwald that she is going down a dangerous path, as far as I am concerned, on her views on public sector rents. I can say to the minister now – and I know she has a bee in her bonnet on this – and I am going to say it quite clearly now: you are wrong. It is interesting how people continually say public sector tenants live off us. They do not. (**Mr Karran:** Hear, hear.) Why is it we focus in on the very people we are supposed to be helping? Why is it we are going to stir trouble up on the very people we are supposed to be helping? We are happy to go out with the stick and bash but no carrot, and that is what we will do, and I am going to lay it on the line now, because the minister knows my views. We had quite a discussion about it last year, and I am saying it again now here in Tynwald Court. The subsidy on public sector housing at the moment, based on the latest figures we have, per unit is in the region of about £13 per week per property. Those are the figures; they are in here. Break it down: how many properties, how much it is. That is *all* public sector units, and we are going to start a real hornets' nest over something when lots of the houses that are public sector houses were built for something like £300 or £500. (**Two Members:** Hear, hear.) That is what they were built for. (**Mr Karran:** Yes.) Lots of our houses are only just being brought up to a reasonable standard. The minister knows I am very happy on her views of re-modernising an estate that was built just after the war in Castletown, Janet's Corner, and I have thought hard and long and pushed and pushed to get that scheme done because of the unfairness of the government's financing system on DoLGE, which means the local authorities get the money and the government itself was not getting the money. Now that has been overcome, and the Chief Minister and his Treasury have made a way forward on that – great. But when we start this argument (*Interjection by Mrs Crowe*) about the rents, and the rents, and the rents, and I hear people – and I hear them – in society who go on about all these people living in public sector rents who are on big money, they forget why they are there. They forget that, when they went there, they had no money. They forget that the only reason that they are still there, in most cases, is because there are no houses to buy at a price they can afford. Again, I come

back to the point I made earlier, because their age is now against them. But let us first attack the rent; do not let us try and resolve the problem. And if you want to put it into context, there are thousands of people in our society that the Isle of Man Government, over 30 years, thankfully, has helped buy and get into the first-time buyer market, who are subsidised – and have been substantially – to enable them to do that, who still get a full rebate on their mortgage and who now own properties worth £80,000, £150,000 or £200,000. Who subsidised whom? (**Mr Karran:** Hear, hear.) I do not criticise it, but why do we go and pick on the public sector tenants? And if you are not careful, minister, that is what you are going to do. You are going to start something going that is going to have a reaction, and you have got my reaction, you know my views on this. I am just saying we are going to stir something up, Chief Minister, that is not fair.

We have increased – when I say 'we', government, because Tynwald does not get asked – government has increased public sector rents by 5 per cent per year now for about eight years, and inflation has been lower – and substantially lower – than that, not house inflation – do not get into that – but inflation, in other words what it has cost. Some of the only people who have been hit – maybe not greatly, but who have been hit – in terms of when we have done budgets where we have not been able to help have been the public sector tenants who had a 5 per cent increase put on them when we had not done anything else. But we are going to look as if, by the sounds of it – and I read what was in the document – there is a priority at the rents on this. All I can say, Chief Minister, is: be very careful and, for goodness' sake, please do not do to this what you have done with the waste charges. (**Mrs Hannan:** No.) Do not implement it and then we find out you have done it, because I tell you now that if there is anything that you will lose my support over – anything – it is this.

The President: Mrs Hannan.

Mrs Hannan: Thank you, Eaghtyrane. Could I, first of all, start off by agreeing with the comments of Mr Speaker? I, too, feel very strongly, and that is why I spoke during the debate looking at receiving the Isle of Man annual report about mortgage tax relief having an effect on housing which, in turn, is making housing expensive for people to purchase. I spoke to someone the other day – it was not just the other day, it was a month or two ago – and I said, 'I think it is dreadful that people are being asked to qualify for a mortgage to take four times their income to purchase a property', and they have said, 'Oh no, sorry. It is up to about eight times their earnings now to get a mortgage.' This is something which we have never experienced before, any of us, and yet we are expecting young people to enter into purchase of properties with this sort of debt hanging round their head. Most of us were brought up not to go into even hire-purchase. If you could not get something there and then, you could not afford it, and yet we are creating this society which expects

everything just now, and because they want something just now, the prices keep going up all the time.

Rents in the public sector, I would put to this hon. Court, are set at a reasonable sum. I do think that we should be doing more to encourage people to leave local authority housing where they can afford to and where there are houses in their area for them to go to, and if that means giving them larger grants to get them out, many places give large grants in local authority housing. There is that incentive for them to go, for them to move out, for them to relieve the public authority housing.

But I go back to what I said during the annual report: it is not that long ago, only about 16 years ago, that we entered into this strategy of a prosperous and sharing society, and I do not think that that has ever been put to this hon. Court that that should change. We are looking to improve the lot of our people, and it is the lower-income people, the people who have concerns and areas of earnings and all sorts of other problems, that we should be supporting. So, I lay that down, along with Mr Speaker: I am extremely concerned about this, and to keep the support of our people after what we did on waste disposal, I do not think we should step into any of these other areas at the moment. And I share many of the concerns of the member for Rushen, Mr Gawne, in presenting his well-documented case with regard to his amendment.

But the real reason I wish to speak on this particular issue is that the minister has spoken about housing, about first-time buyers, about possibly looking at empty properties and the like, but nothing was mentioned about providing housing for physical disabilities, for disabled people, people with mental health problems, and supporting them in the community. And there is also an issue of persons leaving prison. If we want to make a difference to people's lives, we should be prepared to provide housing for them when they leave prison. (**A Member:** Hear, hear.) We should not let them drift off. We should be, I believe, providing housing as housing is being built for disabled people, for people with mental disabilities, for families with children with disabilities. It does not mean that, if somebody has got a disability, they have the wherewithal to provide all of that, and if we are going to work through a corporate – oh, sorry, the Chief Minister is not here – plan and work together corporately, then I think the housing impinges on all other aspects of the areas that government is involved in, whether that is in the ex-prisoners, whether it is in social services, even having somewhere which is fairly near schools for children with disabilities and the like. So, there are all these issues which I hope that government coming together can certainly deal with.

And there was just one other issue. I do think it is most unfortunate that government itself is now suggesting that we should develop unzoned land. I believe that, if government wants to develop land, they should initially get a change of zoning. I do not believe that land which was never, ever considered for development should be just used for housing because there is deemed to be this shortage. There must have

been a reason, in the past, for not zoning any land, and therefore I think it is most unfortunate. The Isle of Man is surrounded . . . Not 'surrounded': that is the wrong word. There are many areas of bad planning, and we continue to have bad planning, and until somebody gets to grips with the planning system in the Isle of Man and gets some proper planning, we will look back and we will say, 'Oh, those houses were built during 2000 because there was a housing problem.' We should be saying that the housing we are building and the housing that we demand that people build is properly planned, properly organised and not just as many, many houses as you can get to an acre, with no services, no nothing. All right, it solves a housing problem in the short term, but it is going to create social problems in the long term (**A Member:** Hear, hear.), and therefore I think we have got to aim quite high, much higher than we are aiming at the moment. I am sorry, Eaghtyrane. I did not mean to be so long on housing, but those few issues really bring me to my feet.

The President: Hon. member of Council, Mr Waft.

Mr Waft: Yes, thank you, Mr President. I would like to be positive on this report. I think it is an excellent report; you have done very well. There are just a couple of points. Some of the problems seem to be because of the success of the houses that we are putting up at the moment. Some of them are excellent houses, and they attract people who really are not . . . It is not what they were built for, if you like; they attract people who really can afford their own, directly or indirectly, and there are people moving into these houses who, perhaps, are not as needy. I do not think the greatest need is always met.

I appreciate 7.2, when you say about trying to get some common issues sorted out and develop a common approach and introduce a common tenancy agreement to all public sector tenants to ensure public sector tenants Island-wide are treated fairly and reasonably. We have some excellent houses going up now, especially in the Onchan area, and they are mixed in, public and private sector houses alongside one another, and they have to be complimented on that. There have been problems with the different reasons why people are allowed on the list, for instance, or why they reach the top of the list or they do not reach the top of the list. This has gone up and down, and I know they have looked to other areas, in fact other areas of the British Isles, to find out how the pointing is actually arrived upon, because it is has not always found favour. The uniform criterion, if you can get it, I think would be excellent, but I think there is going to be a bit of difficulty there.

The Council of Ministers, on 7.2(d), is saying that it has approved a recommendation that couples with children are granted joint tenancies even though they may not be residentially qualified. I would put it to you that, even if they are residentially qualified, it is sometimes very difficult to get a joint tenancy, even

though the father of the children actually lives in the house on and off and he cannot get a joint tenancy agreement. So, that would be a good thing if that could go through.

All in all, I think it is a move in the right direction, but I think there is, perhaps, some tuning of the situation to try and find common agreements, and I think it will be very difficult. I know we had problems with people in Peel who had to comply with a certain set of points regulations to achieve accommodation as opposed to people in the area of Onchan. That has always been the case –

Mrs Crowe: Not any more.

Mr Waft: – but it should not have been, and we should not be working towards it. So, I hope we can achieve that, minister, and best wishes to you if you can.

The President: Hon. member for Rushen, Mr Rimington.

Mr Rimington: Thank you, Mr President. I had not intended to speak, but a few of the contributions have prompted me to do so. I think very interesting the debate on Summerland the other day, and the hon. member for North Douglas kindly circulated a piece of paper about some houses in Lincolnshire which apparently were shoddy. I am not going into that issue and the whole issue of the contractors, but what was interesting, on that piece of paper, was that there were these three luxury homes for £100,000. The question is: does the Isle of Man's extra cost factor – because we are on an Island and goods have to come in et cetera and maybe our labour costs are a bit higher – plus, possibly, an extra cost for the land factor equal another £100,000? That is the situation on the Isle of Man – (*Interjections*) A luxury home over here is megabucks, £200,000 or whatever, and that is the disturbing issue: over the years, on the Isle of Man, the housing market, the price of houses, has been supposedly an open, unfettered market and the prices have just gone up and up and up in massive leaps year on year. Obviously, we have been sitting back and watched that go up, and that, I find, is distressing. There is a comparison with the issue of gas, when gas went up. Gas, we say, is an essential commodity, and I think houses are an essential commodity. When gas prices have gone up in recent years, there has been quite a furore and there have been investigations et cetera, but there has been no bother about the fact that, really, house prices have just been allowed to rip. There are some underlying issues there which it is hard to put your finger on completely, but we, as a society, have placed, through our planning system, a restriction on land – probably for very good reasons, but we have done that – and that has been our responsibility in the way we have restricted land that has been available for housing. And there are consequences of that which we have not taken on board, and that is it has allowed people to monopolise that land, to inflate the value of

that land and to control the rate of release of houses built on that land into the market to keep that market constantly inflated. Those are, to my mind, critical social issues which we collectively have not really been able to get a grasp on and do something about. I cannot say that I have got the answers on how to do that, but we have not done that, and that is a shame, because what are rubbishy little boxes, in some cases, going for £120,000, £130,000 or £150,000, which are really only worth half that in reality, that is a social issue which we have allowed to develop.

Just very briefly, Mr President, the last point. I can see Mr Speaker was very uptight on this issue of rents, and I understand where he is coming from, and obviously other members feel the same way. I would like to lend half a bit of support to the hon. minister on this issue, because it is not just as straightforward as I think the hon. Speaker is suggesting. There are issues there about rents which we need to take on board and tackle, probably with some finesse, and it is not just a question of saying, 'Well, let's allow these rents to rip up towards market price et cetera, universally, and then our safety net from the benefits system will pick up the people with low incomes.' It is not as easy as that at all. But there are anomalies there. They may only be a minority – and I am definitely sure they are a minority, because, from my experience of people living in what we call 'public housing', certainly in my area, most of them are not in a position to pay greatly increased rents or go out into the private sector and pay private sector rents or get onto the housing market, and I appreciate that. Really, rent increases for them could be a significant burden, but there are and have been, through the system, people who are able to benefit from that and have, maybe at the original point that they were generally in need but maybe are no longer. And we do have to try and apply some finesse to the issue of rents so that, where there are instances of people who have significant incomes, then they should be expected to make a greater contribution than they are at present. I have no figures in mind nor would I wish to, but it is not as simple as just saying no to any significant rent increase, a blanket no or a blanket, in fact, in the other direction. You need to look at this with some finesse. It is a burning issue for some people, and they feel aggrieved about that. They can see Joe Bloggs with his whatever sitting outside or he has got lots of money, and they feel very strongly about it. It may only be one person on the whole estate that is in that position, but they do feel . . .

You are quite right to point out that mortgage tax relief subsidises everybody else and through the house purchase buyer scheme subsidises everybody else. And that in itself – mortgage tax relief – is an inflationary pressure. The fact that you can get tax relief on your mortgage allows that system to go up, and maybe – and it is not something you could do overnight, as it would take a long time to bring in because of the penalty you would be putting on people – one should say, in a long-term policy, 'We will phase that out, because it is an inflationary pressure' (**Mrs Hannan:** Absolutely.) and give that a consideration. I do not

know the economics of that, and I would hope that somebody would put that forward, but I think it is not right just to say no to everything in these respects, and we do need to look quite radically at the housing market and what is causing this inflationary increase which the hon. member from Rushen, my colleague, has quite rightly pointed out is vastly away from peoples' incomes – and that is an exceptionally dangerous thing. And where young families maybe have got huge mortgages and if there are problems with incomes later on, downturns in the economy, you are setting ourselves into a difficult situation. Thank you, Mr President.

The President: Mr Downie, hon. member for Douglas West.

Mr Downie: Yes, I will be brief, Mr President. I have listened to the debate thus far, but what has brought me to my feet, really, is the amendment by the hon. member for Rushen, Mr Gawne. I am sure every member of this Court has sympathy with the member. I would urge him to get a copy of the housing task-force report and actually look at the issues that are laid out in the report and the difficulties which actually face that group. I will be quite honest with everyone here: the reason why house prices in the Isle of Man are so high is the lack of land which is zoned for approval. What has happened over the years is that the people in the know come in and taken options on all the land. Fortunately government, a few years ago, had some foresight and acquired some brownfield sites and a few other areas for development, and that has enabled us to push forward our first-time buyer scheme now, and we are trying to do it in partnership with developers as a part-funded operation. If we were to go down the route that the hon. member for Rushen is suggesting here, the options for remedying the shortage of houses available for ownership, including the use of fiscal measures and control, I shudder to think what that approach would do to people who, in the last 12 or 18 months, have bought houses in good faith. We need to be careful. If you look what is happening in the UK at the moment, they are actually predicting a decrease in property prices, and I think that what generally happens over there generally happens in the Isle of Man. I think if you look around, there are a lot more houses for sale now than there have been for a while, so we are already seeing signs. And someone said early on about the way these houses have risen in price; in the 1970s and early 1980s, this Island went into negative equity, and I know people who were 10 years before they saw any movement in their house prices. So, whilst I share the hon. member's views, I would urge caution at this time. It is not an easy issue to get to grips with.

The other big problem that we have is that a few years ago, when interest rates fell, a lot of people who had money wisely got into bed with developers. They put the money up and there were properties built, and a number of them are now rented off. I totally agree with the hon. member that, when somebody has a large

number of houses, then there should be a scheme where they are caught for some sort of a tax. As far as I am concerned, that is a form of business, and it is what we should be looking at, but there are people who, in fairness, maybe own two or three houses within the family, so you would have to be very, very careful how you looked at that. The other side of the coin in all this is if you made it unpalatable for people to go out and build additional property, if there was a downturn in the economy, there would not be anybody building at all, so we would be back in a catch-22 situation.

If you want to look at a difficult housing problem, I have about 350 flats in West Douglas and houses that are owned by various individuals. Some of them are paying between £800 and £1,000 a month, and those people have no chance at all of getting on any housing list. They are never even going to get into a situation where they are even going to save enough money up to put down as a deposit.

So, whilst housing is a big issue and a complex issue, I think the department are moving in the right direction, but I would urge caution: if you do support Mr Gawne's amendment tonight as it stands, I think it will lead us into more difficult areas than the amendment will actually solve. I would ask Mr Gawne to look at the report, let the department take note of what he said in his amendment today and see if they can focus some attention into these areas. I would just like to put a final marker down that house prices are now starting to steady. They are coming down in the UK. We are being told this on a daily basis, so let us not shoot ourselves in the foot over this issue.

The President: Hon. member of Council, Mr Gelling.

Mr Gelling: Yes, Mr President. Actually, again, I was not going to say anything but for the hon. minister – or the hon. member for Rushen – talking about the house prices. Luckily, being the chairman of our Capital Projects Unit, it is quite amazing, actually, when you see some of these coming forward, to find exactly what the hon. member says. In fact, recently we have had houses built for £50,000, which is exactly as you said, half of what you see them on sale for, because the land is there, the other houses have been demolished and to put another house there is only £50,000. So, what we are saying is that the land and the services are over half the price. That, again, was mentioned: years ago, when we had this before and we did not have land, we went out and got land. But I always thought it was most unfortunate, because now I see it has raised its head again. We bought – very, very cheaply – the last of the land of the Binstock era, up in Johnny Watterson's Lane. The whole idea of that was it was low cost and we would be able to build houses very cheaply for first-time buyers, but what happened? I am sorry to say the planners said it was a green belt area and therefore there should be no houses there. That would have sufficed, at that time, a lot of the problems we have now that would have put houses

actually on the market. But you are absolutely right. I do not know the answer, either, but £50,000 puts up a house which is today £100,000 to £110,000. The rest is land and service charges. Thank you, Mr President.

The President: Minister to reply.

Mrs Crowe: Thank you, Mr President. I would like to start by saying I did not mean, in any way, to sound self-congratulatory. I meant, certainly, to congratulate the staff who have worked so hard to achieve what we have done in the past 12 months, and I think it is very important to pay tribute to the staff in a department that has taken on, as I previously said, three times as many housing projects with the same amount of staff and no extra resources. The same amount of staff have worked tirelessly to produce these results (**A Member:** Hear, hear.), so I am sorry if hon. members thought I was sounding self-congratulatory. That is not the case.

I would like first to thank Mr Earnshaw for his comments and his support. He did mention that he would like to see more building on brownfield sites and, indeed, it is, of course, always our prime aim to do so. In fact, at the present time – and I do hope you will forgive me if I do not have these figures absolutely correctly, they are from memory – we are building 44 first-time buyer homes and apartments on the old telephone exchange at Linden Grove, we are building 18 two-bedroomed apartments on the old Japan Direct garage site in Westmoreland Road and we are building 32 apartments on the Queen’s Hotel site in Ramsey and 60 houses on the Red Gap site in Castletown. So, we are doing what we can to utilise every inch of brownfield space that we own or we can purchase, but that is not sufficient at the present time.

I can move straight on to the intervention from the hon. member for Rushen, Mr Gawne, because I was concerned to hear what the hon. member was saying. Home ownership is not about controlling population; home ownership is about, if you like, catching up with what has happened in the past to produce 1,080 applicants on our first-time buyer list and over 1,000 people waiting on the public sector housing list. And do you honestly believe that we should not provide housing for these people?

Mr Gawne: Not at all.

Mrs Crowe: Well, we have to build them somewhere. These are not people coming to our Island; these homes are for your children and for my children. These homes are all for residentially-qualified persons. They have to be provided. It is not about population control, which is what this is about in the amendment.

A Member: That is right.

Mr Gawne: No.

Mrs Crowe: You went on to mention that the price of an average house in the United Kingdom is £127,000. On our scheme, a decent-sized three-bedroomed family home is available for £130,000. A two-bedroomed family home is available for £120,000, and two-bedroomed apartments are available for £100,000. I know every other member of this hon. Court is getting quite tired of me quoting these figures, but I do think I have to reiterate them. We provide – and I think we do more than any other government, *any* other government – a grant of up to £18,000 for the purchaser. We then provide a 30 per cent top-up loan – that is 30 per cent of the cost of the property. So, someone moving into home ownership on our Island can purchase their own home with a mortgage of £75,000. That is not unachievable for the majority of people on our waiting-list. What we have not got is the supply to meet the demand for the people on the waiting-list, not to meet an imaginary demand for people coming to our Island. These are people now waiting, waiting and waiting on our housing list because we have not supplied sufficient houses in the past. We are beginning to supply sufficient houses, but we have to continue that supply, and if we have to move onto unzoned land ... And we heard the hon. member of Council saying one of the parcels of land that we do actually own is in Johnny Watterson’s Lane. It was originally zoned, I think, for residential, but that is by the by. It is a parcel of land that would be available in an area where there is a most needed demand.

I also have to take some exception to the fact of ‘little boxes’ and starter homes. I have heard that two or three times throughout the debate. The department now specifies the size that those homes are built to. They are built to a far larger specification than anywhere in the United Kingdom and that was previously built on the Island. So, when you see starter homes from some time ago, they are not the homes that we are providing today. The homes that have to qualify for our House Purchase Assistance Scheme meet our specifications. That is a very important part.

Part of the comments you made were, ‘Should we be investing in the public sector and not providing first-time buyer homes?’ Should we be investing in the public sector? I said, as part of my speech, that £88 million over the next five years will be invested in public sector housing. I really can hardly believe that, per head of the population, there would be *anywhere* that would be investing that kind of funding. So, we are investing.

You then mentioned the fact that, ‘Well, why are empty properties a priority? Why isn’t multiple ownership a priority?’ Multiple ownership, the rental property market and fiscal measures were all problems we identified when I moved to the department. The Chief Minister set up a housing task-force –

Mr Gawne: I didn’t see anything in the report.

Mrs Crowe: Well, it may not be in the report, because we keep . . . I might add that in my

department, with the workload we have at the present time, I am surprised we can produce a two- page report for you. Quite frankly, I am really not that interested in writing reports; I am interested in getting houses out of the ground. (**Mr Cannan:** Hear, hear.) However, I have to report to Tynwald. I am committed to report to Tynwald, and that is what I will do, but I will not blame any officer in my department if they miss anything out of a report, because what I am wanting them to do is deal with the problem that we have got in the department, which is producing housing. (**Mr Cannan:** Hear, hear.) So, we get onto the fact that we did not mention that the Chief Minister had set up a housing task-force. Every one of those issues that you have addressed – quite rightly so – we had already worried about. We were unable to find the evidence to support that there was a great deal of multiple ownership. We were unable to find that evidence, and we tried. And it was not just me; there were four ministers involved in the housing task-force. We had senior officers of government helping us address all those measures. We have addressed them all, Mr Gawne, and that is why I would ask members not to support the amendment –

Mrs Hannan: Point of order. Shouldn't the minister be speaking through the chair?

The President: Continue, minister. You have the floor.

Mrs Crowe: I am sorry, Mr President. I am struggling to continue as it is. Where were we? Ah, the amendment. I do think that we could resist the amendment by re-circulating the whole of the housing task-force report. As I say, all of those items which you quite rightly identified we have addressed – or we have *looked* at. We have not addressed them, but we have got an explanation for why or why not we should not be progressing the amendment.

We move on to the hon. member for Rushen, Mr Gill. Yes, you may well smile. I have spoken to the hon. member for Rushen about housing associations until I am really getting quite tired of doing so. However, what it does say, at 7.2 in the report, is that we will develop a model for establishing a housing association. We have no problem in doing that. It is an excellent way. The United Kingdom, as you say, has got many models of housing associations. They do not have public sector housing, but what they do have are housing associations running public sector houses and housing estates, as we know them on the Isle of Man. And that may well be a way forward.

I thank the Chief Minister for his intervention reminding us about the housing task-force and the valuable work that it had done in addressing the amendment that the hon. member for Rushen, Mr Gawne, had put before us.

I am sorry, Mr President. I have got rather a sore throat, actually.

Mr Cannan: You are doing all right, Pam. Carry on.

Mr Houghton: Beg to move. (*Laughter and interjections*)

Mr Cannan: Beg to move, Pam. You are doing all right.

Mrs Crowe: Not quite yet, hon. member for North Douglas.

A Member: Watch the blood pressure.

Mrs Crowe: Yes. No, (*Interjections and laughter*) I have to comment on the words from Mr Speaker. Mr Speaker –

Mr Cannan: Sock it to him, then. (*Laughter*)

Mrs Crowe: I am going to. (*Laughter*)

Mr Earnshaw: Get the handbag out. (*Laughter and interjections*)

Mrs Crowe: I realise I am going down a dangerous path. You have warned me. You have warned me before. You have now warned the Chief Minister. So, we have all taken note of the warning. I did not say anywhere in my speech that I needed to raise rents. What I said – and I will repeat it to you – is, 'However, I feel I must conclude by recording that, owing to the high investment that is required for the provision, management and maintenance of public sector housing and as a consequence of our investment' – that is, a consequence of increasing public sector housing – 'the local housing deficiency support, we must determine if this support is either fully effective or financially sustainable.'

The Speaker: I know what that means.

Mrs Crowe: What that means is I need to go to the Treasury minister in the year 2005-6 and say, 'I need £18 million for my housing deficiency support. That is what I need to pay the local authorities that manage housing on the Isle of Man for the year 2005-6.' How that is raised is a matter for government to decide. Local authorities say, 'We have got to raise rents. We need more money for maintenance.' I have not said that. I have not said it anywhere in the report, and I did not mention it in my speech.

The Speaker: But I know what you mean.

Mrs Crowe: You knew. (*Laughter*) No, Mr Speaker, that is not true. You did not know what I meant.

Mr Houghton: Be told! (*Interjections*)

Mrs Crowe: What you knew was, as a previous DoLGE minister, maybe the issue of the right or the correct level of funding for public sector housing should have been looked at a great many years ago. *(Interjections and laughter)*

The hon. member for Peel, Mrs Hannan, did not greatly please me either *(Interjections and laughter)*, and I am really very disappointed, actually. We have worked so closely with DHSS – and I am sure the minister will recognise this – to supply you with homes –

Mrs Hannan: Oh, no –

Mrs Crowe: – to supply the department and the people in need, people that the department has identified. We have built or adapted homes, we have two that are just in the course of construction for severely disabled people and we have done our utmost to house mentally ill and emergency housing cases. Your social workers will tell you that our department goes out of its way to help any local authority and any social worker that identifies someone that is in desperate need –

Mr Houghton: Other than Douglas Corporation.

Mrs Crowe: – and that applies to all the local authorities on the Island as well as to the social services and the social workers. So, I am very disappointed when I hear from the member who is charge of social services that she does not recognise the sterling efforts that my officers make to help her officers.

Mr Cannan: Well done! *(Interjections and laughter)*

The President: Hon. members.

Mrs Crowe: And when the hon. member for Peel says there is ‘deemed’ to be a shortage of housing, the 1,080 applicants on the first-time buyer list do not ‘deem’ it to be a shortage, neither do the 1,000 people that are on the public sector waiting-list. So, it is not ‘deemed’ to be a shortage; it is a genuine shortage. It is a shortage that has been built up over the last 10 years and that we are now addressing with the help of the extra funding that we have had from Treasury.

Mr Karran: We are back in Wonderland. *(Laughter)*

Mrs Crowe: The hon. member of Council, Mr Waft, *(Interjections and laughter)* mentioned the common criteria. I am pleased to be able to say that the common criteria have now been in place for the last 12 months. It has identified problems. I am not saying that it is perfect; what I am saying is it has gone a great way to solving the problems you identified. Different areas using different schemes on an Island 36 miles long made no sense to me at all. The pointing system is

now a common criteria pointing system. It is not perfect. It has identified anomalies. We have an appeal system for anyone who feels disadvantaged, and we are doing our best to address anomalies, but there will always be anomalies, no matter what the system, be it benefits, housing ... There will always be that grey area, but we have an appeal system in place, and we do our best to help where the anomalies are genuine and we feel they should be helped. *(Laughter)*

Mr Cannan: I beg to move.

Mrs Crowe: My hon. colleague in Council, Mr Rimington –

Mr Cannan: Oh, him. *(Laughter)*

Mr Karran: Don’t worry. He is up a tree. *(Laughter)*

A Member: He wants tree-houses. *(Laughter and interjections)*

Mrs Crowe: – and my hon. colleague, Mr Gelling, both mentioned the cost of housing, and it is quite true: I have been absolutely amazed at the cost of supplying services to a plot of land. Land that we own, land in Jurby, as the hon. member for Michael knows, we have been busy trying to progress. I have been amazed at the cost of servicing a plot of land on the Isle of Man. The cost of services is in excess of £25,000 per plot. I know that from my own department; these are not figures from a developer. These are figures for plots –

Mr Cannan: That is right.

Mrs Crowe: – for sale that we are offering in Jurby. We have done our best to keep the cost of servicing those plots as low as we possibly can, and £25,000 is the cost of the services provided. So, on top of that, if one had to purchase land, and then we know that the minimum cost of building a house is perhaps £60,000, it is little wonder that we are managing to be able to supply three-bedroomed homes – quite spacious homes – at £130,000 on the Isle of Man to meet our House Purchase Assistance Scheme at the present time.

I thank all hon. members for their contributions, some more than others *(Laughter and interjections)*, and I would urge that you support the motion to receive the housing policy document before us today and reject the amendment, bearing in mind that I recognise all of the problems identified on the amendment and we have, prior to your admission to this House, tried to solve some but certainly have investigated every one of these, and the Chief Minister has offered to circulate that to you. Thank you, Mr President.

A Member: Hear, hear.

Mr Cannan: Well done.

The President: Hon. members, the motion I put to the Court is printed at 11. To that, you have the amendment circulated on the white piece of paper. Hon. members, I was aware, when the hon. member for Rushen, Mr Gawne, was making his contribution, that he referred to it being in parts, and that was picked up by the Chief Minister in his comments in relation to the task-force which was set up and issued a report. I therefore, hon. members, using standing order 3.17(4), will put the amendment in parts. Just so that you are clear, that particular standing order reads, 'If a motion or amendment is divided into parts, the President may, at the request of a member, put the parts separately, but if the motion is rejected as a whole, its parts, even if already agreed to, shall be rejected also.'

Hon. members, I will put to you the amendment in the name of the hon. member for Rushen, Mr Gawne, in three separate parts, as they are numbered. In other words, number (1) will be 'that the motion be amended by adding "and that the minister for Local Government and the Environment should report to the December 2003 sitting of Tynwald Court on – (1) all the options for remedying the shortage of houses available for owner-occupation, including the use of fiscal measures and rent control;". Those in favour of part (1) of the amendment please say aye; against, no. The noes have it.

A division was called for and voting resulted as follows:

In the Keys –

For: Mr Anderson, Mr Quayle, Mr Gill, Mr Gawne, Mrs Hannan, Mr Karran and the Speaker – 7

Against: Mr Cannan, Mr Rodan, Mr Rimington, Mr Houghton, Mr Henderson, Mr Duggan, Mr Braidwood, Mr Downie, Mr Shimmin, Mr Bell, Mrs Craine, Mr Corkill, Mr Earnshaw and Capt. Douglas – 14

The Speaker: Mr President, part 1 of the amendment fails to carry, with 7 votes for and 14 votes against in the House of Keys.

In the Council –

For: None

Against: Mr Lowey, Mr Waft, Mr Singer, Mr Kniveton, Mrs Christian and Mrs Crowe – 6

The President: With 6 against in the Council, hon. members, part 1 therefore fails.

Then I put to you, in the same manner, part 2 of the amendment, as moved by the hon. member Mr Gawne. Those in favour please say aye; against no. The noes have it. The noes have it.

And to part 3, hon. members: those in favour please say aye; against, no. The noes have it. The noes have it.

Hon. members, I put to you the motion printed on the order paper at item 11, that the Housing Policy Review Progress Report July 2003 be received, as moved by the Minister for Local Government and the Environment. Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Select Committee on the Scrutiny of the Public Accounts Committee Functions – Statement by the Speaker

The President: Item 12. The chairman of the committee, Mr Speaker.

The Speaker: Thank you, Mr President. This committee was set up in March 2003 in response to a report of the Public Accounts Committee. The remit of this committee was to consider several of the issues raised in that report, the main ones being: (1) whether there is a need for an auditor-general, and if so, the most efficient and the cost-effective way to create such an entity; (2) whether the Legislative Council should have responsibility for the scrutiny of secondary legislation; (3) whether standing committees should be set up to scrutinise policy development and the effectiveness and efficiency of government; and (4) whether the rôle of the Public Accounts Committee should include responsibility for management and co-ordination of parliamentary scrutiny of government activities as a whole.

The motion approved by Tynwald at the March sitting required the committee to report to Tynwald by July 2003. However, I am sure hon. members will appreciate that these issues are very complex and wide-ranging, and although the committee has made considerable progress over the last four months, there has not been enough time for us to investigate these matters in sufficient depth to enable us to produce our report in time for this sitting. Therefore, Mr President, I hope that hon. members will appreciate why we have been unable to meet the target date. I can assure the hon. Court that we will endeavour to complete our investigations as soon as possible and bring our report to Tynwald at our earliest opportunity.

Mr Houghton: Hear, hear.

The President: Hon. members, I put to you the . . . I do not need to, really, do I? (*Laughter*) It is as simple as that. I will comment no further, hon. members, in relation to the statement as moved by the hon. Mr Speaker.

**Local Authority and Government Housing
Eviction Consultative Body – Referrals –
Amended Motion Carried**

Item 36. The hon. member for Peel (Mrs Hannan) to move:

- (1) *Tynwald is of the opinion that, as all funding for local authority and government housing comes from government, all proposed evictions must be referred to a consultative body consisting of –*
 - (a) *Local Government and the Environment officer – housing,*
 - (b) *Department of Health and Social Security social worker; and*
- (2) *that a housing welfare officer should be appointed who would also sit on this body.*

The President: We turn to our final item, hon. members, which is item 36, item 37 having been withdrawn. I call on the hon. member Mrs Hannan, from Peel, to move.

Mrs Hannan: Thank you, Eaghtyrane. As all funding for local authority and government housing comes from government, I am suggesting in this motion that before any action is taken by local authorities or even government to evict a tenant for whatever reason, they should be referred to this consultative body. This body, I am proposing, should consist of a Department of Local Government and the Environment housing officer, a Department of Health and Social Security social worker and a housing welfare officer, who should be appointed to sit on this body.

Eaghtyrane, low-income persons are expected to cope with all sorts of difficulties of modern and complicated living on limited resources, whether they are employed or on disability benefits or support or on pensions, and there are some of those who are in some, if not all, of the categories that I have mentioned and have other problems too. They may also have major problems such as their own health, either mental or physical, or the health of their family or maybe have alcohol or drug problems to deal with or maybe have problems or difficulties with children at school or children with disabilities or demented parents, along with possible inadequacies in themselves. With all of this, they can then get behind with the rent, and once behind, it can then get very difficult to catch up. They then get little or no understanding from their landlord, the local authorities. Other landlords do not have to consider social issues, but I am putting it to this hon. Court this evening that I believe that local authorities should consider the social issues that families have to deal with. I would contend that local government should and must consider these issues and people with

difficulties and find out how they can assist and help these people and also help and assist local authorities to keep a roof over their tenants' heads.

The local authorities do not have to refer to anyone. They even use housing funds to take a tenant to court, so taking away valuable funds from the maintenance and administration of the housing stock. I would put it to this hon. Court because all funds come from government, but it is not their money – it is certainly not their rate money. They answer to no-one, not even government, on housing except, I would suggest, with rent and administration and maintenance levels that they can retain. I accept that the houses belong to the local authority, but they are funded by government, and basically it is for local authorities to do what they want with, even when the funding is provided by the taxpayer.

All I am requesting is that there is this referral body prior to any action being taken on an eviction. The housing officer has input into the Department of Local Government and the Environment and the consultative body. The social worker can consider whether services are required to get the family or the person sorted out or supported or whether there are benefits available that are not being taken up at the moment and any other benefits that may be used to pay the rent or even to help the family by getting daycare, respite care, getting children into school, back into school, holiday care or any of these issues to help the family. Then I would suggest that the housing welfare officer should be able to liaise with the tenant, the local authority and the Department of Local Government and the Environment, and the input will be invaluable into resolving and protecting the tenant and the landlord, whether that is a local authority or the Department of Local Government and the Environment.

Could I just remind members what happens now? In certain circumstances, a tenant has problems and gets behind with the rent – and I am sure we can all relate to people that this has happened to – and once one week has gone by that someone does not pay their rent but they still need their money for something else, it is then a slippery slope. A letter arrives; that goes behind the clock. And it is not just local authority tenants who have problems; we all, at one stage or another in our lives, hope that things will go away, but unfortunately they do not. They end up with a summons to attend court, and before they know where they are . . . And this is something that a senior advocate who works out of Peel said to me when some constituents of mine went to see him. He said, 'I have advised them not to do anything, because they go to court, and there is one tenant in the Isle of Man whom the court will always evict, and that is a local authority tenant.'

Therefore, I consider that this particular motion before us today is something that is long overdue, because once someone is evicted, who picks up the pieces?

Mr Duggan: That is right.

Mrs Hannan: Government picks up the pieces, whether it is emergency housing, as the minister has spoken about today, or breakdown of the family, whether it is social services trying to provide services – and people very often come to social services requesting housing. We are not a housing authority; the local authority is a housing authority. I do hope that members will support this motion before the House today. If the legislation is not there so that we can do this, then I would suggest that legislation is brought forward urgently so that it can do this to protect tenants so that we can work with them to try to solve their problems and keep them off the streets. I beg to move.

The President: Hon. member of Council, Mr Waft.

Mr Waft: Thank you, Mr President. I am grateful to be able to second this motion. This is a very problematic area. The situations which these authorities find themselves in are sometimes very difficult to resolve. For instance, I acknowledge that, at times, there are young families who have to appear in court to face a notice to quit and are not represented by a lawyer able to defend their case. Legal aid is not easy to find, despite what people might think. I know of one case where a single parent with three children tried 11 firms – in her words – in an attempt to get help with her appearance in court. She did not get any help, and a notice to quit was duly issued. I eventually was able to get her legal aid, and the eviction was duly delayed in order to give her time to reduce her arrears of rent. However, these stays of execution can only delay the eviction for 12 months, and it is up to the local authority whether to continue with the eviction. Even if the rent is up to date, they can evict, despite the efforts of the individual to reduce the debt, as is the case in this family. This family is due for eviction in August, and she has to apply to the court every time the eviction order is issued. In other words, eviction notices are issued since the notice to quit, so every three months or so she has to go back to the court to get a delay in order for her to catch up with the rent and pay something back.

The duty advocate is there only to represent those in court perhaps with criminal convictions and is not there particularly for notice to quit orders. I have written to the Law Society, who have replied and state that the issue of advocates' rates of pay, delays in payment et cetera are perhaps resulting in fewer members being willing to undertake legal aid work. They also indicate that it is fair to say that representation might not be found despite all good efforts, and such representation is obviously conditional upon not only the issue of legal aid but the issue of the availability, at short notice, of advocates with the requisite expertise in the area concerned. So, that is an area that probably needs looking at fairly quickly.

I am aware of another family with two children under six who are under notice to quit and have been

since last October. They have been issued with an eviction notice by the coroner's office on two occasions, despite having now paid their arrears of rent, and are now, in fact, in credit. That notice of eviction still carries on, the principle being, as I understand it, to keep the thing alive, and under the present situation – (*Interjection by Mr Karran*) Sorry?

Mr Karran: Keep the pressure on –

The President: You have the floor, sir.

Mr Waft: Thank you, Mr President. Under the present situation, the family can be expected to quit the home. This family is due for eviction in October. The family must apply to court each time that eviction notice is issued. If she fails to cross-petition the court, as it were, she will be evicted. So, there is a problem there, and the problem of her getting legal aid each time as well.

The point of this motion, as I see it, is to get some common sense into the way we treat those families who are having difficulties. In both cases that I have dealt with, there should have been an officer from the social services department able to make sure that there is a referral to the Department of Education or social services or DoLGE, who may have been able to provide some intervention and find a way forward which did not include the family being evicted. There is also the possibility of obtaining an irrevocable payment directly from the DHSS for rent and, in some cases, arrears as well, and I know this does happen on occasion. However, when a case has been referred by the local authority for a notice to quit through the courts, the local authority officer is reluctant to interfere with the due process, other than advising the tenant to get legal advice and see a debt counsellor. With the cost of legal advice these days around £200 an hour and the difficulty in obtaining legal aid, as I have outlined, it is no wonder that, as a result, the individual may have to go to court alone to state their case. I would say that the presiding officer is completely fair in all his dealings with eviction cases. It is my view that all families under notice to quit living in local authority homes – and I understand there are always some getting themselves into similar circumstances – should be referred, as is in the motion, to a body which will be able to use professionals able to deal with this type of situation. We can find a way to resolve these issues without resorting to eviction.

Families, especially with young children, should not have to face the constant threat of eviction. The threat of eviction reads something like the following: 'I have been instructed by your landlords to enforce the order for possession of the property. I therefore intend, at 11 a.m. on the date, to repossess the property in accordance with the High Court. I will be accompanied by a police officer and a locksmith, who will, if necessary, forcibly enter the property in order to change the locks. Should you still be there at that time, I would be obliged to seize any of your goods and chattels that remain so as to sell them by the coroner's

auction to partially discharge the debt which you owe to the landlord. If, however, you have gone by that time and have removed your belongings from the premises, then this will not be possible. In these circumstances, please contact me before that date with your proposal for handing in your keys to this office, which is open' et cetera et cetera. 'It is in your own interest. Therefore, I can only suggest that you vacate the premises before that date.' That keeps coming through the door, at a regular three-month or six-month interval, to somebody who has just got the children off to school and either the husband is ill or whatever. That was what she has to face, and I had to smile yesterday when I was thinking about the pressure and the stress that the planning officer was under from a minister. *This* is the sort of stress that I consider to be stress.

However, to press on, local authorities vary the reasons for evictions. Some have let families run up bills of over £1,000. Some owe very little, and some are paying off their arrears, and yet still the authority pays for lawyers to progress the eviction through the courts. So, every time they go to the court, the lawyer has to appear again. So, there is no doubt about it: these are problem families, and no-one can deny that, but they are also families who can do with some practical help. Isn't this the reason why these homes were built in the first place? This is an area long overdue for intervention, and this is the opportunity to bring professionals into the picture before it is too late and families are split up or end up in different parts of the Island. The price of rents in the private sector is quite beyond their means. Quite apart from having to pay exorbitant rents in the private sector, they also have to pay any rent owing back to the local authority, and they certainly could not afford the deposit to get any accommodation in the private sector these days. As a prosperous and caring society, we must look after families such as these – as well as the rest of society – who require that extra attention in times of need. Hon. members, this is the opportunity not only to make speeches about social justice, but to put it into actual practice. I will support this motion and would respectfully request the hon. Court to support it also. (**A Member:** Hear, hear.) Thank you, Mr President.

The President: Hon. member of Council, Mrs Crowe.

Mrs Crowe: Thank you, Mr President. I was getting extremely concerned listening to the hon. member of Council, Mr Waft, because it really did sound to be an appalling state of affairs, and I was really wanting clarification that this tenant he was referring to was in a publicly-funded house and not private accommodation. I do not know of *any* of our local authorities that would behave in such a manner, and I am really quite horrified to hear what you were relating and would ask that you contact my office immediately and tell the officers which authority it is, because I would have no hesitation in investigating such a case.

Mr President, the hon. mover of the motion and myself are not a million miles apart on this issue, but I would like hon. members of the Court to consider the amendment that I am circulating at the present time. Also circulated with the amendment, I hope you have the list that I have collated from all the local authorities on the Island over the last two years: the figures for eviction. Braddan Commissioners have had one, Castletown Commissioners none and my own department has had two, both of which I know about, both of which were for anti-social behaviour, which we will no longer tolerate on our estates (**Mr Houghton:** Hear, hear.) where tenants are making other tenants' lives a misery (**Mr Houghton and Another Member:** Hear, hear.) through anti-social behaviour. We have said that we will support any local authority which needs to take the action that, indeed, we needed to take in those two cases, so I do not apologise for those figures appearing on the report. Onchan Commissioners have one, Ramsey one and the Royal British Legion one, and that again was anti-social behaviour, so I really do not consider them to be part of the figures. And so those are the figures in the last two years. I do not want us to exaggerate the problem, which was why I was really getting most concerned when I was listening to the hon. member of Council, because I cannot understand how someone has not appealed through the department before this time if that kind of behaviour was going on and if, indeed, it was a public authority.

With regard to the amendment, my department has established a local authority housing managers' group, which meets to discuss best practice and exchange views on all matters concerned with housing and the management of public sector estates. The purpose of this managers' group is to formulate a common, fair and reasonable policy across all functioning housing authorities and ensure that tenants and those seeking public sector housing, no matter where on the Island they live or wish to live, are treated equitably, with their needs being assessed in an objective and consistent manner across the Island. Already the uniform criteria for pointing are in place for those wishing to apply for housing, and hopefully the allocation of properties is becoming a much more equitable business. A common tenancy agreement has now been agreed and is about to be introduced and, of course, part of that tenancy agreement would be about eviction orders and the way in which the tenant has responsibility and also the housing authority has responsibility.

But I do appreciate the hon. member's reasons for bringing this motion forward today. I have to say that, for a tenant to have reached the stage where eviction proceedings are instigated, it would suggest there are very serious reasons for doing so. It is either a deliberate non-payment of rent or anti-social behaviour. There may be some other very severe breach of tenancy – I do not wish to mention that there might not be – but I really cannot see any other reason for eviction, and the authority will be required to demonstrate to the court the steps it has taken to

address the problem, whatever it might be, with the tenant they wish to evict. The housing managers' group will, however, review the measures currently in place to avoid any authority having to go down the road to seek possession and to make recommendations where it felt these might be improved. Eviction proceedings are not taken lightly, but it has to be accepted that there are a few tenants ... And I mention that, out of my own housing list of in excess of 1,300 properties, we have had two evictions in the last two years. I cannot recall any before, but certainly, during my time, two evictions, and that is out of, as I say, substantially in excess of 1,000 properties. Eviction proceedings are not taken lightly, but it does have to be accepted that a few tenants – a few – will not respond to offers of help. They will not respond to offers of assistance to change their anti-social behaviour, and we must make sure that anti-social behaviour is not tolerated on our estates – on *any* estates. The anti-social behaviour of others brings misery to the people that live around those persons that are perpetrating these offences.

Our policy in the department has always been to try and nip the problems in the bud. We offer assistance by way of offering debt counselling through the Office of Fair Trading's excellent debt counselling service. We write to the tenants – and not only do we write to our tenants, we send people to see our tenants. We do not send them during the day – the nine-to-five rent man that used to call – we have done away with all that. We send someone in the evening time to try and make personal contact with the tenant who is experiencing difficulties in paying their rent. We are doing the best we can to address these problems. We explain the assistance that is available from the DHSS. We work very closely with the DHSS in trying to provide benefits for people who are struggling in debt and, in fact, the minister and the officers in the department have said to us, 'Let us know what the problems are early. Do not come to us with someone who has got two years' rent arrears and ask us to help with the problem.' So, we do try to address the problem early.

I am confident that the estate managers' group, the housing managers' group, that we have formed in the department and from all the local authorities will be able to provide appropriate procedures that will provide advice and support for all those who may be facing eviction or bad debts. We can build that into the report and, as I informed hon. members earlier on during the housing debate, we are establishing the consultation with local authorities, but we need to be able to do that. We need to be able to consult. We have a consultation paper that will be available to all within the next two or three months, and I assure hon. members of this Court that, if they agree to the amendment before them today, we will report back to this hon. Court by November with the full report on what we intend to do. The amendment reads:

Delete all the words after –

'(1) Tynwald is of the opinion that, as all funding for local authority and government housing comes from government,'

and substitute –

'the Department of Local Government and the Environment should investigate, in consultation with local authorities, the need for a consultative body consisting of –

(a) Local Government and Environment officer – housing;

(b) Department of Health and Social Security social worker;

and

(2) that the department should similarly investigate the need for a housing welfare officer who, if appointed, would also sit on this body to deal with cases of eviction,

and report further to the November sitting Tynwald on such investigations.'

We would agree to do that. We will agree to do that in consultation with every housing authority on the Isle of Man. And we must not only mention, of course, the local authorities; we also have statutory housing authorities as well. So, we would agree to do that and report back to this hon. Court at the November sitting, and I hope you will support that amended motion.

The President: Hon. member Mrs Craine, from Ramsey.

Mrs Craine: Mr President, I beg to second the amendment. I think it would be helpful to consult with local authorities to find appropriate procedures to put in place a system that will be to the benefit of the tenants and the housing authorities to act fairly.

The President: Mr Earnshaw, hon. member for Onchan.

Mr Earnshaw: Thank you, Mr President. I have got some experience in this area (**A Member:** Hear, hear.) from my background in local authority work. I will not be supporting the motion that is on the order paper because it is too cumbersome. I think it is a dilution of local authority powers, and I think it is a disservice to local authority members.

I appreciate the information that Mrs Crowe has provided, that has just been circulated, which puts matters in perspective. When you see the number of evictions that have taken place here, it shows that we do not need to reinvent the wheel. I am not sure what evidence the mover has got regarding problems in this area, but I think first of all we should recognise that local authorities face enough interference from central

government on lots of different matters. If firm evidence does exist of some local authorities not playing the game, has the matter been raised with the department? I think it is important that it should be if there is that information. I think sometimes, on these matters, local authority commissioners and councils are painted as heartless, uncaring people who hound their tenants, and this is not true. Most of them have good local knowledge of their properties and of their tenants, and they are prepared to take into account the problems of the tenants if the tenants are willing to discuss them in a responsible manner.

Just looking at the tenants, in my experience the vast majority of tenants pay on the nail, they look after their properties well and they are good neighbours to others. A small minority – not that small, but it is a small minority – are the opposite. They could not care less. They get behind with their payments, they make life a misery for their neighbours and they do not look after their properties very well – at all, in some cases. And often these tenants fall into all three categories. So, the local authorities *are* tolerant. They *do* do their best to try to nurse these situations round, but it is very difficult, and they have to think of the good tenants in their area and look after them as well. They have got responsibility for the whole area, not just for the ones who are providing them with difficulties. The ones who are providing the difficulties are given due warnings, but some just do not seem to understand these warnings, and it is only when it comes to eviction or the threat of it that it brings the realisation of what they have done.

So, this is a tricky job that is performed by the local authorities, Mr President, and I think they deserve a little bit more respect than they are getting from the mover for this. I think they do do their best and they have got that good local knowledge, and I think that just because local authorities get funding from central government, it does not mean that the management of this situation has got to come from central government or the local authority housing.

A Member: Correct.

The President: Hon. member for Douglas South, Mr Duggan.

Mr Duggan: Thank you, Mr President. I will be supporting the resolution before the Court, sir, because I, in my constituency, have got a lot of council houses. Not recently, but in the past, I have had cases like Mrs Hannan has referred to, where the Douglas Corporation have sent letters out to people, they have been in a rut, they have not gone down, they have got into debt because the husband has left them or whatever, they have a pile of kids there and there could be drink involved, but anyway they have got into a rut. And Mrs Crowe is quite right: her department sends someone along to see what the problem is, but the Douglas Corporation, in the past, have let people run up bills of £1,000 or more. Then they are scared to go down, and the next thing is it goes to court. In the past,

we have sometimes had relatives coming up with the money and we have gone down to the town hall, Mr Cretney or the councillors, and we have negotiated with the officials, and they have taken the money and, from then, maybe the rent would be paid through the social security. But the corporation's policy of latter years has been different altogether: even if they come up with the goods, the money, at the end, once it had been to court, they used to padlock the house and the people would be put out.

I know of one case where there was a gentleman on Bray Hill who did not know that his daughter owed all this money. Her father actually found out – it was a house in Pulrose – and so he went down and paid all the money, but it went to court and they still put the couple and the kids out. And the kiddies had to go into care.

A Member: How long ago?

Mr Duggan: It is quite a while back, admittedly, but –

Mr Earnshaw: But there are no evictions here in Douglas Corporation.

Mr Duggan: Recently there have not been, but in the past. The policy of Douglas Corporation now, if you check, Mrs Crowe, is definitely that if it goes to court, they do not want to know. They say, 'They have had chances. They have had letters', and they are not interested and they just put them out. There are none recently, I know. It was in the last two years.

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

Mr Karran: Eaghtyrane, I am a little bit concerned about this amendment because, quite frankly, I know from my colleague here, who has represented the constituency of Onchan as a commissioner, and I know, as an MHK, that the viewpoint of what he sees as far as his good commissioners and his housing stock are concerned is certainly not what I see, as the MHK who has represented that area for 20 years –

Mr Earnshaw: I have done it and you have not, Peter.

Mr Karran: – and I am the one that they have to come to to fend off the commissioners, to be perfectly honest with you, Eaghtyrane. So, I am a little bit concerned that anything to do with the minister to do with the likes of this is something that I would be very concerned about, and I would hope hon. members would go with the original motion, because I do feel that there are concerns.

One of the problems is the fact that, at one time, the definition of getting people evicted has changed as far as the law is concerned, and is easier to evict them. I feel that it would be far better leaving the DHSS in

the driving seat as far as any of these problems are concerned, because the minister talks about emergency housing, but she is living in la-la land. I have problems with housing – not every day, but just lately. I think people have just given up on coming to –

Mrs Crowe: The problem is you are not the only one.

Mr Karran: – us as MHKs, because the problems are horrific. The housing problems are horrific, and this idea that there are emergency houses ... I tell you, I would be very interested, because I have got cases where I have been ... I got a ridiculous letter the other day from the hon. minister about a constituent whose mother has cancer. Her marriage has broken up. She has come back from the United Kingdom, as Manx as the hills, with two small kids, and what do I get? I get a nonsensical reply from the minister over what this woman should do as far as that is concerned. I just feel that I am concerned that, whilst I do not question the sincerity of the Minister of Local Government and the Environment, it would be wrong to leave them in charge. I think the original motion of the hon. member for Peel would be better. We need the DHSS. I know now that I have people who are sent from the DHSS to us, so there is a problem there.

There is a problem as far as the housing situation is concerned, and we have also got a problem as far as evictions are concerned as well. If my hon. friend here is telling you how it is the land of milk and honey as far as Onchan Commissioners are with their tenants, I can tell them that, as a person who has successfully managed to top the poll in that area for years, even allowing for many of the tenants not coming out to vote, one of the reasons is that they tar us all with the one brush. So, this idea that things are all wonderful as far as that is concerned is far from correct (*Interjections*), and I do feel that there is a sense of just trying to hijack the original proposal.

Mrs Crowe: That is nonsense.

Mr Karran: The situation, Eaghtyrane: I am sure that the hon. member knows, from her own family connections, the concerns that people have over evictions. It would be interesting to know how many people have actually been evicted or are being evicted. They are the ones who have been evicted, and even then there were some slight things with one of the things, but I believe it has been clarified over Braddan Commissioners. I just feel that the hon. mover should be allowed ... But I do feel that the hon. mover needs to also look at things as far as her own department's social services are concerned, and there is a need for her to have some sort of social services committee, but that is a different issue. Please do not allow it just to be hijacked. I do feel that the hon. member for Peel has ... My friend from Council, Mr Waft, is dealing with one at the particular time, and he knows, because he has been around even longer than I have in local

government (*Laughter and interjections*), that the situation is not as rosy as the minister says.

Mrs Crowe: I did not say it was rosy!

The President: Hon. member for Rushen, Mr Gill.

Mr Gill: Thank you, Eaghtyrane. I rise primarily because, I guess, my motivation is driven by the fact that you can take the man out of the social services but you cannot always take the social worker out of the man. Further to that, I am conscious that, if I keep upsetting constituents like Mrs Crowe, maybe we will test whether we can put the man back into social work at the next election. (*Interjections and laughter*) I hope it will not come to that gloomy scenario.

I have a few concerns about this motion which have not been addressed in the briefing that we had earlier. I was going to ask about the specific qualifications and experience of the social worker who has this proposed rôle, whether it is one post, whether it is going to be incorporated within existing posts, whether the housing welfare officer ... I know what a welfare officer is and I know what a housing officer is, but I am not clear what a housing welfare officer is. Is that a new post? Who would they be employed by? We have heard other issues about the legislation possibly having gaps in it. We have heard about the legal process causing difficulties. I have to say that, from my work experience prior to the last election as a social worker, I have been involved in cases that have been described in the way ... They have not reached, perhaps, the pitch that the hon. member of Council has described, but nonetheless social workers do have a rôle already in these cases, and I have to say, sir, that the Department of Local Government have a very supportive and very effective input – and all the other agencies that have been mentioned: Office of Fair Trading, welfare rights officers, Age Concern, all the rest of them.

So, I really wonder two things: one is this ... It is in Mrs Hannan's name, but she is a member for DHSS social services. She talks about social services, so has this been discussed through the department? I can see the minister shaking her head, so I take that as, 'No, it has not. It is a personal initiative.' Nonetheless, there is a process to go through to build a business case, to put through the normal budget submissions and to prioritise against other cases, and I just have a concern, sir – and maybe it can be allayed, but at the moment I have a concern – that this is bypassing that tried and tested process. It might not be perfect, but at least it is a level playing field for everybody. This is bypassing that. So, I would just flag up that I would be interested to hear some responses to those points.

As far as the idea that the amendment is hijacking is concerned, I actually think it is just doing exactly what it says on the order paper, but it is doing it in a more formal manner, because if we do agree to what is on the order paper and it turns out that there is not sufficient work to justify a post, if there is a full-time

post – which I will come back to, because we are not clear – that hardly makes good sense at a time when we have already been agreeing, earlier today, that we have to start being much more assiduous in our considerations about how we spend money.

So, there are more questions than answers in this, but I do think, in fairness, that this amendment seems like an extremely good way of addressing the issues, of evaluating them and assessing them thoroughly, and at that time, at the November sitting, when it is to be reported back upon, we can make a more informed decision on it and we can decide it then. That would still, I guess, give the hon. member for Peel the option to come back and revisit this motion in that light, and that would be much more advantageous to all concerned to make a more measured decision, sir. So, on that basis, unless I hear something very different, I will be supporting the amendment, and I have grave concerns that I look to have addressed about the motion, sir.

The President: Hon. member for Middle.

Mr Quayle: Thank you, Mr President. I have great concern with the motion as printed and almost as much concern about the amendment, although perhaps to a lesser extent. I think it really seems to be a sledgehammer to crack a nut (**A Member:** Hear, hear.), and really, when we look at the small number of cases that would appear to have been laid out here on this notification over the last two years – and I appreciate the member for South Douglas referring, I think, to some more historical figures, which perhaps might have been a larger amount – there seems to be a small number of cases involved.

I am aware of a particular case in Braddan, and I am grateful to the hon. minister, Mrs Crowe, as I had cause to speak with her on a regular basis – almost a daily basis – on a case of anti-social behaviour which occurred within a DoLGE house in Braddan. I can say that the people who were affected by the anti-social behaviour experienced a living hell over several months (**Mr Houghton:** Hear, hear.), to such an extent that they actually had to move out of the house and find accommodation on a floor in another house elsewhere. And I think, really, that I would have the greatest concern that, if we water down the options that are available to us – and it took long enough to get (**Mrs Crowe:** Absolutely.) action under the circumstances that I have talked about – by the time you have to consult with a DoLGE officer, the DHSS and a welfare officer, I can predict nothing would have got done. (**A Member:** Yes.) I would be absolutely appalled, because it was bad enough trying to get some action done under the circumstances as they exist now, and I certainly would not have wanted to spin it out for another year or so by all the red tape and bureaucracy that would be involved with what I can see is a right quango. So, that certainly illustrates the depth of feeling that I have over this on behalf of those people who suffer enormously when these anti-social people are creating such misery. (**Two Members:** Hear, hear.)

These are the people who should be identified, and they need to be evicted from their houses, because we certainly cannot expect people who are law abiding and going about their lives and enjoying the estates to have their lives ruined by the anti-social behaviour (**Mr Houghton:** Hear, hear.) of certain tenants. They deserve to be evicted, and we need the teeth to be able to (**Mr Houghton:** Hear, hear.) sort it out.

So, it is a limited number of people. I would feel that I reluctantly will support the amendment, because I think even that is, perhaps, unnecessary for a small amount of people and bearing in mind, perhaps, that there are better priorities within government. If we have to pay for extra staff or something, I can think of a lot of better places where that money could be spent. Thank you.

A Member: Hear, hear.

The President: Hon. member of Council, Mrs Christian.

Mrs Christian: Mr President, it is interesting that people are picking on individual cases and arguing for or against this depending on the circumstances which they have in mind. Again, it is for the mover to answer for herself, but I do think that underlying this is a wish to try and get what we have aimed for in government – i.e. interdepartmental working (**A Member:** Hear, hear.) – functioning between government and local authorities, in the sense that it does say in the resolution that, because the funding comes from government, there should be some consultation where people are going to evict. Why should we want to do that? It is because if there is an eviction, there is there is a very strong chance that government has further responsibilities foisted upon it in taking care of broken-up families, divided homes, children in care and all the rest of it. So, I think underlying the proposals are reasonable thoughts.

With regard to whether or not this is the right structure, with regard to whether or not a consultative body would actually achieve very much and with regard to whether or not we are talking about people who should be removed from existing posts or having jobs redefined or whether we are talking about new people, those are all things that could be explored. Again, I know it is worded only in terms of proposed evictions, but bearing in mind earlier debates on this issue and particularly with regard to remarks made by the hon. member, Mr Waft, from time to time, what we, I think, are after is nipping problems in the bud. (**The Speaker and Another Member:** Hear, hear.) And to some extent we are able to work together on that in relation to DoLGE properties, and in relation to people who are on benefits, we can make arrangements. With regard to people who are not on benefits, DoLGE can deal with debt counselling issues, and maybe there are other avenues we should pursue there in terms of attachment to earnings or something to get arrears paid off, but it is important that we try and find structures that will enable us to ensure that

difficulties are resolved at an early stage before we end up with children in care or needing two houses instead of one and so on.

In terms of the amendment, I can understand why it has been put forward in this way. We have had criticism of the department in the recent past because there was not enough consultation with local authorities before certain things were imposed on them, so maybe there is an argument here for going to the local authorities to discuss this issue with them. I am quite sure they would like to get problems nipped in the bud, too, before they develop into serious issues of arrears or arguments and court cases and all the rest of it.

Mrs Crowe: We maybe need to lay down procedures.

Mrs Christian: If this amendment is accepted and proposals are brought back to Tynwald, if local authorities are not co-operative on this, then I would think that the Court might well look at it all again as to what the approach might be, but I do think, in the first instance, it is not unreasonable to go along and talk to them and say, 'Look, we all want to resolve these issues. How are we going to do it?' I would hope that they would not be constrained to the particular wording in relation to 'proposed evictions', because that is quite a long way down the line. I know that is what the resolution says, but I would hope that the discussions would be in a slightly wider vein than that, and for that reason I will support the amendment, because I do think there are issues here which we perhaps should be tackling for better interdepartmental agency working between government and local authorities, especially, as the mover indicates, as it is, after all, government which is funding this housing.

The President: Hon. member Mr Shimmin.

Mr Shimmin: Thank you, Mr President. I would like to associate myself with most of the comments made by the speaker from Council, Mrs Christian, and the member for Rushen, Mr Gill. I do think the member for Middle really is unduly concerned about the mechanism that is being proposed in the amendment, because what we are talking about is not a lengthy bureaucratic system, but I think it is just something in order to make sure the steps are followed, and I do think that the hon. minister actually made it quite clear that the mover of the motion and the minister are not really far apart. (**A Member:** Hear, hear.) The intention is to actually achieve the same end, and I think what we have talked about earlier today in the government report is the danger of looking at the limitation of the resources we have available and, whether it be top-slicing money or top-slicing resources, there is a danger in going along with the original motion, which quite clearly says that a housing welfare officer should be appointed. There has not been the case made, as far as I am concerned, as to what other utilisation that welfare officer would be

used for and, based on the figures provided by the department, there does not appear to be a demand at the moment. The minister, whose sincerity is not questioned by the member for Onchan, Mr Karran, has said that she will come back in November, and that stage would be a suitable time to say if the case is made by the department. If not, then we can debate the argument in the case of the mover of the motion. So, I would like to think that the mover would actually see this as being a sympathetic one to merely give a bit more of a justification for the Court before we get forced to make a decision. So, I will be pleased to support the amendment.

The President: Hon. member of Council, Mr Lowey.

Mr Lowey: Very briefly. Again, the last two speakers have virtually taken the words out of my mouth. I believe the amendment is a win-win situation for everybody. Problem families have been with us since I have been here and long before then, and I remember the local government board, at one time, used to try and isolate them. And yes, I remember them building a wigwam up in Jurby, so the problem is not a new one (*Laughter*), but, again, I think what the hon. mover of the resolution has pointed out – and certainly the Minister for Health and Social Security has pointed out – is that the consequences of this, for whatever reasons ... Sometimes there is a problem with health, and sometimes it is just one of the problems. Drink has been mentioned, and do not underrate that, because at the heel of a lot of the social problems is that. What we are attempting here to do is to say, 'Let us see if there is a genuine problem out there', and the numbers game does not really come into it. If it is one family that is being affected, then that one person deserves what I would call a sympathetic hearing, and I recognise the point about the people who are being affected by that disruptive force. I come from Ballasalla; need I say any more? (*Interjections and laughter*) But I do think that the amendment is a genuine. If, Mr President, I believe all I read in the papers, you will understand exactly what I mean, but I am proud to live in Ballasalla. I do try to say that I do genuinely believe, and I am not one of those who thinks that Council should hijack or amend every proposition that is raised before . . . (**Mrs Crowe:** No.) But on this occasion, I do believe the mover is in a win-win situation, so I would urge the Court to support the amendment.

The President: Hon. member of Council, Mr Singer.

Mr Singer: Thank you, Mr President. I, like lots of us, have experience on commissioners – I have five years on Ramsey Town Commissioners – and I can honestly say it is my view that commissioners are totally reluctant to serve a notice, particularly when there are children involved, and they, in my experience, make every effort over a considerable

period of months – or even longer – to solve the problem. (**Mr Earnshaw:** Hear, hear.) They talk to the tenants and bring the tenants in. There are offers of help if it is a case of arrears – how to pay off the arrears, if that is a problem. Also, if it is anti-social behaviour, they do not just evict them; they talk to them and try to get them to reform their ways before anything is done. Basically, in my experience, eviction is totally the last resort, and I think we have seen that from the figures circulated by the hon. minister today. With the number of commissioners' houses and the number of tenants that are on the Isle of Man, the number of people that are evicted is absolutely minimal.

Mr Earnshaw: I do not think he has had a particularly good Tynwald (*Laughter*), but I can assure him that he is no longer isolated (*Interjection*) and that he has my support – and I know he is pleased to have my support (*Laughter*) – because he is right in saying that it is all of the local authorities' responsibility. They are fully aware of the facts, and what is being said here is that they cannot undertake the job that has been given to them, and I think that is rather high-handed and arrogant.

We have to remember also that there are people who are on the waiting-list for housing and they cannot get a house, and if the tenants at the end of the line do not pay their rent, despite all the offers of help, or they play the system or they do not stop their anti-social behaviour, then there are other worthy persons (**Mrs Crowe:** Yes.) who will be good tenants. Because of all this, we need neither the motion nor the amendment to interfere with the present system, which it has not been proved is broken. No case has been made for change, and I believe that members should reject both the motion and the amendment and leave the status quo.

The President: Hon. member for Peel to reply.

Two Members: Hear, hear.

Mrs Hannan: Thank you, Eaghtyrane. Could I thank Mr Waft for seconding? I think Mr Waft went into a couple of the cases that he has seen and that he had to deal with.

Mrs Crowe submitted to the hon. Court a list of the number of evictions over the last two years and the reason for the eviction. I would put it to this hon. Court that some of these people that have left properties have not got to the stage of actually being evicted. In my area, I think the last three that I have dealt with have actually left the properties before being evicted – and with serious social problems as well, but they were not willing to wait around. The one I spoke about that went to take advice from the senior advocate phoned me after seeing this advocate, and the advocate had advised her to leave immediately. She said, 'I will ring them and tell them I am leaving.', and I said, 'Well, no. If you are going to leave and they want you to leave, at least you can leave it a month or two, but just tell them that you are going.' So, it did not actually go to court.

But people are not going to sit around and wait, because they do not want the embarrassment of having everything put out into the street. One can understand that, and that is the reason why I am moving this motion this evening. I am not talking about anti-social behaviour, but even if it is anti-social behaviour – and I am not saying that there would not be any evictions – this should be brought to the attention of somebody who might be able to assist for whatever reason, whether it is drugs, alcohol, whether it is a child who has got a handicap, autistic tendencies or whatever. Maybe they have had no help in the past, but because these are referred to this consultative committee, they would then get help. And they would not be seen as getting help to take the children away, because that is why lots of people do not want to get involved with social workers, because they see that, at the end of the day, their children could be removed from them. I am sorry if other people do not understand that in this hon. Court. People that I deal with look at it from that point of view. So, I am not looking at it from the point of view that no-one would ever, at the end, be evicted, because that is not the case. If there are people who are anti-social and causing all sorts of problems, maybe those problems can be solved in different ways, but they can also be referred to this consultative committee. What I would suggest is that this list is of the people that were actually evicted and not the ones that were served with a notice to quit, and I think that is the difference that I would put to this hon. Court today. I could go into individuals, but I will certainly discuss one of my main ones with the minister in private, because I would not want to discuss ... It is a very sensitive one. I told the local authority the situation. They said, 'We did not know.' And I only managed to get this person sorted out when I did involve a social worker, and then the commissioners would agree to a meeting. But until that stage, my constituent was sweating on it, and I can tell you I was, too. I did not think I would get any change. I thank the minister for her amendment. I do think it is positive, but I hope that it is looked at in a positive way when it is being discussed.

Mrs Crowe: It will be.

Mrs Hannan: I am sorry that Mr Earnshaw does not think there is a problem.

I thank Mr Duggan for his support.

I thank Mr Karran for his support, and that is the difference between Mr Karran having to deal with problems and Mr Earnshaw in the same area. (*Laughter and interjections*)

The experience of Mr Gill, where he says he has worked with all of these agencies: I would suggest that he has worked with people who are prepared to work with him in a professional way and, in some instances, there is not that working there. My understanding was that what he was talking about was actually the government agencies, which are different to the local authorities. I explained that initially, and other people have mentioned it. All the funding is from

government – 100 per cent deficiency from government – and all I am asking for is that these people need not be sitting there waiting for it to come in; they could be appointed and anything could be referred to them. That is all I am asking. It might not even need even one more post, and I would not imagine that it would. All I am saying is that we would have three people, maybe chaired by a politician, I do not know, but that is up to the department.

Again, with regard to anti-social behaviour and Mr Quayle's concern about people living in a living hell, somebody has got to pick up the pieces of the people thrown out. Somebody has to, and it could be the community itself because of all sorts of problems that are caused by these people, so if we get in and work with these people early, maybe it will solve some of the problems.

Could I thank Mrs Christian for her comments? This is not a departmental thing; this is something that I have been concerned about for some time, and that is why I have raised it. I did not raise it with the minister until after it was on the order paper, and I do apologise for not mentioning it beforehand.

I thank Mr Lowey for his comments, and I thank Mr Shimmin.

I am sorry that Mr Singer thinks that this is 'high-handed and arrogant' and that there are other people waiting. We are looking at people here who have got problems and that need housing. If they did not, we would not house them, and they would not be housed. Therefore, we are looking at housing people who have problems initially. They have low incomes, they have other difficulties then to cope with and they tend to be people who are low-earners or are on these very small pensions or support, whatever. I consider a case has been made, and I hope the Court will support the amendment in the name of the minister.

Several Members: Hear, hear.

The President: Hon. members, the motion is before you at 36 on the order paper. To that, you have the amendment in the name of the hon. member of Council, Mrs Crowe, and circulated to you.

Hon. members, I put first the amendment. Those in favour of the amendment please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, that draws to a conclusion, then, our order – (*Interjections*) I had better put the motion as it is, in total. (*Laughter*) Just to be correct, hon. members, this motion as printed on the order paper –

Several Members: As amended.

The President: As amended. (*Interjections*) It must be getting late! Those in favour please say aye; against, no. The ayes have it. The ayes have it.

Hon. members, having completed your order paper, I do thank you for the manner in which you have conducted the business through three heavy days, and I think we accept that they are heavy, whether it be the atmosphere outside or inside. It is inevitable that,

in strange surroundings such as these for this Court, there would be minor hiccups. However, I personally think that, apart from the acoustics, the changeover has gone particularly well. (**Members:** Hear, hear.) As presiding officer, hon. members, I am satisfied that sufficient time has been allotted for our order paper and that due and proper parliamentary scrutiny this week has taken place. (**Two Members:** Hear, hear.)

As this is the last sitting prior to the summer recess, I hope that all members and, indeed, our messengers and staff will have the opportunity to take a well-earned break with their families, and I thank you for all the work which you have done and completed so well in this Court over the last parliamentary year. Thank you, hon. members.

Council will now withdraw and leave Mr Speaker to put before the Keys such business as he sees fit.

The Council withdrew.

HOUSE OF KEYS

The Speaker: Hon. members, we now stand adjourned until 21st October 2003 in Tynwald. Thank you, hon. members.

The House adjourned at 9.41 p.m.
