



**LEGISLATIVE COUNCIL
OFFICIAL REPORT**

**RECORTYS OIKOIL
Y CHOONCEIL SLATTYSSAGH**

P R O C E E D I N G S

D A A L T Y N

(HANSARD)

Douglas, Tuesday, 9th December 2003

Present:**The President of Tynwald (The Hon. N Q Cringle)**

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, Mr L I Singer and Mr G H Waft,
with Mrs M Cullen, Clerk of the Council.

Business transacted

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Legislative Council

The Council met at 9.30 a.m.

PRAYERS

The Chaplain of the House of Keys

[MR PRESIDENT *in the Chair*]

RECOGNITION OF LOSS OF JACK NIVISON

The President: Hon. Members, I do acknowledge the fact that the sitting this morning is a particularly brief sitting prior to Tynwald Court sitting at half past 10 and we have a short Order Paper and supplementary Order Paper.

Notwithstanding that, Hon. Members, the Chaplain has led us in prayers this morning for a formal sitting of the Legislative Council and I do feel it is fitting that we do recognise the loss of Jack Nivison, who served for many years here as a Member of the Legislative Council and, in fact, was the first ever elected Chairman to the Legislative Council when the powers and duties of the Lieutenant-Governor were removed. Hon. Members, I will be paying tribute to Jack Nivison in Tynwald later.

Orders of the Day

Protected Cell Companies Bill First reading approved

The President: Can we then, Hon. Members, deal with the Order Paper, and, if we take that as Item 1, we deal with the Protected Cell Companies Bill first, and it is Mr Gelling.

Mr Gelling: Yes, can I, first of all, Mr President, thank you and the Members for coming in for an early start, because the importance of the legislation before us is, in 10.8 to take the first reading of this Bill is extremely helpful to Treasury, the Insurance and Pensions Authority (IPA) and the private sector, sir. So my thanks to all the Hon. Members.

This particular Bill will enable the establishment on the Island of cellular companies, in which each cell has its own assets and liabilities. It does this by creating a framework for the formation of what are called protected cell companies (PCCs), under the Companies Acts 1931 to 1993, and for the conversion of existing companies to a PCC, provided that it is a company limited by shares.

Now, Mr President, the Bill has been the subject of consultation with all interested parties and, as a result of that consultation exercise, a number of amendments have been made to it. In addition, leading Counsel's advice was also taken before it was drafted.

The legislation is seen of particular importance to the

captive insurance sector, where it provides a relatively low-cost opportunity to enter the captive market. This is because it enables companies that might otherwise be too small to form their own captive insurer, which has a relatively high capital commitment, to participate in a cell arrangement where the amount of capital that they have to contribute is much less. This is because the core capital for the PCC arrangement is usually provided by the sponsor of the arrangement, i.e. the person who is establishing that PCC.

In addition to the opportunity provided to smaller companies to participate in the captive market, the legislation will also provide an opportunity for some of our larger single parent captives to convert into a PCC. The attraction of doing this is that for large diverse multi-national companies it enables each division, captive insurance programme to be handled through a separate cell, thus providing greater focus within such division on the cost of risk. It is seen as being attractive for such companies when they participate in joint venture arrangements.

As I have already mentioned, similar provisions are in Guernsey and they have resulted in significant growth in the captive insurance sector in recent years and other jurisdictions are now also developing this area of business successfully, and that does include some of the states of the United States.

Furthermore, Mr President, other uses for cell companies are now being developed and this legislation will allow for the extension of its provision to other areas as the need arises through regulations.

Part 1 of the Bill concerns the formation of PCCs; it allows for the conversion of an existing company into a PCC; and includes provisions requiring a company status as a PCC to be identified clearly in its name and Memorandum of Association. This is to ensure that people having dealings with a PCC are quite clear as to the nature of the company. This part also includes provisions restricting the uses of a PCC to insurance business within the meaning of the Insurance Act 1986, or such other business as may be prescribed.

Part 2 deals with the creation of cells within a PCC and the designation of the assets of a PCC as being either cellular or non-cellular. This is, of course, one of the fundamental principles of the Bill. It also deals with the duties of the directors of a PCC, including their responsibility to keep the assets of each cell separately identifiable for non-cellular assets.

Part 3 deals with the creation and issue of shares by a PCC in respect of any of its cells. It also deals with the payments of dividends in respect of cell shares, the reduction of cell share capital, safeguards for creditors in this regard, the liability of holders of cell shares, and the creation of offences if an officer of a PCC conceals or misrepresents certain matters in connection with these aspects.

Part 4 of the Bill deals with matters in connection with both cellular and non-cellular assets and liabilities of PCCs.

Part 5 confers powers on the High Court to make a receivership order in respect of the business and assets of a cell of a PCC. A receivership order will enable the businesses and assets of a cell to be wound up and the assets distributed to those entitled.

Part 6 deals with certain matters in connection with the liquidation of a PCC and clarifies that the provisions of the Companies Acts in relation to the distribution of property do apply.

Part 7 includes some general provisions and also deals with the power of the Treasury to make regulations to give full effect to the Bill and also the interpretation of various terms in the Bill.

Now, Mr President, with regard to the making of regulations under the Bill, it will be necessary to do this in order to ensure that the legislation is fully operative for use by insurance businesses and the IPA is currently drafting these so that they can be brought into effect at the same time as the Bill is, hopefully, passed and gets Royal Assent, sir.

With those opening comments, I would put to Hon. Members that the first reading of the Protected Cell Companies Bill be heard, sir.

The President: Hon. Member, Mr Lowey.

Mr Lowey: Thank you, Mr President. I have pleasure in seconding.

The Island is noted for its innovation and being the leader in many fields, and, in this instance, we are at least in the forefront of the growing business.

I think the Island is noted as being a well-regulated jurisdiction. This legislation, I believe, will add to that reputation and the Bill is a good framework for the sound establishment of this growing business, as the mover has said. I believe it is right that we should try and expedite it (**Two Members:** Hear, hear.), because, as the Treasury Minister has said, business does not take a holiday, it is ongoing and I believe the regulations . . . the proof of this is, in putting the framework in legislation, actually the real meat of the business is when the regulations come in putting it into operation and, therefore, I think that there is a need for speed and I would have great pleasure in supporting the mover in moving the Bill.

The President: Mr Singer.

Mr Singer: I am very happy to support the Bill, Mr President.

Could the Hon. Member just, perhaps, give me a little more of an oversight: are we looking here to attract new business to the Island from outside our shores, or are we trying to make sure that we retain business that is here, that is within our shores, and how large is the anticipated market?

The President: Mr Gelling to reply.

Mr Gelling: Yes, first of all, may I thank Mr Lowey for seconding the motion, Mr President, and for his support in that regard and, certainly, it is a piece of legislation that is put in to create, in particular, new business – but it is new business which is there in a form of those being able to participate that could not participate before.

All our captives are very large captives, obviously, from large companies. This will allow small companies to be part of cell formation, around a core which we would hope would actually attract new business.

Now, I do know that there is business out there. I know that there is business, in fact, that we have lost, because Guernsey has been in this ahead of us and, obviously, if the practitioner cannot do it here, they immediately have to satisfy their client, so they will go elsewhere.

I would say that it would be looking for new business.

To try to say how much of that business is out there is, of course, a little difficult, but, certainly, the indication from the industry, Mr President, is that these are tools that they have long waited for, that they believe will assist them, not just in being able to form cell companies, but enabling them to go to other companies to sell the big captives, if you like, when they have got this as part of their ammunition.

So, certainly, I would look to it being new business and it is something that will be helpful in the economy of the Island in this particular sector. The insurance sector at the moment is going through a fairly difficult time.

The President: Hon. Members, it was remiss of me: before I formally put the first reading, Mrs Christian.

Mrs Christian: If you wish, Mr President, I will make my remarks at the second reading. I was anxious to speak, but I will do it at the second reading.

The President: In that case, Hon. Members, I put to you formally that the Protected Cell Companies Bill 2003 be read for the first time. Those in favour, please say aye; and against, no. The ayes have it. The ayes have it.

Protected Cell Companies Bill

Standing Orders suspended

Second reading approved

The President: Mr Gelling.

Mr Gelling: Could I ask, Mr President: I am very conscious of the time and I do appreciate . . . is there any advantage at all in just moving the second reading formally so that, perhaps, next week Hon. Members would then get into the clauses, or is it only a formality?

The President: I am in the Members' hands and, in fact, Mrs Christian?

Mrs Christian: Can I propose that we suspend Standing Orders in order to take the formal second reading (**Mr Gelling:** Hear, hear.) and leave the clauses until next week?

Mr Gelling: Thank you kindly.

The President: Right, in that case, Hon. Members, if there seems to be agreement around the table, we should take formally the second reading of this particular measure this morning. Mr Gelling.

Mr Gelling: Yes, thank you, Mr President. I would wish, therefore, to move formally that the second reading of the Protected Cell Companies Bill 2003 be read this morning, sir.

Mr Lowey: I beg to second, sir.

The President: Now, Mrs Christian.

Mrs Christian: Yes, I just wanted to comment, Mr

President.

It has been said by my Hon. Colleague, Mr Lowey, that we are in the forefront. Regrettably, on this particular issue, we are far from in the forefront. One of my first tasks in the Treasury way back in the 1980s was in chairing the Insurance Authority, at which time there was an appetite to try and structure things to try to encourage business.

For a number of years now there has been a call for protected cell structures to be available. The Island, for some reason or another, was reluctant to go down this avenue. Nothing has changed, in my view, in the scenario in relation to protected cells. Guernsey has stolen the march in this particular area. I accept that it was probably due to cautiousness; however, nothing has changed.

But I am glad to say that the attitude has changed and there is a willingness now to proceed down this avenue. There is business to be had out there, I believe, and I am quite sure that the mover is quite right in trying to expedite this so that we do enable ourselves to capture some of that business before it gets established in other places.

The President: Mr Waft.

Mr Waft: Just this one point, Mr President – it may be covered and probably other areas are aware of how it is running and obviously running well or we would not be following suit.

It is just that I get a bit nervous when I read about ‘protected companies’. They are protected from whom? For what? Are we protecting the company? Are we protecting the core? Are we protecting the liabilities of the investor? Just who are we protecting when we say ‘protected cell company’?

The President: Mr Gelling.

Mr Gelling: Yes, thank you, Mr President, and thank you again, Hon. Members, for going for the second reading.

Firstly, I would like to thank those who came to the presentation as well, because I think Legislative Council Members outnumbered the Keys Members on that occasion, so the interest in this particular piece of legislation was there.

Now, Mrs Christian is absolutely right, inasmuch as there were those that thought that this was something that should have been done a few years ago, but I think that the Manx, being cautious – and our cautiousness was that we were not absolutely 100 per cent sure of this having been tested, if you like, in the courts and so on – it has been really a case of watching Guernsey put it in, seeing, in fact, that it has gone extremely well, then realising that, perhaps, we should have been in the vanguard. But we were not and we have been trying, therefore, to catch up of recent times to be able to get it into position.

Now we had hoped, actually, that we would have been here sooner and I do know that, again, as Mrs Christian has said, business has been lost to Guernsey, because I have been told directly that they waited until August or something and they had to move and so it has gone to Guernsey.

So this is well awaited and probably a little late, but I think it is again true to say we want to get what business there is out there, and there is still business to be done if people want to come to the Isle of Man and this will give the private sector the tools to do the job. So you are absolutely right, it

has been around for quite a long time.

Now the protected cell is not protecting them from their liabilities, let us put it that way; it protects each cell from another cell and the core is there to help promote them – in fact, in some ways, to help them to finance their original requirements to be set up – but it is really to protect each cell from each other all the way around the core. If one did get into difficulties, it does not have a knock-on effect on the other cells so they are protected from, say, cell ‘B’, that might get into difficulties. That will not affect all the other cells. So, the protected cell part is protecting each cell from itself.

The President: Hon. Members, I put to you that the Protected Cell Companies Bill 2003 be read for a second time. Those in favour, please say aye; and against, no. The ayes have it. The ayes have it.

Insurance (Amendment) Bill

First reading approved

The President: Hon. Members, we then turn to the Insurance (Amendment) Bill and, again, it is in the hands of Mr Gelling for first reading, please.

Mr Gelling: Yes, thank you, Mr President, and the same thing applies – my thanks to you again, for not only putting this on this morning, but putting in a supplementary agenda.

The Insurance (Amendment) Bill 2003 is promoted by the Treasury, again on behalf of the Insurance and Pensions Authority. The Bill represents an important and timely updating of the Island’s insurance regulatory framework and follows a review of the Insurance Act 1986 by the Insurance and Pensions Authority. It updates the provisions of that Act and also the Insurance Intermediaries (General Business) Act 1996.

It also makes several amendments to the Retirement Benefits Scheme Act 2000 in the light of a number of issues that have arisen since the introduction of that legislation. The legislation takes account of the core principle of the International Association of Insurance Supervisors, which formed a central part of the assessment of the Island’s regulatory framework by the International Monetary Fund (IMF) in October last year. It also takes account of previous reviews to which the Isle of Man has been subject in recent years, such as the Edwards and the Financial Action Taskforce.

It includes provisions in respect of the responsibilities and supervisory powers of the insurance supervisor and the IPA and also introduces provisions abolishing the requirements for insurable interest to be present in contracts of life assurance written on the Island. The Bill has been the subject, again, of consultation with interested parties, as a result of which a number of amendments were made to it.

Part 1 of the Bill, including the schedule 1, amends the functions of the Insurance Supervisor and the IPA. It includes a statement of regulatory objectives for the Insurance and Pensions Authority and the Insurance Supervisor, which is the first time that such a statement of objectives has been included by a regulator in any financial services legislation in the Isle of Man. Its inclusion helps to demonstrate the

intention of the Island to provide a modern and transparent regulatory framework, the objectives of which can be clearly understood by those persons to whom the legislation applies. These amendments provide much more clarity for persons subject to the legislation, as to the scope of the Insurance Supervisor and the IPA's powers and the objectives for which they are to be exercised.

They also set out much more clearly the distribution of powers, under the Act, between the Supervisor and the Board of the IPA. The effect of this is that the executive powers of the Act are exercised by the Supervisor, but that the board of the IPA has a clear responsibility to oversee the actions of the Supervisor in exercising those powers. This will ensure that the Supervisor is always able to take supervisory action in a timely manner, but that there is also proper oversight of the way in which he or she exercises his or her powers.

In line with other more recent financial services legislation, the Bill also transfers the power to make regulations under the Act from the Treasury to the IPA, although the Authority must consult the Treasury before making any such regulation.

Part 2 of the Bill abolishes the requirement for an insurable interest to be present in contracts of life assurance written on the Isle of Man. The concept of insurable interest derives from the Life Assurance Act 1774 (an Act of Parliament), similar principles to which are generally held here in the Isle of Man. It restricts the ability of persons to take out life assurance on the lives of others to a quite narrow range of people, for example, husbands and wives. The original purpose of the Act was to prevent unrelated persons in effect gambling on the life expectancy of well-known people, such as royalty and notorious criminals and so on, and thereby protect insurance companies against fraudulent claims. However, the nature of life assurance business has changed fundamentally since the 1774 Act was passed and it is no longer considered necessary or appropriate for its restrictions to apply.

Part 3 enhances and clarifies the powers of the Insurance Supervisor in respect of insurance business carried on in the Isle of Man. Since the Insurance Act 1986 was passed, there have been considerable developments in supervision internationally and the authorities and the insurance supervisor's powers are now rather limited, in comparison with similar financial service legislation here and elsewhere.

Part 4 contains a number of miscellaneous amendments of the Insurance Act 1986. Importantly, these include a revised and expanded right of appeal in respect of decisions made under the Insurance Act 1986 to reflect the wider powers given to the Authority and Supervisor as described, actually, in part 3. They also include an amendment to section 27 of the Insurance Act 1986, to allow the IPA to prescribe the business that registered insurance managers may undertake, to allow for developments in this area of the market.

Other matters dealt with in this part include an amendment to section 29 of the 1986 Act in respect of the statutory indemnity provided under the Act to take account of the Human Rights Act 2001.

Part 5 amends the Insurance Intermediaries General Business Act 1996 and clarifies and amends slightly the business to which it applies. The provisions introduce a power for the Insurance Supervisor to wind up a general intermediary and, importantly, they also introduce new appeals provisions in respect of decisions made under the

Insurance Intermediaries (General Business) Act 1996, in line with the new provisions which are being introduced in respect of decisions made under the Insurance Act 1986. Finally, in that Part, they provide a revised definition of advertisements in the Act, to take account of all the various forms of media now used to advertise.

Part 6 of the Bill, Mr President, contains various supplementary divisions. These include some definitions in respect of references to other legislation in the Bill and provide a short title for the Bill. They also introduce schedule 2 to the Bill, which contains amendments to the Retirements Benefits Scheme 2000 which are necessary in the light of the IPA's experience in implementing the provisions of that Act, and schedule 3, which contains consequential and minor appeals.

The only other part, Mr President, to inform Hon. Members of is that there was an amendment passed in another place which, coming from the Keys, now forms part of that Bill and that was the new clause that was put forward by, I think, the Chief Minister. It was a Government amendment to that Bill.

With those remarks, Mr President, I move that the first reading of the Insurance (Amendment) Bill 2003 be heard today, sir.

Mr Lowey: I beg to second, sir, and reserve my remarks.

The President: Mr Lowey seconded. Mr Waft.

Mr Waft: Yes, just for clarification, Mr President.

You made mention of the Supervisor's powers with regard to the Insurance Pensions Authority – the powers that they have. Should they oversee or let something happen that should not have happened, what liability do they hold to the general public when a problem arises and they have made a decision which proved to be incorrect?

The President: Mrs Christian.

Mrs Christian: Yes, Mr President, perhaps I can declare an interest, in that I have an involvement in companies which are controlled by the IPA. However, I can see the sense in having clarity, as between the Supervisor and the functions of the IPA, and, therefore, have no difficulty with the principles of the Bill; could the mover indicate whether or not there has been much consultation with the industry in respect of the Bill and what their view of it is?

The President: Mr Gelling to reply.

Mr Gelling: Thank you, Mr President.

Now that is a change – Mr Waft has raised the point of the Supervisor's powers and it is different, actually, from the FSC. For the first time, I think, the IPA are a little ahead of the FSC, inasmuch as the Supervisor has the powers to deal with most of the day-to-day, week-to-week business within the actual IPA, overseen by the Board. If, in fact, there was a decision made by him that the person or the company to whom it applied was not satisfied, the appeal they have, of course, is an appeal to the courts. However, the Board itself would take note of that decision that was made and probably take action as to it being a situation that would not occur again.

But my understanding, certainly, and I will clarify it for the Hon. Member, is that the appeal would be to the courts, if the Supervisor had acted in a way that was seen to be unfair. Certainly, the powers for the day-to-day running and even for the creation of, say, what we have just had – a protected cell – that can be done very swiftly and very quickly, because the Supervisor has the power to do it.

Inasmuch as that being able to be done, if there was anything that was a little uncertain to him, that was perhaps something he wished to share with the Board, I know that the present incumbent would bring that to the Board, because, obviously, he would want the experience of the Board members to be able to have their input, before he would make that decision. But as long as everything stacked up and all the questions were asked and, if you like, all the boxes ticked, he has the power to be able to create that.

Mrs Christian – consultation with the industry: as far as I understand, yes, the industry has been consulted widely on this and, of course, I think they have taken legal opinion also on the situation with regard to this, so I have not had any questions or statements made by anybody in the industry that they are anything other than waiting for the particular Bill to go through. They see it as a positive thing for them.

If I can just be helpful, Mr President . . . yes, it is, I have just had the confirmation: usual course would be through the courts and the appellant can, therefore, obtain redress through the courts and that is basically what I have said, sir.

The President: Mr Waft.

Mr Waft: There is no indemnity, as the FSC? They are not going down that route?

Mr Gelling: Actually, the Hon. Member now raises something which I can air from the Board's point of view, that the Board members are extremely concerned about the very point that you have made, and this is something that I get reminded every month at the meetings that this is still going on, because it has now been lost in the greater . . . Board members and everybody are now looking for indemnity against anything that, perhaps, causes them a problem – but I think Mr Attorney looks eager, Mr President –

Mrs Christian: Explain to us.

Mr Gelling: – to come in on this one and I bow to his superior legal knowledge, sir.

The President: In that case, I will call Mr Attorney.

The Attorney General: Well, Mr President, sir, hopefully, with a view to being of assistance. Mr President, in section 29 of the Act, as it is at the moment, there is an indemnity. If I may just very briefly read it:

'The Treasury, the Authority'

- that is, the Insurance Authority –

'and the Supervisor shall not be, nor shall any member, officer or person acting pursuant to any authority conferred by the Treasury, the Authority or the Supervisor, as the case may be, liable in damages for or in respect of any act or matter done or omitted to be done in good faith in the exercise of their powers.'

So, Mr President, there is an indemnity at the moment in

the Act and, as we have seen under Part 4 of the Bill, there is a modification to the indemnity, which we see at page 25 of the Bill at the top. That indemnity does not operate so as to prevent an award of damages, where it can be shown that that indemnity acts unfairly and in breach of the Human Rights Act

So, Mr President, I think, as the Hon. Member, Mr Gelling, has said, the question of indemnity is a very topical one and almost every supervisory or regulatory authority wishes to have one. Equally, though, the courts have made it perfectly clear that someone who is aggrieved needs to have a fair trial under article 6 of the Convention and, therefore, these indemnities must not operate so as to prevent somebody having a fair trial.

The President: Any other Hon. Member wish to comment? In that case, Mr Gelling.

Mr Gelling: Yes, in just thanking Mr Attorney for pointing us in the right direction to the clause – and I thank him for that – I formally move that the first reading be taken as passed today, sir.

The President: Hon. Members, the motion I put to the Council is that the Insurance (Amendment) Bill be read for a first time. Those in favour, please say aye; and against, no. The ayes have it.

Insurance (Amendment) Bill

Standing Orders suspended

Second reading approved

Mr Gelling: Could I again –

The President: Mr Gelling.

Mr Gelling: – request your patience, sir, and Hon. Members', if I could formally move the second reading which would put this Bill and the previous one on the same footing, hopefully, for next week, sir.

So I would formally move that the second reading of –

The President: No, we are seeking suspension of Standing Orders.

Mr Gelling: Sorry, we will go for suspension of Standing Orders first, which Mrs Christian ran the last time. Thank you.

Two Members: Agreed.

The President: Members are content with that, so we will take the second reading, Mr Gelling.

Mr Gelling: I formally move the Insurance (Amendment) Bill 2003 be read a second time.

Mr Lowey: I beg to second, sir, and reserve my remarks.

The President: The Bill be read a second time, Hon.

Insurance (Amendment) Bill – First reading approved

Insurance (Amendment) Bill – Standing Orders suspended – Second reading approved

Members. Those in favour please say aye; and against no. The ayes have it. The ayes have it.

Construction Contracts Bill **Second reading approved**

The President: Now then, Hon. Members, on the Supplementary Order Paper, Construction Contracts Bill, Mr Singer, second reading.

Mr Singer: Thank you, Mr President. I am pleased to move the second reading on the Construction Contracts Bill 2003.

I firstly would like to thank Hon. Members for their support at the first reading and I was interested to hear, at that time, several Hon. Members relate their experiences of the difficulties they had encountered, because, up to now, the construction industry has had a certain lack of direction or control.

This Bill implements the findings of a working party established by the DTI, which was made up of interested parties and sought comments from all sections of the local construction industry, on a draft Bill and regulations in a consultation document published in August 2000. There was a general consensus of agreement in the industry that a Bill should be introduced in the Isle of Man, which followed the relevant parts of the UK Act and was working very successfully in resolving disputes within the industry.

The main provisions of the Bill gives the parties to construction contracts new rights and enables a scheme for the adjudication of disputes to be set up. The Bill gives either party to a construction contract the right to refer a dispute to adjudication, as a quick form of dispute resolution either under the terms of the contract or under a statutory scheme.

I outlined at the first reading the rules on stage payments, the rights to withhold payment and the right to stop work, all of which are clearly defined, and the outlawing of the 'pay when paid' clause in contracts, under which a contractor is not bound to pay a subcontractor until he has been paid by the client. This last item has been the reason for much distress (**Mr Delaney:** Hear, hear.) caused to our smaller subcontractors.

Within the Manx Government there has been continuing support from the Capital Projects Supervisor and the Department of Transport for moving the Bill forward, as it is seen as an important piece of legislation to address ongoing concerns regarding the administration of construction contracts.

Mr President, I seek Hon. Members' support once again and I beg to move that the Construction Contracts Bill is moved for a second time.

The President: Mr Kniveton.

Mr Kniveton: Yes, thank you, Mr President. There is little more I can say to add to what I said at the first reading. As a past Member of the Department of Industry, I soon learned of the disputes within the construction industry regarding contracts and particularly regarding subcontracts. Now, sir, I am not going to go through all the points which

Mr Singer has brought out, and, to summarise, I would just say there are many, many welcome clauses and I feel sure that this Bill will be worth supporting.

The President: Mrs Christian.

Mrs Christian: I, too, support the Bill. I think we are all conscious of circumstances where there is definitely a need for a framework to deal with these issues, which has got to be an improvement on the present situation.

The fact that the industry has been much involved in the drafting of the Bill, and, therefore, will be supportive of its provisions when they are implemented, I think bodes well for at least an improvement in the way these issues are handled in future, and, therefore, I am happy to support the Bill.

The President: Mr Singer, do you wish to reply, sir?

Mr Singer: I would just ask to thank both Mr Kniveton, who, I think, seconded, and Mrs Christian for their support. Obviously, we will go into more detail at the next reading, but I thank them for their support.

The President: Hon. Members, I put to you formally that the Construction Contracts Bill be read for a second time. Those in favour please say aye; and against no. The ayes have it. The ayes have it.

Sittings of Legislative Council 2003-04

The President: Now, Hon. Members, the meeting that we have had this morning allows us to move into the clauses stages of each of these three Bills, which we will be taking at the sitting on 16th December at 10.30 a.m.

But, Hon. Members, it has also been drawn to my attention the need to print the blue card, as I understand it, printing the dates of when we will be sitting in 2003-04, during that particular period. As you are aware, last week the Keys accepted their Standing Orders report, which did make a difference to their dates. Here Members asked if the three Standing Orders Committees should possibly get together and look at this.

If such a meeting does take place of the Standing Orders Committees, it is unlikely to introduce any changes until 2004-05, and so we really need to have a view regarding Easter and June in particular, in order that we can print the card quickly. Do Members wish to continue as we have done in the past, following our format, or do they wish to continue to be in line with the Keys in this particular year?

Mr Singer: Can I say, on a personal basis, that with it being Easter Holiday et cetera – particularly, I think, it is 6th April – (**A Member:** Yes.) I do want to go away with the children. I prefer not to seek your leave, as I do not know that I would get it because it was a holiday. And, as we have sat an extra day on the 16th, next week when the Keys are not sitting, perhaps we could balance that out, Mr President, and not sit on the 6th.

The President: Omitting the 6th?

Mrs Crowe: I would support that. I do think it is when

there are not school holidays we do need to take a great deal more care about the way in which we are compiling these calendars. It is unfortunate for Members who have children, or even families that wish to visit –

Mr Delaney: They are fortunate when they have got children!

Mrs Christian: Yes, that is true.

The President: We take that on board, Hon. Members, and, whilst I am sure that Council will be flexible in the dates, I take Mr Singer's point and if you would be happy that, in fact, for April we drop off the sitting pencilled in for the 6th so that a card can be printed. Agreed, Hon. Members? (**Several Members:** Agreed.) Mrs Christian?

Mrs Christian: Yes, agreed, but I just think that we need to look at the whole of the programme, and I hope that will happen (**The President:** Yes.), because there are times at the moment where we have gaps in the summer at a very frequent interval, which seems nonsensical to me, and the flow of business is just staccato, it does not make for getting on with the work, so we do need to look at the programme for the summer.

The President: I take that point entirely, and I think it is necessary to get it in order and, in fact, if the Standing Orders Committees . . . if we could get it so that there is a set pattern which is more satisfactory, knowing, as we do, that the school holiday dates are changing and likely to change . . . although I understand they have now been fixed up to 2007, (**Mr Lowey:** Yes.) which does give some –

The Clerk: The Standing Orders Committee did put a sitting in Practice Week on 1st June, which is on the blue card at the moment – just to confirm that.

The President: The Clerk is just pointing out to me that the Keys have put in an 'extra' sitting for 1st June, which would not be in . . . Would you be happy to replace 6th April with 1st June? (**Several Members:** Yes.)

In that case, Hon. Members, we will replace 6th April with the sitting on 1st June.

Thank you, Hon. Members, for your attendance and attention this morning. We will sit shortly in Tynwald Court at 10.30. Thank you.

The Council adjourned.