

# REPORT OF PROCEEDINGS OF TYNWALD COURT (QUESTIONS)

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**Douglas, Tuesday, 17th June 2003  
at 10.39 a.m.**

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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 F K Delaney, Mr D J Gelling CBE, Mr J R Kniveton, Mr E G Lowey and Mr L I Singer, with Mr P Lo Bao, Acting 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); Mrs H Hannan (Peel); Hon. S C Rodan (Garff); Mr P Karran, Hon. R K Corkill and Mr A J Earnshaw (Onchan); Mr G M Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North); Hon. D C Cretney and Mr A C Duggan (Douglas South); Hon. R P Braidwood and Mrs B J Cannell (Douglas East); Hon. J P Shimmin (Douglas West); Capt. A C Douglas (Malew and Santon); Hon. J Rimington, and Mr P A Gawne (Rushen); with Mrs M Cullen, Deputy Clerk of Tynwald.

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#### Social Legislation – Legislative Priority – Question by Mr Lowey

Question 1. The hon. member of the Council (Mr Lowey) to ask the Chief Minister:

- (1) *Why is social legislation given such a low priority in the legislative programme; and*
- (2) *how many Bills dealing with these matters have been introduced in 2001-2 and 2002-3?*

**The President:** Hon. members, we now turn to our question paper. I call on the hon. member of Council, Mr Lowey.

**Mr Lowey:** I beg leave to ask the question standing in my name, sir.

**The President:** Chief Minister.

**Mr Corkill:** Thank you, Mr President. I do not believe social legislation is given a low priority, but do accept that the definition of ‘social legislation’ is a matter of opinion, and therefore it is difficult to be totally prescriptive as to what has been brought forward and what has not under this category. I do recognise that such matters do not always progress quickly. This, though, is not an indication of any lack of support for social legislation, but is related to the need to consider and consult in some considerable detail to ensure that full and proper consideration has been afforded to all interested parties.

In the legislative year 2001-2 the Matrimonial Proceedings Bill was the one piece of social legislation out of a total of six Bills introduced. However, this was the legislative year following the general election, when a new administration was established. In the legislative year 2002-3 there have been to date a total of 14 Bills introduced, and I accept that few of these could be classified as social legislation. However, I am aware of the extensive consultative processes which are under way in respect of the following Bills:

disability discrimination, race relations – and that Bill has been agreed and hopefully will be introduced shortly – employment (amendment) legislation, social services and regulation of care. All of these I expect to be coming forward in the short term.

I am sure that everyone will agree that in such an important area it is absolutely vital that proper consultation takes place with all interested parties, even though that would appear to slow down the process. The quality of the final product is important, Mr President, and can I assure hon. members there is a commitment to deal with the social legislation issues that are within the government policy programme.

**The President:** Mr Lowey, hon. member of Council.

**Mr Lowey:** On agreeing with the hon. Chief Minister, Mr President, and thanking him for his reply, would he not agree that social legislation is about the quality of life of people affecting their day-to-day lives and therefore should have a high priority? For example, to use one of the Bills that he has mentioned this morning, the Disability Bill – and I am glad my hon. friend, Mr Waft, is not here – would he not agree that the consultation on this particular piece of legislation has been going on for not months but many, many years and there is still no sign of it? If that is not prevarication I do not know what is. Would the Chief Minister give a greater degree of urgency in the future than his administration would appear to give to social legislation at present?

**The President:** Chief Minister.

**Mr Corkill:** Yes, I thank the hon. member for his observation on the perception of progress in this area; maybe that perception could be improved. The particular Bill he refers to, I know, is fraught with difficulties but, nonetheless I do know that the department responsible for that Bill is progressing matters as best it can, but in general terms I appreciate the perception that the hon. member is raising, but can I assure the hon. member there is commitment there from government, and I think that in the next

legislative programme you will see some of these social issues coming forward on to the floor of another House, sir.

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**Residential Properties –  
Multiple Ownership –  
Question by Mr Gawne**

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

*Will you agree to undertake an examination of multiple ownership of residential property by both individuals and companies in the Isle of Man, with a view to indicating how many individuals and/or companies own between 5 and 20 properties, 21 and 50 properties, 51 and 100 properties and 101 or more properties, and report on the findings of such an examination at the October 2003 sitting of Tynwald?*

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

**Mr Gawne:** Gura mie eu, Eaghtyrane. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

**The President:** Chief Minister.

**Mr Corkill:** Thank you, Mr President. I cannot undertake to carry out such an examination which, even if it were possible – and that is not certain – would require considerable resources for no certain benefits, sir. Can I go on to explain that the precise information sought is not available in the Deeds Registry, because the Deeds Registry is a long-established system designed to manually record individual ownership. This means that searches may be made against an individual name of company if known, but this would only produce a list of deed references. These references may not correlate with present ownership as the properties may have subsequently been sold, with the deeds being retained as a permanent record of the transactions. It is not possible to search against addresses in the deeds system.

Furthermore, there is no statutory requirement to register all deeds in the registry of deeds because the system is non-compulsory, and it is possible that there may be deeds to properties which have not been registered at the Deeds Registry.

**The President:** Hon. member for Rushen.

**Mr Gawne:** Gura mie eu, Ard-shirveishagh. I am sure that the Ard-shirveishagh is aware of the unstabilising influence on housing markets of excessive investment in property by certain individuals and companies. Does the Ard-shirveishagh not share my concern that excessive buy-to-let property investment not only has an inflationary effect on

already high house prices but also leads to increasing demands from the workforce for higher salaries to cover the spiralling costs of housing? Can he explain what indicators he and the Council of Ministers use when reviewing this destabilising part of the housing market?

**The President:** Chief Minister.

**Mr Corkill:** The hon. member raises a very valid question in relation to ownership of properties, Mr President. The Housing Task Force tried to identify ownership in the very way that the hon. member has questioned, and we came across this particular problem and we reported to Tynwald in the Housing Task Force report the problems that we encountered. We may have better data collection when the new land registry system comes on stream and has been in place for a period of time, because the data is collected in a different way. Certainly, government is very aware of the housing issue and we are seeking to address that issue by further supply of housing, because housing market, in the environment that we live in, is very much a supply-and-demand situation. One of the issues, of course, is that with houses in multiple ownership, generally speaking – the hon. questioner refers to the buy-to-let situation – that is driven by low interest rates, of course. Those properties are indeed in the main occupied. What would have been and is of concern is investment properties which are held empty and are not satisfying the situation where people are desperate to find accommodation, but investors find it more profitable to keep the properties empty. Most of the buy-to-let properties I am aware of are occupied. The real issue, of course, is that we have within our community a great deal of people, as the Minister for DoLGE will confirm with the lists that they have in their department, wanting to buy affordable housing for themselves, and that is where the market is not satisfying demand and that is where our efforts are focused, Mr President, in trying to get more supply on stream.

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

**Mr Henderson:** Gura mie eu, Eaghtyrane. Given the Ard-shirveishagh's commitment to good social legislation in the preceding question, would he give a stronger commitment to this hon. Court this morning that he will do whatever he can to amalgamate whatever information he can on this important issue as he himself says there are a pool of local people waiting out there to buy affordable homes, and I think whatever information there is that can be gathered will be better than sitting back and getting none, so that adds a further element into the problem of solving the Island's housing crisis.

**The President:** Chief Minister.

**Mr Corkill:** Mr President, the overall housing situation is kept under constant review and the hon. questioner, who is a member of the department concerned, will be aware that there are reports regularly supplied to this hon. Court in relation to the housing situation.

The picture has not been a very happy one for a few years now and, in my view and the government's view, can only be satisfied by improving supply. The report of the Housing Action Task Force which came to this hon. Court in July 2002 did show that we have examined a number of issues, fiscal measures, compulsory purchase issues, negotiation with developers, a number of financial incentives, and the conclusions in the report, which were accepted by Tynwald, were that firstly, on the basis of our best estimates over the next two years, there should be a supply of new housing coming onto the market which is in line with the targets set out in the government's housing policy and that there is no necessity to introduce any of the additional measures discussed as a matter of urgency, but the report did go on to say that we would continually monitor the situation to see whether it would be appropriate to introduce fiscal measures, but the fiscal measures that had been identified were all seen to have a negative impact in the area of supply and that it would drive investment away from an area where we are actually trying to increase investment to create supply.

Looking to the medium or longer term there is a need to ensure that a sufficient amount of additional land is zoned for development, both brownfield and greenfield sites, and that government should be prepared if necessary to approve additional housing development on land which is otherwise suitable for housing development but is not actually zoned, and these were recommendations that were in that Housing Task Force report, Mr President.

**The President:** Now, hon. members, I think we need to be careful that we do not develop into a housing debate and on to land zoning. Hon. member for Onchan, Mr Karran.

**Mr Karran:** Eaghtyrane, would the Ard-shirveishagh not agree that the issue that is raised by this important question is the lack of his administration to draw up a legislative package in order to deal with the problem of the development of too many nest eggs and not enough nests for our people? Would he not agree that when you see the likes of certain first-time housing developments with something in the region of 40 per cent of them now in the rental market, the legislative packages should be put together where certain housing should have restrictions, not on its quality but on its commercial ability for its investment purposes, namely that in perpetuity that property as a first-time buyer's house should be restricted to any rental income of what a council house would be, so making sure that that home is sold to somebody who wants a home and not an investment? Would he not also agree that the releasing of land zoned is no good

unless his government is going to take the leadership on the housing crisis and not allow the developers to be making the agenda and drip-feeding the market?

**The President:** Chief Minister.

**Mr Corkill:** Yes, the hon. questioner, the member for Onchan, Mr Karran, has previously in this hon. Court extolled the virtues of what I would describe as two-tier housing, and I know the hon. member is quite sincere in terms of how he would restrict that type of housing. The issue, though, is fundamentally one of supply, Mr President. I think we must be careful that we do not get drawn into detailed discussion about the minutiae of how we would deal with this current situation when the overall situation is about the supply of housing, driven by a number of factors such as low interest rates.

Now, the hon. member alludes to the government not being committed to delivering its housing programme, and that is not the case. It continues to be of the highest priority. There are hurdles to be jumped over in terms of developing that supply of housing and we are encountering a number of those on a continuous basis but, nonetheless, there is a commitment to deliver this housing, and, if you look at the budget, there are considerable resources invested in there, not just for people to purchase first-time, affordable housing, which is a very important area, but also to deliver commissioners houses and council houses throughout the Island, because that area is also under-supplied. All of this is a situation that is being developed, being progressed, Mr President, not quick enough for any of us, but it is happening.

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

**Mrs Crowe:** Thank you, Mr President. I wonder, would the Chief Minister confirm that none of the homes built in my department's affordable homes schemes can be sold to investors? They can only be sold to first-time buyers and sold on to first-time buyers.

**The President:** Chief Minister.

**The Chief Minister:** I am happy to confirm that, Mr President, in terms of the fact that local government is very keen to focus its resources on the issue.

Just referring back to the hon. Mr Karran's question in relation to first-time developments, of which 40 per cent or half – I have forgotten the figure he said, – are going into the private rental market, I would be interested to know how he has that information because that information, in referring to the very first answer I gave, is the very information that is not available in the registry. The data is not available there and so we do not have detailed figures anywhere on the Island as to how that market is playing out, but I am sure we are all aware that there

are people in that marketplace with properties who are renting them out. There is a valid market for that. In any housing environment there is always a requirement for a certain number of properties to be in the private sector for let. There are people who do not always want to make the commitment of buying properties. I would agree, though, that it is out of balance at the moment. There are some driving factors – I have mentioned low interest rates – which are creating this ‘buy-to-let’ policy, and if interest rates are to rise and if other economic factors are to change, the marketplace will correct itself and then we could have a different situation where we would be talking about other types of problems at Question Time, but hopefully we will never return to the days of 1990-1 where we had a great number of home owners with negative equity. There is a balance needed here. What we need is steadier supply of housing coming on line, and I am aware, with items that are on this agenda and other activities, that housing is being delivered, but it is not quick enough and we want it sooner rather than later, Mr President.

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**‘Personal Allowance Credit’ –  
Young Persons’ Eligibility to Claim –  
Question by Mr Gawne**

Question 3. The hon. member of the Council (Mr Singer) to ask the Minister for the Treasury:

*Is it your intention to alter legislation –*

- (a) to permit persons attaining the age of 18 during a financial year to claim a proportion of that year’s ‘personal allowance credit’;*
- (b) to permit persons under 18, excluding students, to claim ‘personal allowance credit’; and*
- (c) if so, when?*

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

**Mr Singer:** Thank you, Mr President. I beg leave to ask the question standing in my name.

**The President:** I call on the Minister for the Treasury, the hon. member Mr Bell.

**Mr Bell:** Mr President, the hon. member of Council is aware that considerable effort has been put into devising and introducing a ‘personal allowance credit’ régime which will be effective as soon as the Income Tax Bill 2003 receives Royal Assent. He is therefore referring to a piece of legislation which has only recently completed its passage through the branches and which has not yet been implemented. The proposals to which the hon. member has drawn

attention are two of the issues, and there were other matters raised by other hon. members in respect of which a decision had to be taken in order to bring forward a workable scheme but in respect of which it was always accepted that some fine tuning might be appropriate in the light of experience. The most pressing issue in the first year of operation of this new legislation is to get it into effect as soon as practicable, and that will be achieved when the legislation already approved by the branches receives Royal Assent.

I have, Mr President, however, assured all hon. members that the operation of the scheme will be reviewed in the light of how it operates. If it can be demonstrated that the rules of the scheme are resulting in a significant injustice, then the rules of the scheme will be changed to overcome that problem.

In bringing forward any amendments to the scheme it will of course be necessary to bear in mind the desire to ensure that the income tax system, of which the personal allowance credit is a part, is kept as simple as possible. The review will be undertaken by the income tax division towards the end of 2003 so that if any changes in the system are appropriate for the 2004-5 payments they can be brought forward in good time.

**The President:** Hon. member Mr Singer.

**Mr Singer:** Can I thank the hon. minister for his answer and can I say to him that I acknowledge the important step that has been taken on this Bill? It has had my full support all the way through. Would the minister agree with me that the two items that I have brought forward – that is, that people may well have to wait until they are 19 to be able to claim this allowance if their birthday is soon after the start of the tax year – should be looked at, and similarly that there are low paid workers under 18 who may well be married and have a child who deservedly need that personal allowance credit, yet they are excluded on it purely on the grounds of not being 18? So would the minister agree that these are two of the particular items that will be reviewed when the time comes to review the working of the Act?

**The President:** Minister for the Treasury.

**Mr Bell:** Mr President, I think I already answered and indicated in my answer that if injustices are identified as part of the review later on this year, my department, the Treasury, will implement changes in time for the next financial year. The age limit of 18 was decided upon as a result of consultation between Treasury and the DHSS; that was the age which was accepted by the branches and is the age clearly that is operating at the moment, but, as I say, Mr President, if there are anomalies, if a problem has been identified, then we will certainly look sympathetically at the end of the year when we carry out our review.

**‘Green Taxation’ – Introduction of –  
Question by Mrs Cannell**

Question 4. The hon. member for Douglas East (Mrs Cannell) to ask the Minister for the Treasury:

*Will you consider the introduction of ‘green taxation’ to cover the cost of green issues such as waste management, coastal erosion, clean air et cetera?*

**The President:** Hon. member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Thank you, Mr President. I beg leave to ask the question standing in my name.

**The President:** Minister for the Treasury to reply.

**Mr Bell:** Mr President, the use of taxation and other instruments in environmental matters is an interesting and controversial topic. Part of the controversy in this area arises because people object when they are required to pay for something they formerly considered free or costless.

One must start with what is meant by ‘green taxation’. I understand it to mean more than simply the allocation of an element of general taxation revenue for environmental purposes. I understand it to mean a mechanism that is intended to change behaviours to deliver a particular environmental benefit. Therefore it is a means of bringing to people’s attention the cost associated with preserving or improving the environment. That in itself can be a justifiable intention.

Also, one needs to treat with a lot of caution the concept of earmarking elements of general revenue for specific environmental or other purposes, the technical term for which is ‘hypothecation’. One reason for caution is that it might not raise sufficient revenue to meet the intended purpose or, alternatively, if it raises a greater amount, its allocation for that purpose may not be the most efficient or effective use of that revenue. Whilst the proposition that all government services should be funded from general taxation might seem attractive superficially, in reality all jurisdictions need to have a variety of sources of revenue, including direct and indirect taxation and fees and charges, and, as such, consideration needs to be given regularly, to the most appropriate means of revenue collection for both revenue-raising and environmental purposes.

**The President:** Hon. member for Douglas East.

**Mrs Cannell:** Thank you, Mr President. Is the hon. Treasury minister aware of what eco-tax reform package is when one talks about green taxation? Is he aware, for example, that the two basic parts of eco-tax reform packages are a set of green taxes that bring in revenue and a set of tax cuts of equivalent value? Further, is he aware that such initiatives are supported

and encouraged and practised in Germany, Italy, Denmark, the Netherlands, Sweden, supported by the OECD and Europe, and would he at least engage in some sort of research – and I am willing to help him on that – so that he could consider incorporating it into his Isle of Man tax strategy?

**The President:** Treasury minister.

**Mr Bell:** I welcome the hon. member’s offer for help, Mr President, and if she would like to contact me with her suggestions I will be happy to look at them.

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**Health – Missed Appointments –  
Question by Mr Quayle**

Question 5. The hon. member for Middle (Mr Quayle) to ask the Minister for Health and Social Security:

*To maximise efficiency and cost-effectiveness, will you undertake an assessment of hours lost by doctors, dentists and opticians, due to cancelled or missed appointments, and consider any appropriate measures?*

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

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

**The President:** Minister for Health and Social Security, Mrs Christian.

**Mrs Christian:** Thank you, Mr President. An assessment of the hours lost by doctors, dentists and opticians due to cancelled or missed appointments will depend on the degree to which this information is recorded by individual practices. I understand that all practices will hold records of such missed appointments, but we would have to ask them to compile this information in order to make an assessment of the hours lost.

From discussions with representatives of each of the professions listed, it appears that the problem is greater for doctors and dentists than it is with opticians. It is recognised with all three professions that some missed appointments are for genuine reasons and are unavoidable, but there are few, if any, sanctions available against those who persistently fail to attend for appointments. The department does from time to time give publicity to the problems of non-attenders to emphasise the need to advise the health services if you cannot attend so as not to deprive another person of an opportunity to have an appointment at an earlier time and, indeed, not to waste the resources of the service.

**The President:** Hon. member for Middle.

**Mr Quayle:** Thank you, Mr President. Accepting that there will be occasions when people, for whatever reason will be having to cancel an appointment, would the minister not agree with me that the number of hours lost is a wasted resource and anything we can do to minimise the hours lost will be advantageous to the DHSS in its ability to provide better health care for the Island?

**The President:** Minister.

**Mrs Christian:** Yes, Mr President, there are some sanctions which are available and charging is one of them, but it is very rarely used. It is there more as a lever than an actual penalty. Indeed, if it is not paid, the issues of collecting it are extremely difficult, but I am in agreement with the hon. member that if we can increasingly try and alert people to the fact that they are depriving other people of an opportunity and wasting resource, indeed that is a worthwhile pursuit.

**The President:** Hon. member Mr Henderson.

**Mr Henderson:** Gura mie eu, Eaghtyrane. Would the shirveishagh agree, when undertaking this assessment, that perhaps one other element that is certainly worth looking at is that the management and administrative practices of her own department require scrutiny from time to time, as some of these do actually cause the loss of appointments in the appointment system?

**The President:** Minister.

**Mrs Christian:** Yes, Mr President, I have not given an undertaking to carry out such an assessment. As I say, it would require the practices to involve themselves in providing a lot of information. They are aware of what their issues are and deal with them, to some extent, at their own levels. So far as the hospital service is concerned, the department does review its procedures from time to time; indeed, this question was raised I do not now how long ago – probably a year or so ago; we did look at the issue of sending out letters in respect of appointments. We have made changes. Indeed, in some circumstances we carry through telephone calls to remind people that they have an appointment coming up to ensure that the minimisation of waste, if I can put it like that, is practiced.

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

**Mr Bell:** Thank you, Mr President. Could I ask the hon. minister if she is aware of a survey which has been carried out in the Ramsey group practice in recent months which indicated nearly 200 no-show appointments within a four-week period? And does the hon. minister accept that this is a totally unacceptable (**Mrs Crowe:** Absolutely.) situation to be in and is probably reflected across other group practices across

the Isle of Man, and it is particularly unfair to those people who have more urgent pressing demands on the doctor's time who, as a result, have sometimes got to wait several days to get an urgent appointment with the appropriate doctor?

**The President:** Minister, Mrs Christian.

**Mrs Christian:** Mr President, I had heard about such a survey and, indeed, we do keep records at Noble's Hospital in order that we can address the issue. In fact, it is surprising in particular areas; in fact the worst offender seems to be pediatrics, which is astonishing, given that one would expect parents to be concerned about their children's health. However, that is in percentage terms, but the numbers there are significant. So, yes, I do take the hon. member's point. It may be that we ought to have a more vigorous publicity campaign in this area.

**The President:** Hon. member of Council, Mr Delaney.

**Mr Delaney:** No, thank you, Mr President. Mr Bell asked a similar question.

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### **Disability Discrimination Bill – Question by Mr Singer**

*Question 6 was withdrawn.*

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### **Pensioners in Care – Sale of Houses – Question by Mr Henderson**

Question 7. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Health and Social Security:

- (1) *What scheme is currently in place by your department to mitigate the sale of a pensioner's house if that pensioner has to go into either residential or nursing care but is unable to meet the costs;*
- (2) *what does such a scheme allow for; and*
- (3) *what is the maximum your department would pay for someone in this position by way of benefits they are entitled to?*

**The President:** We turn then, hon. members, to question 7 and I call on the hon. member for Douglas North, Mr Henderson.

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

**The President:** Minister for Health and Social Security.

**Mrs Christian:** Mr President, under the income support regulations the maximum amount payable to a person accommodated in residential care is £298.88 a week, and that includes their personal expenses allowance of £23.15.

For a person accommodated in a nursing home, the maximum amount of income support payable is £499.57 a week, again including their personal allowance. In either case the actual amount of income support payable will be the difference between these maxima and any reckonable income which that person has.

In addition, persons in residential care or nursing-home accommodation operating in the private sector may also be entitled to attendance allowance either at the lower rate of £38.30 a week or the higher rate of £52.20 a week. The department has published a comprehensive booklet explaining the conditions governing income support for people entering nursing or residential care homes, and I have asked that a copy of that booklet be placed on each hon. member's desk.

**The President:** Hon. member Mr Henderson.

**Mr Henderson:** Gura mie eu, Eaghtyrane. I thank the shirveishagh for her answer but would she agree with me that the current figures that she has just revealed to this hon. place are, in fact, on the low side to meet adequate needs for pensioners in residential and nursing homes? And would she agree that it is time that we had a review of these pricing structures – not just the annual inflationary view but something to ensure that this is actually meeting the needs of the more vulnerable in our society?

**The President:** Minister to reply.

**Mrs Christian:** Mr President, I am not sure but I think the hon. member is taking me on to the answer to question 8 –

**The President:** It may very well be.

**Mrs Christian:** – and I am not sure whether you would wish me to address that now. In terms of question 7, at the last sitting, we talked about these issues and explained how the department carries out its reviews in relation to this issue. The hon. member in question 7 is asking about the sale of pensioners' houses and that is very clearly set out in the documentation. Tynwald, in recent times, approved a scheme which ensured that people moving into residential or nursing home care do not need to sell their houses, but may rent them out if they want to hang on to the property. That is all set out in the scheme, Mr President.

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

**Mr Karran:** Eaghtyrane, would the shirveishagh not agree that part of the problem is the lack of

competition in nursing-home facilities on the Island, and the fact that the DHSS has now, for some considerable time, stopped providing long-term geriatric hospital beds? Would she not agree that one of the problems is that there needs to be more competition within the nursing-home sector in order to give the customer the choice? And would she not agree that her department should be providing more nursing-home facilities run by her department and especially, as a plea, for the people in the west of the Island where that should be provided, in my opinion, and would she look at this issue of getting at least another nursing home built in the Island, in order to try to bring standards up for the accommodation and bring prices down for the residents that have to go in to nursing homes?

**The President:** Minister to reply.

**Mrs Christian:** Mr President, the hon. member has talked about competition in this area. I think the department's concern is to ensure that we have provision. That is the main concern. The hon. member has referred to the question of the need in the west of the Island, and he is probably aware that we have been carrying out a review of the needs across the Island and determined that there is a particular need in the west of the Island, and we will be building that requirement into our departmental business plans and service plans in due course. So, Mr President, whilst competition may be desirable our efforts in underpinning the financial needs of people going into residential or nursing-home care are to try and balance what is a reasonable level of support with the reasonable costs of private enterprise who seek to provide these services and make some element of income from them.

**The President:** Hon. member Mr Karran.

**Mr Karran:** Eaghtyrane, would the shirveishagh not agree that the one way of making sure that standards stay up . . .? We do not want a repeat of what happened in the early 1990s or late 1980s where the department was in the awkward position that it could not enforce standards, never mind the costs – would the minister consider it a priority to try at least to get a new nursing-home facility provided in order that we can create the competition in the private sector so that they will now see that they are in the position where they have got more patients than beds, so they can do what they like at the present time?

**The President:** Hon. member, that is a repeat of the question that you asked previously.

**Pensioners in Care –  
DHSS Maximum Benefits –  
Question by Mr Henderson**

Question 8. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Health and Social Security:

*Will your department review the current maximum benefit payments it awards to pensioners who require residential or nursing care and do you agree that the current schemes are inadequate for our pensioners?*

**The President:** I call on the hon. member, Mr Henderson.

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

**The President:** Minister.

**Mrs Christian:** Mr President, as was intimated in the answer to a question on this issue at the May sitting of this hon. Court, a review was undertaken of all benefits as part of the 2003 budget process, and increased rates of benefits put into payment during the week commencing the 7th April. The next review of benefit rates will take place as part of the 2004 budget process, to take effect in April next year.

However, in line with the hon. member's request at the May sitting, I asked that an analysis of income support payments to persons in private residential and nursing homes is undertaken by my officers and that work, Mr President, is currently in hand.

**The President:** Hon. member Douglas North.

**Mr Henderson:** Gura mie eu, Eaghtyrane. I am grateful to the shirveishagh for making that statement, but would she agree with me that the figures that she has revealed in a previous answer this morning show that the current benefit scheme is falling short of nursing-home and residential-home fees and would she agree that this review does need all the care and attention which her officers can afford the time to?

**The President:** Minister.

**Mrs Christian:** Mr President, again, I am reiterating what was said just a month ago. The department does review its support levels every year. It does try and acknowledge the concerns of the private sector in providing this element of care where government are not involved. It did give a substantial uplift in the year 2001 of 17.7 per cent in this area and has continued to give above inflation increases since then.

There is a difficulty in that we establish and publish our rates and then the homes set their charges. They are in this as private enterprise and seek to make a profit. We cannot continually chase what they are

seeking to have but seek to – through dialogue with them – establish what are reasonable levels. Mr President, I do not think that, where a person is receiving £556.77 a week, in terms of allowances from the court, that is an unreasonable amount for the department to be providing. That is right: £556.77 is the total amount of income support attendance allowance higher rate and the allowance of personal expenses. Now, if, given that, the home sets their rate at £546 – as we know in some cases they do – they do that after we have set our rates and they know that they are going to impinge on the personal allowance of the person concerned.

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**Residential/Nursing-Home Fees –  
Recent Increases –  
Question by Mr Henderson**

Question 9. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Health and Social Security:

*Can you confirm that the average increases in residential and nursing-home fees, both private and state run, have been for the last five years, and what have the state pension increases been for the same five years?*

**The President:** Hon. member Mr Henderson.

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

**The President:** Minister for Health and Social Security.

**Mrs Christian:** Mr President, the department holds information only on private and residential nursing home fees charged to people who claim income support. We have no power to obtain information about fees charged to individual residents who do not claim support from us, and those fees may be different and, indeed, we know in some cases they are different from those people on income support. What I can tell the hon. member is that the maximum weekly amount of income support allowance toward private sector residential homes has increased over the five-year period from April 1998 to April 2003 by £83.08 a week – an amount of 43 per cent. In respect of nursing-home fees, the maximum weekly amount of income support allowable has increased over that same period from £143.27 a week to £446.47 – again an increase of around 43 per cent.

The fees charged by residential homes operated by my department have increased by £69.79 a week, an increase of 34 per cent, but that does not take into account the element of attendance allowance in our particular homes.

The weekly rate of a basic state retirement pension – the final element of the hon. member's

question – including the pension supplement, has risen from £78.60 to £116.18, an increase of £37.58 or 48 per cent.

**The President:** Hon. member Mr Henderson.

**Mr Henderson:** Gura mie eu, Eaghtyrane. I thank the minister for her comprehensive answer, but would she agree with me that in giving those percentages, if we looked at them as being year in, year out, they would still show that there are some problems with the pension increases and nursing residential home increases? Again, I would ask her to bill this into any review that is ongoing in the department currently.

**The President:** Minister.

**Mrs Christian:** Mr President, the issue of pension increases is totally divorced and separate from the issue of income support in this context. Looking at the retirement pension in isolation, at least the basic pension, tells us nothing in relation to charges or the support levels, and the state retirement basic pension does not tell you what any individual gets because the vast majority of people now have a SERPS element added to that, as well as other elements of pension. So, I would suggest, Mr President, that over a five-year period a 43 per cent increase is way out of kilter with inflation and does show that we have done some considerable way to recognising the particular difficulties of homes in staffing their establishments in the light of competition from other areas of the economy in the Island. I have said and will reiterate, Mr President, that we will continue to review on a regular basis.

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

**Mr Duggan:** Thank you, Mr President. Could I ask the minister, sir, has she looked at the comparison of fees and charges in the United Kingdom to make sure that we are getting value for money on the Island?

**The President:** Minister.

**Mrs Christian:** Mr President, the fees charged in the United Kingdom operate on a different basis. I do not think there is any great virtue in looking at those but I take the hon. member's point that he would wish to make a comparison. I think what is more significant from us is to look at the actual costs, in relation to our Isle of Man economy, of delivering these services.

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

**Mr Karran:** Eaghtyrane, would the shirveishagh not agree that, even allowing for the fact that we should be proud of the increases that her department has provided as far as this section of the community is concerned, the fact is that we have withdrawn slowly

over a number of years the provision of this facility for long-term geriatric care, and that is the reason why you cannot keep up with the costs as far as the DHSS is concerned? Would she also not agree that if the issue is still about removing the basement out of Glenside for a geriatric unit for nursing homes this will add to the costs in the private sector because there is less competition and they can charge more? And that is the problem we are facing here today, Eaghtyrane, in my opinion, and I would like the minister to look at it.

**The President:** Minister.

**Mrs Christian:** Mr President, the hon. member is running together the issue of long-term hospital beds and long-term residential care beds. Now, the department continues to make provision, obviously, in its residential care homes for long-term care. The hon. member, I think, is suggesting that the department should have more nursing-home beds – in fact, it has no defined nursing home beds as such. I have just mentioned the issue in relation to higher dependency in the west of the Island, and I would point out to the hon. member that it is the policy of the department now to seek to provide in its residential care homes for increasing dependency so that, as far as we can, we avoid people having to make a jump from a residential care facility to a nursing-home facility –

**Mr Karran:** I put the policy in.

**Mrs Christian:** The hon. member says that was his policy. Indeed, it was and that is what we continue to pursue. We will endeavour to put the staffing into our residential care homes which will allow increasingly dependent people to stay there and not have to move into a different facility defined as nursing-home care.

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### **Pensioners in Care – Insurance of Room Contents – Question by Mr Henderson**

Question 10. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Health and Social Security:

*What advice can you give a pensioner who is receiving residential or nursing-home care, either state-run or private, who is having difficulty insuring their room contents, and what action does your department propose to undertake if there are problems so that pensioners can be insured?*

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

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

**The President:** Minister for Health and Social Security to reply.

**Mrs Christian:** Mr President, it is not appropriate for me or the officers of the department to advise pensioners on insuring their belongings. Where appropriate, pensioners or their relatives or representatives should seek advice from professionally qualified insurance advisors. I do not consider it appropriate for my department to make arrangements for insurance cover in respect of private belongings in general or in particular. Staff are there to assist if a resident does not have a relative or an advisor to make contact with an appropriate professional, but it is not for us to give insurance advice directly.

**The President:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Eaghtyrane. Would the minister not agree with me that it is her department's responsibility to assist residents in nursing and residential homes to a certain degree, in as much as if a new patient or client is moved into one of those homes, whether it be government-run or private, they are given the advice in respect of any goods brought in – because they like to have their own things about their rooms – the advice should be that they should find some sort of contents insurance – not to advise them on whatever insurance company – just to simply make sure that even their own organisation is actually covered, should anything happen or an item be lost or stolen? And would she agree with me that there are problems with this and that it would be nice to have some sort of minimal advice coming from the senior management – not the staff on the floor – to assist the elder person in this area?

**The President:** Minister.

**Mrs Christian:** Mr President, if the hon. member intended, through his question, to say, 'Can we help the person get advice in the right quarter?' of course we are happy to do that but we are certainly not going to be specific about the way in which –

**Mr Henderson:** I am not asking that.

**Mrs Christian:** – insurance cover is placed. If that is not what you are asking for, yes, indeed, we can and will continue to do it. The hon. member knows that in a particular instance of difficulty he is always invited to bring those issues to the department.

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**May Hill, Ramsey –  
Funding for Autistic Adults' Home –  
Question by Mrs Craine**

Question 11. The hon. member for Ramsey (Mrs Craine) to ask the Minister for Health and Social Security:

*Whereas funding previously allocated for a house on May Hill, Ramsey for autistic adults has been used to support spending in other areas, will you state –*

- (1) the areas to which funding has been diverted;*
- (2) what use the house on May Hill is to be put pending the provision of the necessary finance; and*
- (3) when it will be ready for use for the purpose originally intended?*

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

**Mrs Craine:** Thank you, Mr President. I beg to ask the question standing in my name.

**The President:** Again, I call on the Minister for Health and Social Security to reply.

**Mrs Christian:** Mr President, the revenue funding allocated to develop a residential unit at May Hill in Ramsey for people with autism has had to be used to support increase demands for childcare services. Discussions are currently taking place with the service provider, Autism Initiatives, to identify other ways of enhancing the support for people with the autism spectrum disorder. No decision has yet been taken on the options of the use of the house when refurbishment of that building has been completed. Additional funding will be required to enable the unit to be developed as originally planned and that, of course, will be taken into consideration as we go forward in developing our budgets, along with all the other priorities which are in that list, Mr President.

**The President:** Hon. member Mrs Craine.

**Mrs Craine:** Mr President, will the minister not agree that it is regrettable that the potential residents for that unit have been shown through the premises and have now had their hopes dashed, and would she not further agree that the families of those who have had the hope of residence in that unit should be kept informed of the present position?

**Mr Henderson:** They never are.

**The President:** Minister.

**Mrs Christian:** Mr President, can I say that I am advised that residents have not been chosen for the unit, although it may well be that in general terms the suitability of certain individuals may have been discussed within professional groups and with families. Indeed, if their hopes have been raised, it is regrettable that they have been dashed.

However, our department is one which is faced not infrequently with demand-led service provision and it is necessary that we focus our resources on existing service delivery and as I have said the money

which was allocated for this house when it is finished being refurbished has, regrettably, had to be transferred to the childcare area. We cannot refuse to take children into care when they are brought to us needing that care and we do have to transfer funding on occasion, when we find that our budgets in one area cannot meet the demand which is placed upon us. I have indicated that so far as the delivery of care to autism cases is concerned, we have discussed this with Autism Initiatives who are our service provider in this area. The families are aware of this situation and we are looking to have further discussions to find other ways of supporting families whose children or adults suffer from the autism spectrum disorder.

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

**Mr Singer:** Thank you, Mr President. Could the hon. minister tell me first of all when the house on May Hill was purchased, how much was paid for the house and when was the original date it was supposed to be operational? And, also, did the minister say that they would be refurbishing the premises without knowing what it was going to be used for?

**The President:** Minister.

**Mrs Christian:** Mr President, I do not have the information about when it was bought, how much was spent and when it was intended to be refurbished. The department provides a number of homes for people with learning disabilities. (**Mrs Crowe:** Exactly.) (**A Member:** Hear, hear.) We still need homes for people with learning disabilities but, as I have said, we are sometimes faced with budgetary issues which prevent us developing new elements of service, if our existing service delivery takes more resource than has been provided for. This home, in the short term, may be used for people with learning disabilities. It will not be used for children in care. It could be used for staff in the short term because of various housing pressures on staffing, but it is unreasonable to suggest, Mr President, that this house was bought without us knowing what we were going to do. We knew well what we intended to do. It is unfortunate that our resource in this area does not meet the demand.

**The President:** Hon. member for Onchan.

**Mr Karran:** Eaghtyrane, is the minister aware that some hon. members in this Court have had ex-constituents who have got would-be residents and were under the impression that they were going into this facility? So I think it is more than a wish list. The issue is that there are genuine people who had long-term things sorted out. Would she also not consider that this is an important issue and should be coming to this hon. Court to debate the issue of giving her more funding for this facility in order that we can debate and prioritise where money is going? And will she go back to the Council of Ministers and express the concern

that people have been told that their children – their grown-up children – are going to go into this unit and we need to come back to Tynwald, and if we need to do cuts let us not be cutting at the weakest point in our section of the community?

**The President:** Minister to reply.

**Mrs Christian:** Mr President, the department could come back at every sitting of this hon. Court with a bid for extra funding and I do accept that the hon. member is right – that sometimes we have to make very painful cuts. Indeed, the whole issue of allocation of resources is one which the Court has to address and needs to address every year at budget time, and that is an opportunity where members can express what they feel to be the priorities and the allocation of various resources. So, whilst accepting what the hon. member says is well-intentioned, and I wish I could have more resources to put into many areas – and I do regret that if certain individuals felt that they were going into this property – can I assure him that I understand that the families and the Autism Initiatives group have accepted this difficulty in terms of the department's strategy, and are looking to other ways of helping them out through this period until such time as we can, on a regular committed basis year on year, fund the running of this property.

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

**Mr Singer:** Mr President, could I ask the minister: if there is a shortage of finance so that nothing is being done with this house at the moment – the minister does say that they are refurbishing it – surely if you do not know what you are going to use it for, and you do not know when you are going to use it, perhaps it would be better to return that house to the housing market, because the housing market is desperate in the Ramsey area?

**The President:** Minister.

**Mrs Christian:** Mr President, I have indicated that we are giving consideration to options for its use, one of which is the housing matter, but for our staff because we have particular difficulty in housing some of our staff on a short-term basis when they arrive here and we need to make sure that we have the staff to help us look after the people who need the care.

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**Paramedic Ambulance Service in South –  
Question by Mr Gawne**

Question 12. The hon. member for Rushen (Mr Gawne) to ask the Minister for Health and Social Security:

*Does your department plan to introduce a dedicated 24-hours-a-day, seven-days-a-week, 52-weeks-a-year paramedic ambulance service based in the south? If so*

- (a) *when will this service be introduced;*
- (b) *will the service be based at the recently built ambulance station next to the Four Roads doctors' surgery; and*
- (c) *what level of staffing is envisaged for this service?*

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

**Mr Gawne:** Gura mie eu, Eaghtyrane. Ta mee shirrey kied yn eysht y chur ta fo my ennym.

**The President:** Minister for Health and Social Security.

**Mrs Christian:** Mr President, I can inform the hon. member that the department does plan to introduce a dedicated 24-hours-a-day, seven-days-a-week, 52-weeks-a-year paramedic ambulance service in the south of the Island. The target for commencement is the beginning of October, but this depends upon the successful recruitment of additional staff.

In response to the second part of the question, I can confirm that the service will be based at the recently built ambulance station adjacent to the Port Erin doctors' surgery.

In conclusion, Mr President, the service will be provided by 10 members of staff.

**The President:** Hon. member for Rushen.

**Mr Gawne:** Gura mie eu, Shirveishagh son Slaynt as Shickyrys y Theay. I know that the shirveishagh is aware of the worry and concern expressed in Rushen and the North over the new out of hours GP service which was hurriedly introduced by her department on 1st April. Does the shirveishagh agree with me that the provision by her department of a dedicated 24-hours-a-day, seven-days-a-week ambulance service, staffed by fully trained paramedics and based in Port Erin might provide some comfort to people in the south who are anxious that the new out-of-hours GP service will not meet their needs?

**The President:** Minister.

**Mrs Christian:** Thank you, Mr President. Yes, I do agree with the hon. member in that and I do hope it will go some considerable way in allaying perceptions of difficulty in relation to the out-of-hours service. This will mean that when this is in place we will have three ambulances on duty 24 hours a day, placed in the north, middle and south of the Island and whilst our ambulance service currently meets the targets which are required of ambulance services, I feel that this extra provision in the South will relieve some pressure in the centre and on Ramsey and will, indeed, ensure that these target figures are improved even more than they are now.

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**Local Authorities – Costs of Legal Advice,  
Staffing and Administration –  
Question by Mr Delaney**

Question 13. The hon. member of Council (Mr Delaney) to ask the Minister for Local Government and the Environment:

*Can you explain further to your written answer to question 23(a) at the May 2003 sitting of Tynwald to the hon. member for Malew and Santon, Douglas Corporation's response of 'nil', and at question 23(b) 'Office Expenses – salaries'?*

**The President:** Hon. member of Council, Mr Delaney.

**Mr Delaney:** Thank you, Mr President. I beg leave to ask the question standing in my name.

**The President:** I call on the Minister for Local Government and the Environment.

**Mrs Crowe:** Thank you, Mr President. When the department received notice of the original question for the hon. member for Malew and Santon the department immediately sent a letter with a copy to all local authorities requesting the information which I have to rely on by way of reply and I think it might be helpful if I quote the actual wording of the original question asked by the hon. member for Malew and Santon at the May 2003 sitting of Tynwald. The question read: 'Can you advise (a) the occasions and costs incurred by all local authorities in obtaining legal advice against government departments in the period 1st January 2000 to date; and (b), an analysis of all local authority staffing and administration costs in the period 1st January 2000 to date.'

As regards part (a), I am told that Douglas Corporation has not taken legal action against a government department and that they would explain the nil return as such. They have stated they did not take legal action against government departments; they only took legal action to promote and protect their ratepayers' interests. The hon. member may draw his own conclusion from this.

**The President:** Hon. member Mr Delaney.

**Mr Delaney:** Several supplementaries, Mr President, with your permission, sir. First of all, the letter and the excellent question by the member of Malew and Santon, if I may say so, says 'advice against government departments' – the word 'advice'. Could the minister circulate, please, to members of Tynwald Court the letter that was sent to Douglas Corporation and their written reply? (**Mr Houghton:** Hear, hear.)

Secondly, can I ask the minister: on the second part of the question now and the answer given by the hon. minister at the time, it says 'all other legal costs' of which the answer, which you have indicated, was 'nil, nil, nil, nil, nil', and they have also taken the trouble, I notice, to combine the second part of the question from the member, putting administration costs and office expenses together. Does this not give the minister room for concern with the openness of local government, particularly the largest local authority, and the respect they show to their ratepayers of what they are doing with the money that the ratepayers by law have to give them every year? And further –

**The President:** I think we have three there already, Mr Delaney. Perhaps the minister would answer those three first.

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

**Mrs Crowe:** Thank you. Yes, I do believe that the local authorities understand that I am not satisfied with the answers to the questions that I circulated in a genuine attempt to have some knowledge for members of this hon. Court. I have spoken with the local authorities and I have said that we will be putting in place a regular reporting system to the department to ensure that we can get the information that we require if it is of a specific nature to help a member or a specific instance in which we need specific answers to questions from local authorities.

**The President:** The first part, Mrs Crowe, with respect to Mr Delaney, was 'would you circulate the correspondence?'

**Mrs Crowe:** Yes, indeed I would, Mr President, of course.

**The President:** Thank you. Mr Delaney.

**Mr Delaney:** Thank you, Mr President. Further supplementaries: the second part of the answer given is administration costs. They are combined, as I have said, with salaries. I, as you know, am taking some interest, with other members, in the expenses of Douglas Corporation. How are we expected, as they are not clear in even their unaudited accounts how their increases in salaries have occurred for a large section of the upper echelon of Douglas Corporation

and not to the workforce who are fixed by their increases by agreements, and where can I find, as a member of Tynwald Court, how much money has been paid to these people on behalf of the so-called ratepayers of Douglas?

**The President:** Minister to reply.

**Mrs Crowe:** I think I could say I am well aware of the hon. member of Council, Mr Delaney's concerns in this area and I am having some discussions with that particular authority.

**The President:** Mr Delaney.

**Mr Delaney:** If I may use a little bit of tartness in the last supplementary, could the minister tell me and the ratepayers of Douglas which group of legal houses, of which there are several representing Douglas Corporation, have registered themselves as charities and are working for Douglas Corporation for nothing? That is the answer they have given. They have at least one lawyer sitting there through every council meeting; is he working for nothing?

**The President:** Minister.

**Mrs Crowe:** Mr President, I am not trying to be unhelpful and I do share some of the concerns of the hon. member of Council, but the fact is I can only rely on the information that is supplied for me to supply it to this hon. Court. I will endeavour, of course, to get more information, but that will be a matter of discussion.

**Mr Delaney:** Thank you very much.

**The President:** Hon. Mr Speaker.

**The Speaker:** Yes, thank you, Mr President. Could I ask the hon. Minister for Local Government and the Environment if she is having concerns and difficulties getting information from the Douglas Corporation and, if it continues, will she refer the matter to the Public Accounts Committee, who have powers to investigate them?

**Mr Delaney:** Good question.

**The President:** Minister.

**Mrs Crowe:** If we continue to have any concerns – and I am not saying at the present time that I have any financial concerns but I am aware that there are members of this Court that do – yes, certainly, I would have no problem at all in asking the Public Accounts Committee to look at any area that we in the department have concern about.

**The President:** Hon. member for Onchan.

**Mr Karran:** Eaghtyrane, is the shirveishagh aware that there are a couple of town councillors who have been trying to find out (**Mr Delaney:** Hear, hear.) the legal costs? And would she, armed with that information, make sure that this is not a polite conversation with Douglas Corporation? It is an actual affront to the elected House of this Island for it not to get this information and this is a serious issue (**Mr Henderson:** Hear, hear.) as far as public money is concerned. (**Mr Delaney:** Hear, hear.) We should have that information for the next July sitting.

**The President:** Minister.

**Mrs Crowe:** Thank you. I think the hon. member for Onchan, Mr Karran, made a point there that the councillors do not know. Well, I would say that it is the responsibility of those particular elected persons to make sure that they do have the knowledge. It is absolutely essential, and that is their rôle. Guidance notes have been issued to every elected person in the local authorities to explain that rôle fully to them. In section 4 of the Local Government Act, the wording in that section states that I have powers to supervise. At the present time we are taking some legal advice as to precisely what that term means, because I would agree with you that if there are concerns and they are genuine concerns about a specific area, it is not satisfactory to receive the kind of replies that I have been receiving.

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### **Queen's Hotel Site, Ramsey – Redevelopment – Question by Mrs Craine**

Question 14. The hon. member for Ramsey (Mrs Craine) to ask the Minister for Local Government and the Environment:

*Will you, as minister responsible for the former Queen's Hotel site, Ramsey, presently derelict, give an undertaking to urgently redevelop this site to help solve Ramsey's housing problems?*

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

**Mrs Craine:** Thank you, Mr President. I beg leave to ask the question standing in my name.

**The President:** Again, the answer is in the hands of the Minister for Local Government and the Environment, Mrs Crowe.

**Mrs Crowe:** Thank you, Mr President. In answer to this question from the hon. member for Ramsey, Mrs Craine, I am pleased to respond that my department has received tenders for developing the former Queen's Hotel site for mainly first-time buyer apartments. The successful tenderer is Dandara Contracting, who are currently completing the design

work for 34 apartments, 27 of which will be for first-time buyers. The planning application for this site and a for a further adjacent site owned by that company will be lodged in the department, I hope, within this week. Work should commence on the site within one month of receiving planning approval and be completed some 15 months later – that would be spring 2005. The apartments will be sold to first-time buyers under the House Purchase Assistance Scheme 2002, and the current selling price for these two-bedroomed apartments will be £110,000.

My department will allocate these homes this time, this year, initially with the bias towards local applicants on the first-time buyer register who, indeed, have given Ramsey as their first choice for their preferred area and during the recent exhibition that we had on all the affordable housing that we are proposing for the Island, members were given the opportunity to view the drawings of what I believe is an excellent design of the development in respect of the Queen's Hotel site, and I have arranged for the drawings to be present in the Members' Room today.

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

**Mrs Craine:** Thank you, Mr President, and I thank the minister for that encouraging response. Could I ask the minister: in the plans would she ensure that adequate parking will be incorporated in the plans so that extensive car parking will not encroach on the parameters of the Queen's Pier when it reopens. (*Laughter*)

**The President:** Minister.

**Mr Delaney:** Are we going to live that long?

**Mrs Crowe:** Yes, we will most probably be travelling by a different method by then, I think! However, what I would say is yes, I think if one looks at the design, it is a very innovative design with the off-street parking through a central courtyard. There is adequate parking and of course that is part of the planning application.

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### **Camera Obscura – Progress of Scheme – Question by Mr Quayle**

Question 15. The hon. member for Middle (Mr Quayle) to ask the Minister for Local Government and the Environment:

*In relation to the camera obscura, will you give a progress report on the proposals for it, and the anticipated time-scale of the commencement and completion of the scheme?*

**The President:** Hon. member for Middle.

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

**The President:** Again, I call on Mrs Crowe, Minister for Local Government and the Environment.

**Mrs Crowe:** Thank you, Mr President. A scheme for restoring the Great Union Camera Obscura has been drawn up in consultation with Manx National Heritage. This scheme has received both planning approval and approval under building regulations. The detailed design has also been approved by Treasury, thus completing stage 5 of the capital procedures. Moneys to carry out the scheme have been allocated within the department's current year's revenue vote.

We do have some ongoing discussions with other government agencies about the future management of this site, but the department wishes to invite tenders from interesting contractors to proceed with implementing this scheme as soon as possible. (**Mr Cretney:** Hear, hear.) Once on site, the anticipated finish time would be about nine months.

**The President:** Hon. member for Middle.

**Mr Quayle:** Thank you, Mr President. It is my understanding that the minister has previously used those words, that she wanted the refurbishment to be carried out as soon as possible. Can she recall when she said this and what timescale did she have then in mind?

**The President:** Minister.

**Mrs Crowe:** Thank you, Mr President. Yes, indeed, I did make and have followed through on that commitment and, as I say, all of the stages have now been completed. The stages for approval of a scheme such as this through planning, through building regulations and through Treasury approval does indeed take more than a few days, so the planning has been going on from the time I made that commitment and I am pleased to say that we are now reaching the final stage where hopefully the contractor can begin.

**The President:** Hon. member for Middle.

**Mr Quayle:** Thank you, Mr President. Could I ask if the minister could outline when planning approval was received and, bearing in mind the many duties that the minister has regard to, would she not agree to delegate this important matter to one of her four capable members of the department so that the camera obscura can be given the priority it deserves and perhaps we can look forward to its reopening as soon as possible?

**The President:** Minister.

**Mrs Crowe:** Thank you, Mr President. As the hon. member for Middle, Mr Quayle, may or may not know, we have four delegated areas in the department,

one of which is housing, and this is the delegation that I am personally leading at the present time. I am pleased to say that I do not think any of the other hon. members in the department could have made more progress – planning, planning approval, building regulations, take some time. There has been no hold-up in the length of time since the promise made that the camera obscura would be unshrouded as soon as possible.

**The President:** Hon. member for Onchan.

**Mr Karran:** Eaghtyrane, would the shirveishagh not agree that the reasons for the horrendous delay as far as the refurbishment of this facility is because of the almost open warfare between different government departments and the Manx National Trust or whatever you want to call it? (*Interjection and laughter*) And would she also not agree that she needs to investigate why such a small facility has taken such a time in order to be renovated? And has it been safeguarded with putting the structure around it that it might actually have enhanced the process of rot and deterioration in the building by spending hundreds of thousands of pounds on putting that metal structure around the building in the first place?

**The President:** Minister to reply.

**Mrs Crowe:** Thank you, Mr President. As usual, of course, the hon. member for Onchan does have some valid points amongst some of the questions or statements that I have just listened to and, yes indeed, there has been some difficulty about who is going to take on this project when it is finished. I have got a particular stance; the only remit I have is to conserve the camera obscura. I will hand it on to whoever wishes to deal with it, but I am quite determined, and have been in the 15 months that I have been minister, that the camera obscura would be unshrouded. That is what has happened and I do not think that that is a great deal of time in terms of planning, building regulations and all the conservation efforts that we have made. The conservators have been looking at that building all the time it has been shrouded. It is not deteriorating and they are making absolutely certain that that is not the case.

**The President:** Hon. member for Middle.

**Mr Quayle:** Thank you, Mr President. I just wanted to seek clarification from the minister as to when planning was given, and if her department is unable to progress this scheme, could she not agree for it to go to another department who might more quickly progress the matter?

**The President:** Minister.

**Mrs Crowe:** I do not think anyone could progress the matter any more quickly than the department it is sitting in. (**Mr Henderson:** Hear, hear.) We were

given the responsibility to look after this particular object; it has happened. It now needs to be . . . the tenders are out, we are ready for the building to start, a paper will be going to the Council of Ministers this week and hopefully the process will begin, so within nine months hopefully you may see the camera obscura unshrouded and ready to be handed over to whichever department feels that they can manage it. I have no problem; I do not mind. My responsibility is to make sure that that building which is registered is properly conserved and usable, and that is my responsibility. It then has to be handed on to someone else.

**The President:** Hon. member for Ramsey.

**Mr Bell:** Mr President, given the minister's undoubted enthusiasm, drive and energy that she has applied to preserving this most important facet of Manx heritage, would the hon. member, once this scheme is completed, agree to open negotiations with the Minister of Transport to take on responsibility for the Queen's Pier, where she could perhaps adopt the same energetic, dynamic approach (**Mr Delaney:** Hear, hear.) (*Laughter and interjections*) and hopefully in 15 months' time we will see the Queen's Pier open as well?

**Mrs Craine:** Hear, hear.

**The President:** Good try, hon. members, but we will go on to question 16.

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**Waste Disposal Charges –  
Consultations with Local Authorities –  
Question by Mrs Hannan**

Question 16. The hon. member for Peel (Mrs Hannan) to ask the Minister for Local Government and the Environment:

*Between February 1999 and the letter of October 2000 from the hon. member of the Council (Mr Lowey) to local authorities regarding the cost of waste disposal, how many meetings, letters and communications were held with local authorities about the introduction of charging for waste disposal?*

**The President:** I call on the hon. member for Peel, Mrs Hannan.

**Mrs Hannan:** Thank you, Eaghtyrane. I beg leave to ask the question standing in my name.

**The President:** Minister for Local Government and the Environment.

**Mrs Crowe:** Thank you, Mr President. Hon. members I hope will know that I always try and provide helpful answers to questions asked in Tynwald

and in other places and I shall continue to provide the best information available. Unfortunately I have some difficulty in seeking to provide the information sought by the hon. member for Peel for the period prior to 2002 to date as regards the consultation taken place before the letter sent by the hon. member of Council, Mr Lowey. Not only would this be a huge task trawling through all the minutes of all the meetings that have taken place and which take place regularly with all local authorities – we have a local authority unit that deals on a daily basis with local authorities – but there have been numerous changes both at political and management level since 1999 and, moreover, the key manager, who would or may have been the main participant in the department's discussions with local authorities, has unfortunately left the Island, so I doubt if I could even find a complete record of all the discussions that have taken place with the department. However, in the report that follows later you will see that we have provided the consultations the department has undertaken that I have got recorded in the department with the various organisations mentioned.

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

**Mrs Hannan:** Thank you, Eaghtyrane. Could I then gather from this response that there have been no discussions with local authorities between the date of the invitation to local authorities to attend a lunch to be briefed on local authority issues – and it just happened to be a waste issue that was discussed – and the letter sent by Mr Lowey? That should read '2002' and I apologise for that. But can I assume, then, that there has been no contact between local authorities, and is the minister satisfied since this time – because she has mentioned the report where she said about discussions with local authorities – local authorities are now up to date with the thinking of the department?

**The President:** Minister.

**Mrs Crowe:** No, the hon. member for Peel, Mrs Hannan, cannot assume that there has not been discussion. In fact, I have endeavoured to find out just how much discussion. There has been ongoing discussion. I have even spoken with the previous minister of the department, who assured me that there have been discussions with local authorities at his direction about the introduction of waste charges for the disposal of waste in the Isle of Man, and so I would not say it is true that there has been no discussion, and it would be quite plain from all the meetings that have taken place with local authorities, and we are talking about dozens – I would even suggest hundreds – of meetings. To look through the minutes for every mention of waste management at any of those meetings I think would be a very onerous task for my local government department unit, but I can assure you that any questions local authorities have raised and any information they wished to be made available to them has been made available to them.

**The President:** Hon. member for Peel.

**Mrs Hannan:** Thank you, Eaghtyrane. Could I ask the minister if she considers from her discussions with local authorities that the letter from Mr Lowey in October 2002 came as a complete shock to them, especially when it was suggested in that letter that £100 per tonne was now being asked for, or at least being costed, when in actual fact the cost of running the incinerator was put at something like £84 a tonne, and landfill, I think from my recollection, was put at something slightly more than that? I am not sure, I have not got the figures in front of me, but could the minister clarify the point?

**The President:** Minister.

**Mrs Crowe:** It may have come as a shock to some local authorities; it did not come as a shock to all. I personally had telephone conversations with some local authorities, who had recognised that there was going to be an £85 per tonne charge and who then said, 'Well, it came as no real surprise after four years that the price was going to go up'. Now those are conversations that I have had, so some authorities were aware. I do not believe that the department headed by me, or indeed any of the previous ministers, would have informed one authority and not the other, so if one knew, everyone knew. We circulate every letter to all local authorities.

**The President:** Hon. member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Thank you, Mr President. Bearing in mind the answer that the minister has given to the two questions, returning to the original question, is the minister really suggesting that, in three years between February 1999 and October 2002, her department does not have the ability to actually minute meetings, file letters and log telephone calls or any other form of communication, whether it is a personal visit to the department, during that time? This is why she is unable to substantiate her claim that she has had hundreds and hundreds of meetings. Where is the proof of that minister? And further, post-October 2002 is her department now minuting meetings, filing letters and logging telephone calls, and can she give us an idea of how many of those have been recorded from October 2002 to date?

**The President:** Minister.

**Mrs Crowe:** Thank you, Mr President. I did not say that meetings of local authorities were not minuted, that telephone calls were not logged, that letters were not filed. Indeed, that is of course what happens. In the time that I have been in the department there have been almost weekly meetings with local authorities. I am assured by the local authority government unit that sits very close to where I work in my department that these meetings have taken place

year on year on year. To go through every single file for every local authority within our department would be an enormous task, and it would require me to apply for extra resources to do it, to check the minutes, to check the letters regarding everything that was discussed at a meeting. I do know that the member who is delegated to local authorities at the present time has had meetings almost on a weekly basis since he has been in the department. So it would be an enormous task to make sure that we went through every item to see when and where and what was discussed at every meeting that we have with local authorities, because we do our best to help them in every way.

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

**Mr Henderson:** Gura mie eu, Eaghtyrane. Could the minister confirm for this hon. Court that one of the first things the new department did almost 15 months ago was to arrange a round of consultative meetings in the evenings with all local authorities which were all very well attended, and that is the vein in which the consultative process has continued since?

**The President:** Minister.

**Mrs Crowe:** That is quite correct. We had a 'meet the minister and members evening' to which every single local authority came and were free to ask whatever questions they wished. Some mentioned waste authority charges; some did not. So to say that local authorities (a) did not know, or (b) were not aware or could not ask – everyone has been aware of what has been happening, and it the responsibility of locally elected persons to recognise that changes are taking place.

**The President:** Hon. member for Middle.

**Mr Quayle:** Thank you, Mr President. Is it not patently obvious to everybody here and the local authorities except the minister to say there was insufficient consultation between February 1999 and October 2002? Accepting that the minister was not in post until after the general election in 2001, would she not at least be candid enough to admit that the discussions between DoLGE and the local authorities did not have the priority they deserved from 1999 to 2002, and that is why we are in a situation now where there has been so much discontent, because the whole thing has been bounced upon them from October 2002?

**The President:** Minister to reply.

**Mrs Crowe:** No, I am sorry, I cannot agree with that. I do know that the previous member in charge of waste management and, prior to that, the minister of the department who took a great deal of interest in waste management issues have had discussions with

local authorities about all of these issues. Everyone knew full well. We had numerous discussions in this Court, all of which are available to local authorities. So it is not the case to say that (a) no-one knew and (b) there had been no discussion. Local authorities are locally elected bodies which make their own decisions, and I am afraid that if they have not been addressing the issues of the day we cannot force them to do that.

**The President:** A final supplementary. Hon. member for Peel, Mrs Hannan.

**Mrs Hannan:** Thank you, Eaghtyrane. If the minister cannot give the information that appears in this question between February 1999 and October 2002, surely she must have a record of the time since she has been a minister when these issues were discussed, and if she has not, why not? It would seem that, while the minister has stated that local authorities have statutory responsibilities and are their own elected bodies, that is fine, and I think most members in this hon. Court would accept that; they also need to have communication if charges are going to be levied and could the minister not provide us with this information since she has been a minister up until October 1992 about what information was given to local authorities, and can she provide it to this hon. Court?

**The President:** She may not be able to at the moment, but minister to reply.

**Mrs Crowe:** In February 1999, as we all know, all clerks and chairmen of every local authority on the Island were invited to a luncheon presentation of the implementation of waste charging. From that time on there have been numerous enquiries to the department about how to do it, who would do it, shall we do it? I am afraid I was not party to any of that information until such time as I became minister. At the time, and certainly since the time that Mr Lowey has been the delegated member in charge of waste matters, I should imagine it would be a volume so thick to be able to show you all the consultation with every local authority, including me speaking to the Municipal Association on at least two occasions, and I have certainly spoken once again to all local authorities when I gathered them together in the Manx Museum on 12th March. So there have been numerous discussions, and I can do my best to detail them all but, as I say, it would be a volume, I should imagine, quite thick.

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### **Kewaique-Richmond Hill Road – Closure et cetera – Question by Mr Lowey**

Question 17. The hon. member of the Council (Mr Lowey) to ask the Minister for Transport:

- (1) *When will the Kewaique-Richmond Hill Road be closed to vehicular traffic;*
- (2) *when and by whom was it decided to operate a trial closure;*
- (3) *how long will it operate for;*
- (4) *who will monitor the trial, analyse the results and judge its success/failure;*
- (5) *what will be deemed a success;*
- (6) *has the department received any support at all for its plans to divert traffic;*
- (7) *why were members of Tynwald not informed prior to, or at the same time as, press statements by an official on Manx Radio; and*
- (8) *why is the speed restriction on Richmond Hill being increased if, as stated, the reductions have resulted in a reduction in accidents?*

**The President:** I call on the hon. member of Council, Mr Lowey.

**Mr Lowey:** Thank you, Mr President. I beg leave to ask the question standing in my name.

**The President:** I call on the Minister for Transport, Mr Shimmin.

**Mr Shimmin:** Thank you, Mr President. The construction of phase 4 of the Douglas inner link road at Road Island is proceeding to programme for a completion in September 2003. The widening of the Spring Valley roundabout should be completed by late July, enabling the Road Island Road to be reopened on 28th July this year.

In answer to the first part of Mr Lowey's question, a new junction layout is to be constructed as part of the new Road Island scheme at Kewaique. In order to carry out these works, a temporary road traffic order preventing traffic on the Kewaique-Richmond Hill Road, except for site access to the energy-from-waste plant, will be required. This is programmed to take place at the end of July to tie in with school holidays and should take about six weeks.

Following the completion of the scheme in September, it is my intention to make a further temporary order to enable the department to carry out a trial closure in order to assess its impact on journeys between Douglas and the south of the Island, that being of the new, improved roundabout at Spring Valley and the Road Island road widening. This will restrict access to Kewaique-Richmond Hill Road and it will assist me to form a view on the long-term proposals for this road prior to my intention to report to the October sitting of Tynwald.

Part (2) of the question asks about when decisions were taken, and I can advise the Court that it was only in the last week that I decided to carry out a trial

closure of the Kewaigue Road/Road Island road, immediately following the temporary closure required for the junction improvement.

To part (3): the trial will operate for approximately four weeks following which a decision can be made, this date being timed to coincide with the October Tynwald.

Regarding monitoring and analysis, my officers will monitor the trial and I would welcome the views of members of this hon. Court and the public once they can see the temporary arrangements in operation. I will then form a view as to its success or failure.

Part (5): the criteria that will be used to determine whether the arrangements are a success or failure will be road safety and traffic flow. It is my hope that both will be improved.

Part (6): the department has not yet sought views on the possible traffic diversion but feels that such feedback would be most appropriate during the trial period when its effectiveness can be fully appreciated once roadworks have been completed.

With regard to question (7), as previously mentioned, the initial closure of the junction is part of the traffic management required for the construction of the Road Island road scheme. Media interviews are regularly given by the director of highways and his colleagues to advise the travelling public of temporary changes and traffic management. There has been no change in my commitment to come back to report to Tynwald before any decision is made on the possible permanent closure of the Richmond Hill junction to vehicular traffic.

Finally, in part (8) it should be possible to remove the temporary 30 mile per hour restriction and revert to 50 miles per hour without detriment to road safety if the turning conflicts of the Richmond Hill junction are removed. In the event that access to the Kewaigue-Richmond Hill road is not restricted and traffic lights or another junction layout is proposed, then the question of speed limits will need to be revisited.

**The President:** Hon. member Mr Lowey.

**Mr Lowey:** I thank the hon. minister for his detailed reply. Could I ask the hon. minister three supplementaries: would he not agree that it is, in fact, 10 weeks' temporary closure? Could not the experiment of four weeks after the six-week thing be rolled in while it is actually being closed, as he said in item (3)? As for traffic flow, he will judge it as a success if the traffic flow has been improved – has the present traffic flow been measured and when was it measured? And the third one is: is it not a fact that his chief executive said that since the imposition of a traffic-calming measure on Richmond Hill i.e. reducing the speed had reduced accidents in that area? So it does seem a little ironic that you increase the speed – knowing that you have proven a point by reducing the speed at that particular area – and reintroduce an increased speed limit. Where is the logic in that, minister?

**The President:** Minister for Transport, Mr Shimmin.

**Mr Shimmin:** I would like to say, Mr President, that I do believe there is a great deal of logic in what has been and will be proposed. Regarding the 10 weeks as opposed to the temporary road closure because of the works being carried out, there is a need at the junction to actually be working on the road and therefore there will be temporary traffic lights at that area. That means that during the school holidays there will be traffic lights at the junction and there will be single-line traffic monitored by hand on the traffic signals during rush hour. That means for the first six weeks while the work is completed it would not be a true trial of the actual works because there would still be restrictions in that area. It would not be possible to roll it in and actually see the whole operation of the road network in that area.

Regarding the traffic flow, I will endeavour to find out what details we have. I have not got that information regarding it. However, it has certainly been a high profile issue for all the members of the public and, indeed, the department for many, many months now.

Regarding the comments of the highways director – I believe he was the one the member was referring to – I think everybody would acknowledge that the amount of traffic restrictions in that area will have been a major contribution towards the reduction in accidents, and certainly it would not be fair to say it was merely the imposition of the speed limit; the traffic lights and the cones in that area – although they have been disruptive to the travelling public – have indeed reduced the level of potential accidents in that area. If, indeed, the final decision is to close the junction at the bottom of Richmond Hill, then what would have been achieved would have been to remove a potential turn risk which would then allow potentially 50 miles per hour to be a more appropriate speed.

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

**Mr Duggan:** Thank you, Mr President. Could I ask the minister, sir: does he not realise that the closure of this road could put a lot more pressure on the Spring Valley and Quarterbridge roundabout and has he done any monitoring whatsoever in that area?

**The President:** Minister.

**Mr Shimmin:** Certainly, Mr President, any major road schemes like this current major one we are working on, cause disruption and, indeed, I am very grateful for the travelling public for their tolerance of this and other schemes. What has happened over the previous months of the scheme is that drivers have chosen to either go through the congestion at the Spring Valley roundabout or find alternative routes. Work has continued on the old Castletown Road, two

parts of that phase being completed and although there are still problems in one section, some drivers will choose to use that as a means of getting into Douglas. I think we have to bear in mind that once this scheme is brought into place, there will potentially be major benefits for the Quarterbridge area, which will assist those people travelling in from the west of the Island because there will be an option for diverted traffic to go down this route. We are engineering specific roads to try and achieve the inner link that has been a long-held policy of this government and yes, further disruption will continue as it does in certain areas around the Island. We will try and minimise that but we are conscious that for the safety of our staff and road users at times we do have to close roads in order to get the work done completed safely but also in the quickest time.

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

**Mr Quayle:** Thank you, Mr President. When the original scheme for the widening of Road Island road came before us I had particular concerns about the traffic parking outside Kewaugue School and I supported the motion on the condition, I understood, that the minister would liaise with the Minister for Education to provide further parking for Kewaugue School. Could I ask him if he could give us an update on his discussions with the minister about whether cars parking outside Kewaugue School in the future could be eliminated? Further, if the road is to be closed from Kewaugue to Richmond Hill, it would be even more crucial for the old Castletown Road to be fully open and operational. Could I ask him if he could give us an update on the White Hoe to Oak Hill section of that road, please?

**The President:** Minister.

**Mr Shimmin:** I am grateful for the opportunity, Mr President, of updating people on an issue which has caused myself and hon. members concern and, more importantly, the head teacher and the parents of the children attending the Kewaugue School. I am very grateful for the efforts made by the Department of Education and Douglas Corporation to come to an agreement on making available more space at the car park area. Discussions are due to take place next week and we have a commitment to improve the situation in that area. Having driven down that road yesterday, I estimated approximately 20 cars parked between the hours of about quarter past three and quarter to four. There will be a requirement to try and educate the parents to ensure that they do not park on the road or, if there is no alternative, that they park for a very short period of time, and I would point out that there will be a 20-mph temporary speed limit at that time and road users do have responsibility to ensure the safety of everybody. Certainly the school will be a major part of our consideration and time has been allocated for my department to make works in the car-parking area.

As regards old Castletown Road, I can advise that the pressure testing is currently ongoing in that area to try and see if we can retain the pressure in those pipes and my department is standing waiting. As soon as we have got approval to go on to the site, again we will complete that work as quickly as possible, sir.

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

**Mr Lowey:** Thank you, Mr President. May I thank my hon. friend the minister for his replies but could I draw his attention to question (6): has the department received any support at all for its original plans to divert the traffic?

**The President:** Minister.

**Mr Shimmin:** I am not surprised, Mr President, that we have not, because it is not an issue that really is currently on the table. The disruption that has been caused by my department in order to carry out the wishes of Tynwald and improve the road infrastructure means that the travelling public in that area cannot yet evaluate the success of the Road Island roundabout and junction.

I would say that between now and the completion of this there will be the need for weekend closures whilst we resurface at the roundabout and from the roundabout down to the bottom of Richmond Hill, and it is only really when the work is completed that the people will be able to judge for themselves. So we have neither illicit nor received any comment, but I do expect and hope that hon. members will encourage their constituents, particularly those travelling to and from the South, to make representation in the middle of September to the October sitting.

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### **TT Races – Press Views re Organisers – Question by Mr Singer**

Question 18. The hon. member for Ramsey (Mr Singer) to ask the Minister for Tourism and Leisure:

*Do you accept the views expressed in the Motorcycle News of 4th June 2003 that the TT is run by 'elderly organisers' whose attitude is antiquated and unwelcoming and that they must adapt to modern demands;*

- (a) if yes – how will the problem be tackled by your department to ensure the TT continues to attract the big teams and top riders; and*
- (b) if not, why not?*

**The President:** I call on the hon. member of Council, Mr Singer.

**Mr Singer:** I thank you, Mr President. I beg leave to ask the question standing in my name, and in doing so I do not mean to suggest that the minister consider himself elderly.

**The President:** Minister for Tourism and Leisure, Mr Cretney, to reply.

**Mr Cretney:** Thank you, Mr President. As hon. members are aware, the TT races are organised on a partnership basis between my department and the Motorcycle Union. That partnership is, at a practical level, implemented through the TT Co-ordinating Committee which I chair.

I have to say that I was very disappointed by the comments attributed to certain people in the article in *Motorcycle News*. Firstly, I have to say that I do not feel elderly. Secondly, the TT co-ordinating committee has put in place a consultative framework to enable the manufacturers and their riders to have input into the key decisions such as the race programme, the classes to be run and the technical rules. Indeed this year, through the website, we expended the process to allow anyone to put forward their views. It is sad, therefore, that we heard of these concerns in the media rather than through the consultative process and, indeed, individuals put forward very different views.

I do wonder if the issue here is that the comments reported were made in the midst of a highly pressurised and sadly traumatic fortnight, whereas our consultative meetings take place away from that pressure and immediacy. I do agree wholeheartedly with the hon. member of Council that the TT races must adapt to modern demands and that is exactly what is being done over the last 20 years or so.

In the 1980s the event was really starting to struggle. It had lost its world championship grand prix status and was at risk of becoming marginalised and out of date. What we have done is reposition the TT races as the ultimate road test of production motorcycles and put it at the heart of a world class festival of motorcycling.

We are not, however, complacent and the races and festival will need to continue to adapt to an ever-changing market. As a minister and as chairman of the TT Co-ordinating Committee, I positively welcome views and comments from the manufacturers, the teams, the riders, the officials, our visitors and local fans and we sit down and consider those comments in the cold light of day.

In fact this year I have widened this consultation considerably to invite more people who are involved with the TT to submit their views to me. Furthermore, in January I invited a number of key figures from the private sector to establish a TT think-tank to look at enhancing the TT up to and beyond its centenary in 2007.

Equally, I would wish to make it clear that I regard TT 2003 as an overall success. Initial indications are that the numbers were slightly down compared to 2002, but 2002 was an exceptional year because of the cancellation of the 2001 event. In

addition, we have unfortunately lost, on a temporary basis, many bed spaces at a time when demand is at its highest. However, when the final figures are analysed, I expect numbers to be on a par with 2000 which is a better comparison.

I would conclude, Mr President, by stating that we also enjoyed the best level of manufacturers support of recent years (**A Member:** Hear, hear.) with factory supported teams from Suzuki, Honda, Yamaha, Ducati and Triumph – and that did not happen by chance.

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

**Mr Singer:** Thank you, Mr Singer. Can I thank the minister for his upbeat reply. I think that is very important. I am not a reader of the *MCN*, but this article was brought to my attention by TT homestay visitors and would the minister agree that the *Motorcycle News* is an important and well-read publication and therefore is influential in forming public opinion? So is the minister saying here that the criticism voiced by some of the top people in the sport is unfounded? And if so, why does he believe that they should have made such severe statements?

**The President:** Minister to reply.

**Mr Cretney:** I would suggest that the *Motorcycle News* is one of a number of motorcycling publications, some better, some worse than it. I would say also that in one the conversations I have had since the articles were written with the representatives of one of the larger manufacturers they say that each week they look with eager anticipation to see what the *Motorcycle News* might report on any discussions they may have had with the editors there in the previous week.

I am not complacent; I think I have tried to make the point that I am not complacent. It would be quite silly to be complacent. We need to ensure that if there are already things that could be done better that we do so. That was why I have adopted – since 1996, while I have been the chairman of the TT co-ordinating committee, as well as the minister – an open-door policy, and that is why it is a matter of regret that the views do not come to me via the official channels.

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

**Mrs Craine:** Thank you, Mr President. Could the minister give his opinion on the view that part of the elderly organisers referred to in the question are, in fact, the Autocycle Union, the UK motorcycle governing body? Would the department give serious consideration to the formation of our own Isle of Man motorcycling governing body who could be directly affiliated to the FIM?

**The President:** Minister.

**Mr Cretney:** Good question! Mr President, this is a matter which has been spoken of in the past on a number of occasions. There are two ways of doing it: we obviously could remain affiliated to the Autocycle Union as the governing body of British motorcycle sport, and we have our own body here who looks after the Isle of Man centre, as it is called; or we could affiliate directly to the FIM, as the hon. member suggests. I believe that this is a matter which should receive consideration in the months ahead and that is something which I think we may be able to make some progress on, but I would not wish to, at this stage, indicate whether it would be via the direct route to the FIM or via the more traditional method as with the Isle of Man centre, via the Manx Motorcycle Club or somebody else running the races, as they successfully run the September event.

**The President:** Hon. member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Thank you, Mr President. Can the hon. minister for the department advise members: how and in what way has he responded to this particular article? Has he contacted *Motorcycle News* to discuss the issue and perhaps have a meeting? Would he agree with me that when criticism such as this appears in print or in the press or as a consequence of a radio interview, such as the one that we heard from another gentleman criticising the event, that it is best to bring these people close to you so that you can iron out any difficulties and find out what the heart of the matter is so that it all can be resolved satisfactorily?

**The President:** Minister for Tourism.

**Mr Cretney:** The people I am trying to bring near to me, Mr President, are the people who I believe have much more of an input necessarily than *Motorcycle News*. I have already met with Honda prior to them leaving the Isle of Man. We met on the Friday when the races were postponed on a continual basis and we had a good discussion there. Some suggestions were made from their perspective. I said to them then that I felt the right thing for me to do, having given it some thought before meeting them, was to enhance the consultative process this year. That is exactly what I have done; I have kept my word. I have written to the vast majority of the riders, to all the manufacturers, to a host of other people associated as sponsors or in other ways involved with the event to ask them to have their input. This will be followed up by meetings with those who have a particular point to make. Obviously I want to make sure that the success of the event continues into the future.

**The President:** Finally, hon. member of Council, Mr Singer.

**Mr Singer:** Can I assure the minister that he has my full support for the success of the TT. Can he tell me whether in fact he believed there was any credence

in the quote, 'antiquated and unwelcoming attitudes', and if so, has he found out what is meant by these people who have said, 'antiquated and unwelcoming attitudes'? Will he have discussions with them so that they will understand where we are coming from, where the minister is coming from, so that this cloud can be removed and we can then go forward most positively?

**The President:** Minister for Tourism and Leisure, Mr Cretney.

**Mr Cretney:** In my discussions with persons associated with the events such as those I have previously described, Mr President, I believe that they accept that I am open and the department is open and we want to do whatever we can to enhance the event into the future. I think the remarks which were made – and this has been evidenced by some of the correspondence I have received already – was not aimed at us but others associated with the event, and those are issues we need to resolve.

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

**Mr Bell:** Thank you, Mr President. Just to put these particular comments in some context, and in no way meaning to downplay the concerns which have been expressed, would the hon. minister agree with me that the comments which have been made by an individual at this year's event are no different to what is actually becoming an annual (**Mr Lowey:** Yes.) event, either on the radio or through the media, where one or two disgruntled people get the ear of the particular commentator. Would the hon. minister agree that this has been going on for at least 15, probably 20 years at every event and really, whilst in no way, as I say, downplaying the comments made, would he agree that it needs to be put into this context and the hon. member should recognise this point?

**The President:** Minister.

**Mr Cretney:** Mr President, I think I tried to indicate that there were particular circumstances this year which heightened the emotions involved at the time when people were asked for comments. But the hon. member for Ramsey is exactly right: there are some journalists who always seek a sensationalist headline and sometimes do not always write down what is said to them even, and that is what I tried to indicate earlier: in one of the discussions I had had with one of the manufacturers, they said they wait each week to see what is reported and whether it was actually what they said to the journalist. There are a number of motorcycling journals. They do not all adopt this kind of approach and I think it is for the readers to decide, as they are intelligent people, what is fact and what is not fact.

**Civil Service – Admission of Graduates  
Question by Mrs Hannan**

Question 19. The hon. member for Peel (Mrs Hannan) to ask the chairman of the Civil Service Commission:

- (1) *Does the Civil Service Commission/Personnel Office take on graduates in the civil service;*
- (2) *at what level; and*
- (3) *if not, why not?*

**The President:** I call on the hon. member for Peel, Mrs Hannan.

**Mrs Hannan:** Eaghtyrane, I beg leave to ask the question standing in my name.

**The President:** Chief Minister.

**Mr Corkill:** Thank you, Mr President. In the absence of the chairman from the Court today I will attempt to answer the question. The civil service has used, for a number of years now, a more open recruitment process whereby positions in all disciplines and at all levels are advertised externally. Gone are the days when you could generally only join the civil service at administrative level or in a specialist rôle. Therefore a candidate with a university degree can enter the civil service at any level in a job for which the qualification and skill requirements can be met. The commission has a strategy to increase the number of graduates in the unified civil service in support of the overall aim for a high-calibre modern civil service. A range of measures are in place including a revised approach to recruitment, highlighting the desirability of degree qualifications, work placements for undergraduates, proposals to develop a scheme for graduates to participate in project work, and an employee development policy which encourages staff to study for higher qualifications.

**Mrs Hannan:** Could I ask the Chief Minister whether the Civil Service Commission is taking on graduates? I understand what he said, but it seemed to be work placements, it seemed to be during their vacations and not taking them into employment but encouraging people in employment to take degrees. I wonder if the Chief Minister could clarify whether the Civil Service Commission will take on graduates? And would the Chief Minister not agree with me that unless we take on graduates we are going to lose them to the private sector, especially at a time when the personnel –

**Mr Karran:** Quite right!

**Mrs Hannan:** – within the civil service is, in actual fact, in need of higher qualifications?

**The President:** Chief Minister.

**Mr Corkill:** Thank you, Mr President. I think one of the issues which is seen as a barrier, but perhaps is not a barrier in reality, is that there are some jobs within the civil service where there is a pre-requisite to have at least two years' office experience due to the nature of the job, and therefore graduates who have recently graduated will not have that two years of experience and therefore are barred, as it were, or seen to be barred, from applying for those particular jobs. But I am advised that these are few in number and there is an increasing number of jobs advertised externally, as I have already said.

So, Mr President, I do believe that the position is moving and changing in favour of graduate entry, but there is the overriding factor of the unified civil service and the fact that a qualification such as a degree is not necessarily a qualification for a particular job, and that experience is still required in the civil service, as opposed to just a qualification.

**The President:** Mrs Hannan.

**Mrs Hannan:** Could I ask the Chief Minister: is he not concerned that our most able young people go to university, that government encourages our most able young people to go to university, and if we are saying to people, 'Yes, you can have a degree and anyone else will employ you but we will not until you have got two years' office experience', it is unreasonable? And will the Chief Minister look at this particular issue and give some guidance to the chair of the Civil Service Commission who, in written response, the Civil Service Commission has said is the head of the civil service and the Personnel Office?

**The President:** Chief Minister.

**Mr Corkill:** In general terms, Mr President, I, along with probably all members of this hon. Court, am very pleased to see graduates, whom the taxpayer of the Isle of Man has invested in, returning to their homeland and contributing whether it is in the public sector or private sector. Certainly, I remember the day when I left for my course in further education, there was not a single idea in my head that I could come back to the Isle of Man. It was not something that was recognised as the normal thing to do, which in retrospect, when I think back to 1970, which is not all that long ago, I find was quite an astounding conclusion for myself at that particular age to have come to. So I am very pleased that many more graduates do find their way back home.

Now, the issue about this question is, 'How many of those can find entry into our civil service?' and I think the chairman of the commission is very aware of that situation and, as I have said in my answer, we are not only hoping for those type of graduates to come

into government but that, in fact, current employees also seek further qualifications as well. There is an overall package here where we try to make sure that we have the best and most appropriate people in the positions that are available within the civil service. In another place, in another jurisdiction, there are fast-track schemes for graduates and these do attract the headlines sometimes, and the feasibility of such a scheme has been investigated and the commission concluded that a scheme similar to that adopted by the UK civil service could be divisive and difficult to develop, due to the size of the unified civil service and the limited opportunities for speedy promotion in our particular circumstances, Mr President. But I am more than happy to convey to the chairman the wish of the hon. member for Peel, to raise this profile of graduate entry and for them to have another look at this.

**The President:** Hon. member for Peel.

**Mrs Hannan:** Thank you, Eaghtyrane. Under the Civil Service Act 1999, the Council of Ministers appoint the chair of that commission. Could I ask the Chief Minister whether the Council of Ministers can give direction to the Civil Service Commission or can the Civil Service Commission just do as they like, and would the Chief Minister give direction, if the Council of Ministers were able, to the Civil Service Commission, to take on graduates so we do not lose them?

**Mrs Craine:** Hear, hear.

**The President:** Chief Minister.

**Mr Corkill:** Mr President, I do believe that the Council of Ministers does have the power to direct. I have already said that I will raise the issue with the chairman of the commission to have another look at this situation, but I think we must also be careful to recognise that someone who is a recent graduate is not necessarily qualified for a particular job. Nonetheless, I – and I am sure the hon. member for Peel – would wish that our recent graduates do get on a rung of the ladder to become qualified for those particular rôles as soon as is possible, and it may well be that in some cases where this two years' office experience is being stipulated that is perhaps unreasonable. I will raise the issues that the hon. member has raised and discuss this matter with the chairman. I will make sure that the Council of Ministers also discuss it when we meet with the commission, as we do from time to time.

**The President:** Mr Speaker.

**The Speaker:** Mr President, as the civil service is fundamental to the operation of government and as the Chief Minister is the political head of the government, does the Chief Minister have any intentions to seek an amendment to the law so that the Chief Minister is the head of the civil service in political terms, as used to

be the case when the Island was ruled by the Governor?

**The President:** Chief Minister.

**Mr Corkill:** Mr President, that is an interesting supplementary to end Question Time on and a very far-reaching one. It is an interesting concept and in principle I understand from the Speaker's comments where he is coming from on that. I would caution though that there are other rôles for the member of Tynwald who is in that position in relation to situations in relation to pay negotiations in the public sector, and I would think that the whole issue of what the hon. Speaker has suggested would require careful analysis as to what the ramifications of it would be. But there again, I am quite happy, during our policy round this year to enter into discussion and to look at the possibility of that happening. From a personal point of view, it would not worry me to be in that position, but politically it may not be seen as attractive to people who represent the interests of public sector workers.

**The President:** Finally, I think, the hon. member for Garff, Mr Rodan.

**Mr Rodan:** Thank you, Mr President. In relation to the Chief Minister's reference to the growing opportunities for graduates in recent years, will the Chief Minister acknowledge that while this trend and economic opportunity is most welcome, there nonetheless is considerable scope to do better? Only 14 per cent of graduates do return to the Island after qualifying and of those 14 per cent, perhaps three quarters of them are teachers and take up teaching appointments. Would he therefore acknowledge that there is quite a bit of scope still for maximising opportunities for graduates and not least in the civil service of the Isle of Man?

**The President:** Chief Minister.

**Mr Corkill:** I think I come from the educational standpoint, Mr President, which is perhaps hardly surprising, bearing in mind my own background, that when students leave the Isle of Man, supported by the Manx taxpayer to further their education – and in general terms that is usually a degree course – that that is a great gift and a privilege and that what we are giving to those students as taxpayers is an opportunity for choices in life which not everybody in the community can benefit from. We are giving those individuals an opportunity to shape their future far more than many people are able to do so.

In doing that, I would certainly hope that a great number of them decide to return back to this Island because that is what they want to do, but inevitably there will be a number of those students who, in developing their lives for the future, will see the whole world as their oyster and they will wish to travel the world and gain experience in many other places. But even those graduates perhaps at some later date will

contribute back to the Isle of Man, even if it is towards retirement, and we all know of people, I am sure, who have done that very thing.

So it is a very difficult thing to quantify in percentages as to how many people we would expect to come back, but I would say to the hon. Minister for Education that 14 per cent coming back is a far greater figure than we ever used to have, and that is as a result of better economic opportunities. (*Interjection by Mrs Hannan*)

Going back to the original question, that is in relation to public sector and the civil service, and many of the opportunities that are there in the community have actually been developed in the private sector, and that is a good thing. I have made the commitment to examine the situation about public sector as to whether we are in parallel with what is going on out there in the private sector, and I will give that commitment to raise it with the commission and see where we go from there, Mr President.

**The President:** Now, hon. members, the remaining questions on the question paper, 20 to 30 inclusive are for written answer and I understand those answers are now in members' hands.

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**Isle of Man Companies – Takeovers –  
Pension Rights –  
Question by Capt. Douglas  
for Written Answer**

Question 20. The hon. member for Malew and Santon (Capt. Douglas) to ask the Chief Minister:

- (1) *In the case of Isle of Man registered or based companies which are the subject of a takeover, can you confirm that pension rights accrued by members of such funds are protected by legislation; and*
- (2) *if this is not the case, can you advise if such legal protection is planned for introduction at an early date?*

**Answer**

In answer to the hon. member's first question, I would advise the hon. member that the approval of occupational pension schemes under local tax legislation requires, as a precondition for the granting of this approval, that all funds of the pension scheme are held under irrevocable trust. The requirement for the pension scheme funds to be held under irrevocable trust is similarly a prerequisite requirement for the authorisation of a scheme by the Insurance and Pensions Authority.<sup>1</sup>

The holding of scheme property under irrevocable trust separates that property from the sponsoring employer or in fact any other employer participating in the scheme. This, consequently, provides security for

scheme members by ensuring that scheme funds are held outside of the reach of any employer participating in the scheme or any creditors of any such employer.

As well as the isolation of scheme funds from an employer's creditors, by the operation of the trust requirements, existing approval requirements prohibit the payment or repayment of any funds held in an occupational pension scheme to any employer participating (or formerly participating) in the scheme, except in limited circumstances. These limited circumstances effectively operate only where the scheme holds a substantial surplus of funds i.e. funds in excess of the schemes liability to pay the promised benefits.<sup>2</sup>

Additional protection for occupational scheme members was introduced by legislation applied by the Department of Health and Social Security in 1992. This legislation limits the amount of scheme funds that a trustee may invest in a participating employer or any person connected with a scheme employer. The legislation operates to limit any such employer related investment to not more than 5 per cent of the total value of the scheme's funds and since 1996 wholly prohibit any loans being made to a participating employer or connected person.

Concerning the hon. member's second question, I have effectively provided the answer to this in my answer to question one. However, for clarity, I would reiterate that because the property of a pension scheme is isolated from the members' employers by being held under a separate and irrevocable trust, should an employer be involved in a take over, or should any new employer become a participant in, or replace the existing sponsoring employer, that employer would be unable to access for its own purposes any assets of a scheme.

<sup>1</sup>The authorisation of all 'international' pension schemes operated in or from the Island is currently a statutory requirement under the Retirement Benefits Scheme (International Schemes) Regulations 2001. Equivalent authorisation regulations for 'domestic' pension schemes (schemes established for local members) have been drafted and were issued for consultation earlier this year. These draft regulations are likely to be brought into operation later this year.

<sup>2</sup>Where such a payment is permitted, it is subject to a 40% tax charge.

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**Civil Service –  
Legislation to Give Political Lead –  
Question by Mrs Hannan  
for Written Answer**

Question 21. The hon. member for Peel (Mrs Hannan) to ask the Chief Minister:

*Do you intend to introduce legislation to give a political lead to the Civil Service/Personnel Office and, if not, why not?*

**Answer**

The Civil Service Act 1990 provides for a Civil Service Commission whose chairman is a member of Tynwald appointed by the Council of Ministers. Therefore any political lead to the civil service or Personnel Office is from the chairman. The legislation therefore already exists.

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**United Nations Resolution 1325 –  
Reconstruction of Iraq –  
Government Support –  
Question by Mr Gawne  
for Written Answer**

Question 22. The hon. member for Rushen (Mr Gawne) to ask the Chief Minister:

*Can you confirm that in forwarding the recent letter from Mrs Thelma Wilson (member of the Women's International League for Peace and Freedom) to the UK Lord Chancellor's Office you are indicating government support for UN Resolution 1325 and the principle that the UK Government should be urged to ensure that equal numbers of men and women are appointed to the Iraqi Reconstruction Group?*

**Answer**

As Chief Minister I am very conscious that in expressing support for any individual or organisation's stance I am perceived as having committed support on behalf of the whole island. Before I would contemplate such an action therefore, I would need to be certain that the views expressed represented at the very least a majority view and I would require evidence to support that.

In forwarding the letter from Mrs Wilson to the Lord Chancellor's Office I merely acted as a conduit between Mrs Wilson and those who deal with international issues on behalf of the Island. In doing so I expressed no opinion one way or the other and neither do I intend to do so today.

The reasons for this are manifold but to summarise a few – I do not know Mrs Wilson very well nor am I familiar with the Women's International League for Peace and Freedom. Before I could express support for any individual or organisation I would require to satisfy myself that I did know all that I could about them and the cause they were advocating.

Neither do I have an extensive knowledge of the Iraqi Reconstruction Group nor of its terms of reference nor its remit. I would therefore find it exceedingly difficult to pass judgement on the sentiments expressed in Mrs Wilson's letter personally, let alone on the part of the Island although I was more than happy to facilitate her opinions being heard.

**Queen's Tynwald Day Visit – Cost –  
Question by Mr Gill for Written Answer**

Question 23. The hon. member for Rushen (Mr Gill) to ask the Chief Minister:

*What is the anticipated total cost to the Manx taxpayer for the visit of Her Majesty The Queen on Tynwald Day?*

**Answer**

I am unable to say what the anticipated total cost to the Manx taxpayer for the visit of Her Majesty the Queen on Tynwald Day is likely to be.

The matter of arrangements for Tynwald Day is the province of the Tynwald Ceremony Arrangements Committee which is a parliamentary committee. Budgetary provision for Tynwald Day is included within the budget for expenses of the legislature.

Government has been advised by the Clerk of Tynwald on behalf of the Tynwald Management Committee that the government does not have the authority to scrutinise the expenses of the legislature budget nor is it subject to the normal budgetary process.

Government does not concur with this view. However, until such time as clarity has been obtained in respect of this matter I recommend that this question be addressed to the Tynwald Management Committee, which believes that in respect of such expenditure the committee is accountable only to Tynwald.

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**Pension Rights – Employees of Non-Manx  
Companies – Tax Implication –  
Question by Mr Henderson  
for Written Answer**

Question 24. The hon. member for Douglas North (Mr Henderson) to ask the Minister for the Treasury:

*(1) What policies do the Treasury insist on, as a matter of best practice, to ensure that employees in the Island, working for UK or other international companies, are fully aware of their pension rights in respect of any tax implications to the benefits of those schemes; and*

*(2) (i) if not, are some staff unaware of this;*

*(ii) if so, is this not a case of mis-selling pensions; and*

*(iii) will your department investigate this?*

**Answer**

It may be helpful if at the outset I give a clear outline as to the practices applying in respect of participation in and payment of pension from UK

exempt approved occupational pension schemes – i.e. schemes approved by the Inland Revenue to receive advantageous tax treatment – to employees residing outside of the UK, e.g. in the Isle of Man.

Membership of a UK approved scheme is available to both resident and non-resident employees alike, provided that the employee is in the direct employment of the employer to whom the scheme relates. In simple terms, an Isle of Man resident person employed with a Manx *branch* of a UK employer may participate in the employer's UK scheme. This position applies irrespective of whether the employee is the subject of a relocation to the Manx branch whilst already a member of the UK scheme or whether the person is recruited locally from the resident population.

By way of contrast, an Isle of Man resident person in the employment of a Manx *subsidiary* of a UK resident company may not participate in the employer's UK scheme. The UK Revenue do not permit UK approved schemes to be used for the provision of pensions for employees of overseas subsidiaries.

As to practices applying in respect of payment of pension to both Manx resident and all other non-resident persons as members of UK approved schemes the position is clearly set out in the following extract from Inland Revenue's Pensions Practice Notes:

'Pensioner resident abroad

17.4 The Taxes Act provides no general exemption from income tax under Schedule E to pensioners resident abroad. The Income Tax (Employments) Regulations 1973 do however preclude the operation of PAYE in respect of a pension arising wholly from an employment carried on abroad and payable to a non-resident. In practice this is extended to apply to pensions where:

- (a) the last 10 years' service in respect of which the pension is paid was abroad, or
- (b) half the total service in respect of which the pension is paid and at least 10 of the last 20 years' service were both abroad.

17.5 Exemption at source may be available under a Double Taxation Agreement between the United Kingdom and the country of residence. Where there is no exemption, tax relief may be due to British subjects and certain other persons resident abroad under section 278. The financial Intermediaries and Claims Office authorises exemption at source and deals with applications for tax relief. Where a non-resident pensioner subsequently becomes resident in the United Kingdom, his or her pension will become liable to United Kingdom income tax.'

NB. It should be noted that the Isle of Man/UK Double Taxation Agreement does not contain an article covering the above pension payments.

In summary, it can be said that a Manx resident person in receipt of a pension from a UK approved scheme will have that pension paid wholly free of UK tax if at no time during membership of the scheme that person has been classified as UK resident for tax purposes. If UK tax resident status has applied to a member sometime during the course of his or her membership then the ability for payments to be made free of UK tax will be dependent upon the level of service outside of the UK.

Turning to the specific questions:

- (1) It is not the rôle of Treasury to act as independent financial adviser to any prospective member of a pension scheme in the same way that Treasury does not advise on which forms of investment an individual should make. Such responsibility rests with the individual and with the trustees of the pension scheme to explain the details of the scheme. From what has been stated earlier, the overall taxation position will depend upon the past and future actions of the employee. Even with a wholly Manx pension scheme there will be exposure to UK tax if the employee goes to live in the UK.

Most if not all of the schemes to which the hon. member refers will have readily available written material which outlines the salient features of the scheme. Experience has shown that the UK businesses which have opened branches in the Island are of such size and stature that they have attaching to them quality legal advisors – pension specialists – additional to the trustees of the scheme. Although the schemes in question are UK schemes and not Manx schemes, it is very much the standard practice for the pension professionals who support these schemes to consult with the Assessor at the time of extending the schemes to include Isle of Man resident personnel. They have always been advised of the taxation position in the Isle of Man and experience has shown that they have carried out their responsibilities and communicated the position to the Isle of Man resident employees.

- (2)(i) Very few complaints or comments have been received by the Income Tax Division on such issues, certainly not enough to suggest that there is a material problem. Over the last 10 years only two instances have come to the division's attention where a new pensioner has expressed surprise at UK tax being deducted.

- (2)(ii) It would be irresponsible to seek to attach a label of mis-selling to any such situation without being fully aware of all the facts.
- (2)(iii) If the hon. member will acquaint me with all the evidence relating to the problem he has outlined I shall be pleased to ask the Assessor to investigate the matter further, to make recommendations as to the action that should be taken and to advise the hon. member accordingly.

**Pension Rights – Employees of Non-Manx Companies – Taxation on Benefits – Question by Mr Henderson for Written Answer**

Question 25. The hon. member for Douglas North (Mr Henderson) to ask the Minister for the Treasury:

*Do employees working for the UK companies who have a branch or subsidiary in the Isle of Man, who contribute to that company's pension scheme which is established in the UK, have to pay UK or Isle of Man tax on any benefits and why is it UK taxed at source?*

**Answer**

As explained by way of background note in the answer to question 24 from the hon. member on the same topic, membership of a UK approved scheme is available to both resident and non-resident employees alike provided that the employee is in the direct employment of the UK employer to whom the scheme relates. In simple terms, an Isle of Man resident person employed with a Manx *branch* of a UK employer may participate in the employer's UK approved scheme. This position applies irrespective of whether the employee is the subject of a relocation to the Manx branch whilst already a member of the UK scheme or whether the person is recruited locally from the resident population.

As to practices applying in respect of payment of pension to both Manx resident and all other non-resident persons as members of UK approved schemes the position is clearly set out in the following extract from Inland Revenues Pensions Practice Notes.

'Pensioner resident abroad

- 17.4 The Taxes Act provides no general exemption from income tax under Schedule E to pensioners resident abroad. The Income Tax (Employments) Regulations 1973 do however preclude the operation of PAYE in respect of a pension arising wholly from an employment carried on abroad and payable to a non-resident. In practice this is extended to apply to pensions where:

- (a) the last 10 years' service in respect of which the pension is paid was abroad, or
- (b) half the total service in respect of which the pension is paid and at least 10 of the last 20 years' service were both abroad.

17.5 Exemption at source may be available under a Double Taxation Agreement between the United Kingdom and the country of residence. Where there is no exemption, tax relief may be due to British subjects and certain other persons resident abroad under section 278. The financial Intermediaries and Claims Office authorises exemption at source and deals with applications for tax relief. Where a non-resident pensioner subsequently becomes resident in the United Kingdom, his or her pension will become liable to United Kingdom income tax.'

NB. It should be noted that the Isle of Man/UK Double Taxation Agreement does not contain an article covering the above pension payments.

By way of contrast, an Isle of Man resident person in the employment of a Manx *subsidiary* of a UK resident company may not participate in the employer's UK scheme. With one exception, the UK Inland Revenue do not permit UK approved schemes to be used for the provision of pensions for employees of overseas subsidiaries. The one exception operates where the employee is on temporary secondment with a definite intention to return to the UK.

In summary, it can be said that a Manx resident person in receipt of a pension from a UK approved scheme will have that pension paid wholly free of UK tax if at no time during membership of the scheme that person has been classified as UK resident for tax purposes. If UK tax resident status has applied at sometime in the course of membership then the ability for payment to be made free of tax will be dependent upon the level of service outside of the UK. Where the pension falls to be liable to tax in the UK, the tax will be deducted at source in a similar manner to the way ITIP operates in the Isle of Man. The Income Tax Division will grant double taxation relief in respect of the tax so deducted.

**Non-Manx Companies – Employees' Separate Pension Arrangements – Question by Mr Henderson for Written Answer**

Question 26. The hon. member for Douglas North (Mr Henderson) to ask the Minister for the Treasury:

*Should UK companies who have branches or subsidiaries operating in the Isle of Man who operate UK pension schemes for their employees establish*

*separate pension arrangements to cover employees in this jurisdiction and what steps have the Treasury taken to identify the extent of this possible problem?*

**Answer**

It is the responsibility of the company as an employer to determine whether a pension scheme will or will not be provided for its employees. Most responsible companies will have regard to the incentive effect of so doing but there is no legal requirement for such schemes to be set up.

Where a company does decide to offer pension arrangements it may do so in whatever manner is available to it. Pension schemes can be expensive to set up and operate. Invariably where the activity in the Isle of Man is only a branch, as opposed to a separate subsidiary company, it makes sense to take advantage of the UK revenue's practice which enables extending membership of an existing scheme to the employer's employees in the Isle of Man, or anywhere else in the world. This ensures equality of treatment, within the company, irrespective of where the individual may be employed.

If the hon. member will acquaint me with all the evidence relating to the problem which he believes exists I shall be pleased to ask the Assessor to investigate the matter further, to make recommendations as to the action that should be taken and to advise the hon. member accordingly.

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**Banks – Increases of Deposits –  
 Tax Revenue Implications –  
 Question by Mr Henderson  
 for Written Answer**

Question 27. The hon. member for Douglas North (Mr Henderson) to ask the Minister for the Treasury:

- (1) *Are there any revenue implications for the government by way of increased tax collections when deposits with the banking institutions in the Isle of Man increase;*
- (2) *are there any other implications when such deposits increase; and, if so*
- (3) *what has the effect been with the recent increase of nearly £0.5 billion; and*
- (4) *will you publish this information in tabular form within the circulated Island's Deposit Base information sheets which are regularly issued by Treasury?*

**Answer**

- (1) tax receipts in respect of those deposits. What cannot be determined with any certainty is

either the timing of those increased tax receipts or the amount. A lot will depend, for example, upon the reason for the higher deposit base, for how long the additional funds are held, the return being received by the financial institution, when that return may arise and the manner in which it arises. Equally, any increase in tax receipts may be masked by a fall in fee income, an increase in overheads or additional claims for capital allowances. Put simply, there is no reliable or efficient way of calculating the ultimate effect which an increase in the deposit base will have on tax receipts and even if it could be calculated it may be masked by other changes.

- (2) I have assumed here that the hon. member is referring to economic implications. The level of the deposit base is invariably a barometer on the overall volume of business being conducted by the Island's businesses and being retained in the Island's financial institutions. It is seen by many as a symbol of the significance and status of a finance centre.
- (3) For the reasons outlined in part 1 of the question the effect cannot be calculated with any certainty.
- (4) As the preceding answers explain, the direct linkage the hon. member seeks between deposits with banking institutions and tax receipts does not exist in a manner which would make it possible or meaningful to publish information in the form he requests and it would at the very least be imprudent to publish figures upon which no reliance could be placed.

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**Noble's Hospital –  
 Manndoc and Emergency Doctor Services  
 Question by Mrs Craine  
 for Written Answer**

Question 28. The hon. member for Ramsey (Mrs Craine) to ask the Minister for Health and Social Security:

- (1) *Will you please list the number of GP sessions covering the Mandoc system at Noble's Hospital from 1st March to 31st March 2003;*
- (2) *the number of GP sessions covering the 'emergency doctor service' (out of hours) at Noble's Hospital from 1st May to 31st May 2003; and*
- (3) *please indicate for both periods –*
  - (a) *which GP covered each session; and*

(b) *the remuneration paid for each session?*

**Answer**

- (1) The number of GP sessions covering the Manndoc system was 72. Three practices were not included in the system – Ramsey, Laxey and Port Erin.
- (2) The number of GP sessions covering the emergency doctor service was 106. Please note the following:
  - The emergency doctor service covers Saturday mornings which were not covered by Manndoc;
  - There are two doctors on duty for the morning and afternoon shifts on Saturdays, Sundays and bank holidays (Manndoc only had one doctor on each shift);
  - There are two bank holidays included in the figures for May 2003, but none for March 2003.
- (3) The rota allocation and rota payments for the period covered by Manndoc are not available to us. Manndoc was a separate limited company run by the general practitioners who were its members and we do not have access to their information.

For the emergency doctor service, the payment range is from £42.00 an hour to £90.00 an hour depending on the shift.

To date the following doctors have participated in the rota arrangements:

Dr Allinson (5)	Dr Armour (2)
Dr A Blackman (1)	Dr M Blackman (1)
Dr Blackwell (2)	Dr Bloomer (5)
Dr J Brewis (5)	Dr V Brewis (1)
Dr Bull (5)	Dr Chan (2)
Dr Clarke (4)	Dr Cowie (1)
Dr Daniels (4)	Dr Evans (2)
Dr Farrant (4)	Dr Garvey (3)
Dr Gavin (2)	Dr Hanks (1)
Dr Hannan (3)	Dr Harding (3)
Dr Harris (4)	Dr Harrop (2)
Dr Hillas (3)	Dr Hopkinson (2)
Dr Hockings (3)	Dr Hudson (2)
Dr James (3)	Dr Jones (2)
Dr McAlister (5)	Dr McDonald (3)
Dr Maska (2)	Dr Pilling (1)
Dr Swainson (6)	Dr Taggart (1)
Dr Vaughan (3)	Dr Wignall (1)
Dr Wilson (4)	Dr Young (3)

**Pensioners – Inability to Pay for Nursing/Residential Care – Question by Mr Henderson for Written Answer**

Question 29. The hon. member for Douglas North (Mr Henderson) to ask the Minister for Health and Social Security:

*Can you confirm what happens to a pensioner who is receiving either residential or nursing-home care, and who is on a low income or maximum benefits, but unable to meet all of the charges with either payment, and what help is available from your department under such circumstances?*

**Answer**

Income support is available to those who do not have sufficient resources to meet their residential or nursing home fees.

I refer the hon. member to the comprehensive booklet – ref. A.1.(RNH) – explaining the conditions governing the payment of income support in such cases.

**Local Authorities – Costs of Legal Advice, Staffing and Administration – Question by Capt. Douglas for Written Answer**

Question 30. The hon. member for Malew and Santon (Captain Douglas) to ask the Minister for Local Government and the Environment:

*Would you explain –*

- (a) *why some local authorities, in their response to my question tabled for the first time during the April sitting of Tynwald, showed ‘nil’ in reply to the first part of my question (legal action against government departments);*
- (b) *why, in the written reply to my question, does there seem to be a reluctance or inability on behalf of some local authorities to separate out the administration costs between salaries and expenses;*
- (c) *when I can expect a more fulsome and accurate reply to these questions;*
- (d) *in view of the less than complete answers received to questions (a) and (b) above, can you confirm if your department has any legal responsibilities to ensure that local authorities conduct their business within the guidelines of the Local Government Act; and*

(e) *are you able to provide the members of this hon. Court with a breakdown of all services provided by each of the local authorities on behalf of their ratepayers, this information to be accompanied by a list of the rate charges levied by each of the local authorities for such services?*

**Answer**

I should like to preface my answer to the hon. member's question by saying that I do empathise with him in feeling dissatisfied by the answer I was able to give at the May sitting of this hon. Court to his previous question. However, I would also wish to say to all hon. members that I am very disappointed in the quality of the information provided to my department by most of the local authorities who responded. In saying that, I want to make it clear that my department's staff are not at fault for the poor response because I know they did use their best endeavours to elicit the required information and, in some cases, had to remind certain Local Authorities to respond.

Having said that, I shall now try to answer the five parts of the hon. member's question.

As regards part (a), there is a general point I would wish to make. This is that if my department wishes to seek information from a local authority, it has to do so in specific terms. A general enquiry couched in imprecise terms is more likely to result in an unsatisfactory response. By way of example, I should refer hon. members to the words in brackets at the end of part (a) of the hon. member's question today, where he refers to, and I quote, 'legal action against government departments'. Where a local authority has given a 'nil' return to this part of the question, this indicates that that particular authority is saying it has not taken 'legal action against one or more government departments'. My department has made enquiries of other government departments and, so far, it appears no local authority has taken legal action against a government department between the relevant dates. That would indicate that a 'nil' return is correct.

The wording of today's question is also different to the wording in the hon. member's question at the May 2003 sitting of this hon. Court where his question referred to the 'costs incurred by all local authorities in obtaining legal advice against government departments'.

Turning to part (b) of the hon. member's question, it would be pure speculation on my part were I to comment on the reasons for the replies received in relation to staffing and administration costs.

I turn now to part (c) of the hon. member's question. I have given instructions that a letter is to be sent to every local authority setting out clearly, within the terms of section 4 of the Local Government Act 1985, the reports and returns the department will require to receive in future on a regular basis. These reports and returns will be – and here I quote from the 1985 Act:

- '(a) in relation to any matters concerning local government or the public health; or
- (b) as to any matters with respect to which (the department's) sanction, approval or consent is required by any enactment;
- (c) as to any public document which (the department) proposes to make pursuant to any enactment; and
- (d) as to the manner in which any functions of a local authority are carried out by the authority.'

Finally, with respect to part (e) of the hon. member's question, it has not been possible to produce this information in time for today's sitting but I undertake to obtain the same and to circulate it to all hon. members as soon as I receive the information from local authorities.