



**TYNWALD COURT
OFFICIAL REPORT**

**RECORTYS OIKOIL
QUAIYL TINVAAL**

PROCEEDINGS

DAALTYN

(HANSARD)

Douglas, Wednesday, 22nd March 2006

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

The Lord Bishop of Sodor and Man (The Rt. Rev. Graeme Knowles), The Attorney General (Mr W J H Corlett QC), Mr D Butt, Mrs C M Christian, Mrs P M Crowe, Hon. A F Downie, The Chief Minister (Hon. D J Gelling CBE), Mr E G Lowey, Mr L Singer and Mr G H Waft, with Mrs M Cullen, Deputy Clerk of Tynwald.

In the Keys:

The Speaker (The Hon. J A Brown)(Castletown); Hon. D M Anderson (Glenfaba); Hon. A R Bell and Mrs A V Craine (Ramsey); Mr W E Teare (Ayre); Mrs H Hannan (Peel); Hon. S C Rodan (Garff); Mr P Karran, Mr 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 (Douglas South); Hon. R P Braidwood and Mrs B J Cannell (Douglas East); Hon. J P Shimmin and Mr D F K Delaney (Douglas West); Capt. A C Douglas (Malew and Santon); Hon. J Rimington, Mr Q B Gill and Hon. P A Gawne (Rushen); with Mr M Cornwell-Kelly, Clerk of Tynwald.

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The House adjourned at 1.13 p.m.

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Tynwald

The Court met at 10.30 a.m.

[MR PRESIDENT *in the Chair*]

PRAYERS

The Lord Bishop: God bless our land. God bless those who sit in this Hon. Court. God resolve our differences. God revive our Churches. God forgive our selfishness. God protect our homes. God strengthen our faith and this we ask through Jesus Christ our Lord. Amen.

Members: Amen.

The Lord Bishop: Grayse nyn Jiarn Yeesey Creest, as graih Yee, as sheshaght gherjoil y Spyryd Noo, dy row mârin ooilley er son dy bragh. Amen.

[The Grace of our Lord Jesus Christ and the love of God and the fellowship of the Holy Spirit be with us now and for ever more. Amen.]

Members: Amen.

Procedural

The President: Hon. Members, we will see how much progress we can make this morning. I understand that there are one or two Members who wish to attend the funeral after lunch today, so we will see how we get on this morning.

Whilst I am making this announcement, Mr Quayle, Mr Anderson, Mr Downie, I think, are those who may be late back after lunch.

Birthday Greetings to Chaplain

The President: Can we just say a Happy Birthday to our Chaplain, who I understand has his birthday today.

Members: Hear, hear!

Orders of the Day

National Health Service Act 2001 National Health Service (Dental Charges) Regulations 2006 Debate resumed Motion carried

The President: Now then, Hon. Members, when we broke up yesterday evening, I indicated that we would go back this morning to start on those Health Service Items which we

bypassed yesterday, Health and Social Security Items.

In inviting the Minister for Health and Social Security to move Item 9, you remember, Hon. Members, that it was formally moved yesterday and then we had the motion for adjournment. Now, we go back to commence all over again, on Item 8... Is that what I said? Item 9, Mr Speaker, did I? I thought I did. Item 8! When we go back to start on Item 8, I will leave it up to the Minister, but I will consider that we are starting as a new debate, but no motions for adjournment will be accepted.

Item 8, then. The Minister for Health and Social Security, Mr Rodan, to move.

The Minister for Health and Social Security (Mr Rodan): I move the Item standing in my name, sir.

The President: Okay, Hon. Members.

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

The President: Seconded by Mrs Craine. Seconded by Mrs Craine, Hon. Members. Any Members...? Mr Singer, Member of Council.

Mr Singer: Thank you, Mr President.

After the comments that were made yesterday in this Chamber, particularly by Members of the Department, about the Dental Association, accusing them of going back on their agreement, I went this morning to speak to the Chairman of the Isle of Man Dental Association about his comments that were quoted in the newspaper. It is quite clear to me that, actually, the comments that were quoted in the newspaper were his actual feelings and I believe that there has been a certain amount of spin put on that yesterday, in saying that they had said one thing and were now saying another thing.

From what he says to me, the views of the dentists have not changed, but they have no choice, because of what the Minister threatened yesterday, which is quite right, that if we do not agree, there will be no dental service.

The Member of Health yesterday could not understand the newspaper comments, because the Ramsey Group Practice, she said, had signed up. Now, I have been clearly told this morning that, apart from the children, who are now treated on the NHS by that Group Practice and a few, I think it is senior citizens, the dentist will not be taking back any patients who were previously with him on the NHS before they went private. What has actually been signed up for is to continue to treat the young children on the NHS and the few people that remain with them, I think, as I say, they are senior citizens. That is why they signed up and the general view is that, under this new system, the new contract and the new charges, very few, if any, dentists on the Isle of Man who went from NHS to private will return to NHS. So, there again, it is the people who will suffer.

Now, whilst the Minister says that the new charges do not increase income to the Department, it is a fact that, in the UK, the charges will bring in 28 per cent extra in dental charge income. So, it might be interesting if the Minister could possibly make that clear, why there will be no extra income to the NHS from the new dental charges.

With the charge in these present bands, people will quickly realise that it is, for example, the same charge to have three teeth filled, as it is to have one tooth filled. Therefore,

Prayers : Procedural

Birthday Greetings to Chaplain

National Health Service Act 2001 – National Health Service (Dental Charges) Regulations 2006 – Debate resumed – Motion carried

there is an incentive, I believe, to delay treatment, to get value for money. So, you wait until you are in pain, rather than go and get a routine filling, so these charges will penalise patients who look after their health.

In the trials in the United Kingdom, who have the same charge bands – because we have lifted those charge bands and the trial on these charge bands – it was found out that 69 per cent of patients will pay more, many... About twice as many people will pay, sorry, the same number of people of those many will pay twice as much as they do now.

So, as I said, these new charges will not attract possibly any of the Isle of Man dentists back to the NHS. Mr President, having spoken to the Chairman of the Dental Association, he is quite clear that this is... we are going from a bad system, as he has said in the paper, to a worse system. What he said to me is, 'Vote for it.' He said 'Vote for it. We cannot go any further, we have tried our best. We cannot get any more out of the Health Service. Vote for it, because, otherwise, as the Minister said, we will have no Health Service, so we have no choice.'

The President: Hon. Member, Mr Henderson,

Mr Henderson: Gura mie eu, Eaghtyrane.

I would just like to pose a few questions to the Minister. One in particular which was raised by my Hon. friend opposite, Mr Karran, with regard to charges for fillings. The simple filling price from £4.70/£4.80 he quoted, which was moving to £47: I think we need some clarification on that. If it is correct, why the huge jump, etc and are there any other large increases to treatment charges, such as that? If the Minister can illustrate it...

I would also like to pick up on the point somebody raised yesterday, too, Eaghtyrane. If we do not vote for this today, why cannot the status quo remain for the time being until it is sorted out? Which is an interesting point, which Mr Lowey was discussing and I would like to know the reasons for that from the Minister, because it seems to me that it would be a sensible way forward, if there are problems, to allow the status quo to remain until some of these issues are sorted out more clearly and we discover the full impact on our community with this.

Thank you, Eaghtyrane.

The President: Hon. Member, Mrs Craine.

Mrs Craine: Thank you, Mr President. I would like to go back to why these Regulations are before us.

The Dental Charges Regulations, as we have them before us today, represent a new system of charging for dental treatment. Previously, dental practitioners were reliant on a fee per item service – item of service. There were a range of 400 services which could be applied. That system was felt to be unclear, confusing and raised issues with patients over the cost of their treatment. A wholesale review has come up, with a system of banding charges, which is what is before you today. As the Minister said yesterday, currently those who are not exempt from charges pay 80 per cent of their fee, with a maximum charge for a course of treatment of £300. That is the situation as it stands today.

As from 1st April, the DHSS will be entering into a new contractual arrangement with dentists. That arrangement has been made with dentists through a huge amount of consultation, an extensive amount of consultation! I am

pleased that, as at today, the greater number of dentists have signed up and we have the expectation that the remainder will do so.

I can confirm that the Ramsey practice, where one of the practitioners is Mr Rod Jones, Chairman of the Isle of Man Dental Association, has signed. The negotiations that the Isle of Man Dental Association have had with the Department have illustrated that they have felt the terms contained in the UK contract to be too onerous. They have felt they wanted to be able to spend more time with their patients, in order to be able to give guidance on oral health and preventative measures. The Department agreed with that view and the result is that a lower activity requirement will be asked of them, compared to England and Wales. This will allow dentists more time with those patients in need and provide a greater degree of preventative care.

A further part of the advantage package here is that dentists will be able to have child only lists and that is, as I understand, largely what the practice in Ramsey, which Mr Singer referred to, is made up of – child only lists, with a few NHS patients who may have stayed on – following the previous change in arrangements. Unlike in England and Wales, this will allow parents to have the choice as to whether they wish to go to a salaried dentist or remain with a private dentist, but that choice can be made without affecting the treatment of their children. These introductions have been made as a result, as I say, of consultation with the Dental Association and with individual practices.

To refer to Mr Henderson's query, Mr President, with the expiration of the current contract arrangements, there has to be a new provision made. As at 31st March, 2006 the current contract falls. It is severed. There is no further contract and so the new contract that has been negotiated has precipitated the change in treatment charges. If the Regulations do not receive approval from Tynwald, then there will be no statutory provision for the Department to calculate and collect patient charges for NHS treatment, or DHSS treatment, from 1st April, 2006.

Mr Singer also referred to being able to attract NHS patients back into the private patients lists and... or the other way round? I beg your pardon, Minister.

Mr Singer: By way of explanation, I said attracting the private dentists back to do the NHS work.

Mrs Craine: Yes, thank you for the clarification, about attracting the dentists to take on more NHS or DHSS patients, but the fact is that they, I think, in many cases, would be reluctant to do that, anyway, because they are busy enough with the amount of work that they have.

Whilst I am on my feet, I would like to tell the Court that the Department has reached agreement, in principle, with two further independent contractors, to establish new DHSS surgeries in the Island – one in Douglas and one in the west of the Island – within the next six months. So, we should not fear that our patients, or our people, will be left without dentists. We are actively looking to DHSS provision. This development, together with the flexibilities agreed between the Department and the Isle of Man Dental Association on the new contractual arrangements, will result in greater NHS dental provision for the people of the Isle of Man.

Turning back to the Regulations themselves, I would, first of all, reiterate what was said yesterday, that 40 per cent of all people on the Isle of Man are exempt from charges. These

include patients who are in receipt of income support benefit; patients under 18 years of age, or under 19 and receiving full-time education; women over 60 years of age; patients over 65 years of age; women who are pregnant or have given birth in the last 12 months; patients who are registered blind; war pensioners; and prisoners.

I would point out, Mr President, that pensioners in the UK are not exempt at all. Even if they just have an examination they pay, whereas here, if we just have an examination and assessment, they do not pay anything. If they have an examination, assessment and those items contained in the first banding, then they pay £15.50. So I wish, by that, to illustrate that, in fact, the proposals here are different than those in the UK and they are Isle of Man agreed proposals.

The proposed new system of charging is more simple and straightforward, in a way, to calculate both the fee and for the patient to have a clear understanding of the charges that will be made against them. The basic charge of £15.50 is the one that most people will be charged. However, if there is a requirement for additional treatment, such as fillings or extraction, or root canal work, then the charge of £42.40 comes into place. This figure subsumes the original £15.50. The patient does not pay that figure twice.

Again, when moving from the second band of £42.40 to the third band of £189, the amount of £42.40 is subsumed. On looking at that, in the examples provided to Members, it can be seen that, in some cases, the charge will be less than now and, in some cases, it will be more. The benefit to the patient is that if more treatment is needed at the same level within two months of seeing the dentist, there will be no charge. It will be free.

It should also be noted that, when looking at the higher range of dental charges, there is only one area of treatment which is currently less than £189. That is the area of dentures and it should be further noted that, as explained, the majority of full dentures are provided to patients over the age of 65, who are exempt from the charges, anyway.

The other three areas within that bracket exceed £189 and, of course, where previously the maximum charge per course of treatment was £300, it is now held at a lower rate of a maximum charge of £189.

The Regulations, Mr President, reflect a change in the process of calculation, a process which has received extensive consultation with the dentists in the Isle of Man and which has received the endorsement of the Chairman of the Isle of Man Dental Association. It is not a mechanism whereby increased revenue will be received by the Department.

I apologise for the way in which Members have received the information concerning this change and, in seeking their forbearance, ask that they do now support the Regulations, as placed before them today.

Thank you, Mr President.

The President: Hon. Mrs Cannell, Member for Douglas East.

Mrs Cannell: Thank you, Mr President.

I just have one query to make because the explanatory memorandum and the exemptions and categories of evidence under schedule 5 do not make it clear. If you have young people who are in full-time education in university, who are 19 or 20, or 21 years of age, will they have to pay, or will they fall under the exemption? At the moment, it says 'a person under 18 years of age or a person under 19 years

of age and receiving qualifying full-time education', and the requirement, what the evidence has to be, which is the birth certificate etc, but it does not really state here what happens with our students who are attending university, but are ordinarily domiciled here.

So, when the Minister is summing up I would like him to advise us of what the situation is there, please.

Thank you.

The President: Hon. Member for Douglas North, Mr Houghton.

Mr Houghton: Thank you, Mr President.

I would just like to point out one of the anomalies, of course, in the scale of the treatment charges and I do appreciate what the Hon. Member has actually stated, of course, previous to the Hon. Member for East Douglas, in the fact that, of course, an examination, scale and polish, for one X-ray and one filling being currently £23.32 and then almost doubling to £42.40. That, Mr President, is the general workload that happens in any dentist's. That is the average work. They examine someone, find a filling, one single filling, almost £50. That is where the money is to be made because, remember, the business in this particular issue is all about swings and roundabouts.

These are the roundabouts here, where the lion's share of the take comes back on the smaller amount of work, not the larger amount of work which, of course, is agreeably reduced in value from anything up to £300 down to the £189, but the lion's share of the work is that in the smaller amount of work that is done. That is the area that should be cheaper, not almost double the cost.

Thank you.

The President: Minister to reply.

The Minister: Thank you, Mr President, and I thank Hon. Members for their contribution.

Can I make one thing very clear to the Court this morning: what we are debating this morning, Mr President, is not the new NHS contract with dentists. There is no statutory requirement for Tynwald to debate or approve the contract that we enter into, as a Department, with dentists. The Department is given a power to make contract for the provision of NHS services with dentists, pharmacists, with doctors, and it does so and it negotiates and it enters into contractual arrangements with each dentist's dental practice on the Island. What we are debating today is the scale of charges that have to be put in place to enable the contracts to work and there is a statutory duty on Tynwald to approve, or not approve, those charges, under the NHS Act 2001. That is what we are doing today.

So what we have heard about dissatisfaction on the part of, certainly, many dentists in the UK and, I am sure, *some* dentists in the Isle of Man, with the contract is not a matter for the Court this morning. It is inevitable that that is going to be brought into the debate because the charges are the other part of what needs to happen to make any contracts work.

From 1st April, there is going to be a new contract in England. From 1st April, there is going to be a new contract with dentists in operation in the Isle of Man. Most dentists who wish to have an NHS contract, treat NHS patients, will have already signed up. We expect that, by 1st April, every practice which wants to treat NHS patients will have signed up.

Those that have presently signed up have put in place systems of software for charging to operate the new contract. If we do not approve the charges today – and this is the answer to Mr Henderson and others as to why the status quo cannot remain until we give ourselves time to rethink this through, the next sitting, say – quite simply, there will be no statutory provision in place in the Isle of Man to collect any charges from patients for NHS treatment.

Not only that, Mr President, but utter confusion will reign because those dentists, the majority, who have already signed up for NHS services, will be expecting to operate the new contract from 1st April. Their systems will be in place, their computer programmes and all the rest of it. They are geared up; they will be geared up.

I accept, Mr President that, professionally, many dentists are not particularly keen on this new contract, notwithstanding that it does something that the profession has been arguing for for a long time – Mrs Craine has gone into this in some detail – which is to have a system of payment for preventative treatment, rather than a national drill-and-fill service of dentistry.

That has been the historic complaint that, by being paid on an item of service basis, you were on a treadmill. The more patients you got through your surgery, drilling and filling, the more you got paid. The profession have been arguing that that was the wrong system. It did them no credit as professionals. It had them on a treadmill. So negotiations over a period of years have been taking place to move away from that payment on item of service and to be paid on a monthly basis and an annual fee based on overall activity so that, if a dentist wished to spend a whole day advising a patient on oral healthcare, he or she would not be financially worse off by doing so. Preventative dentistry.

Mr Houghton: I bet! I would love to see that.

The Minister: Yes.

Mr Houghton: We would all go round and see that.

The President: Hon. Member.

The Minister: Mr President, I give an example of what is possible. I do not expect, in practice, a dentist would put themselves in that position, or any patient would require a day full of advice. I give, by illustration, what could be possible and I am sorry if this is taken literally in some quarters.

If we think carefully about this, I think we will see the advantages to the public and to the profession under the new system.

Mr President, as I said, we are not here to debate the new contract, but I want to emphasise the features of the contract that require us to move away from a historic system of paying on an item of service basis to payment under this new charging regime.

Mr Singer asks how come there is no extra income to the NHS under this new charging regime. Why is it cost-neutral? In England... and he gave a percentage of increased income to the NHS. The reason for this is perfectly straightforward. Thanks to the flexibility that has been negotiated with the dental profession on the Island, and may I say, painstakingly with individual practices, by Mr Jones from Crookall House, the Health Services Division – painstaking individual

negotiations, on Saturday afternoons in some cases and in evenings – it has been possible to negotiate flexibility for the Isle of Man.

Mrs Craine referred to it and it is in two respects. First of all, there will be – unlike England – the possibility of child-only NHS lists. This is not a feature in England. We have allowed it in the Isle of Man, in response to the wishes of some practices to have that. No doubt, as a consequence, there is a potential for that practice to have the parents of those NHS-treated children attend the same practice privately – I do not know, that may well be the thinking behind it.

Also, the other feature, very important, is that the level of activity having to be attained by a practice in the Isle of Man, in terms of time spent to qualify for the annual payment, will be less onerous, less in time than the UK, than England.

They are two very important features of flexibility and I do find it disappointing that, despite this painstaking negotiation which, admittedly, has been in a short timescale latterly, within the last two or three months, hence the afternoon and evening meetings... Despite that, there is a feeling being put abroad that all is not well in dentistry in the Isle of Man. Nothing could be further from the truth.

It is the case, I just mention in passing, Mr President, that there are more directly employed dentists giving NHS treatment, employed by the Department in the Isle of Man, than there used to be (**Mr Henderson:** Hear, hear.) and the effect of that has been a dramatic decrease in the waiting lists that was the case two years ago, when there were thousands and thousands – 7,000 – unable to get placed with an NHS dentist. That situation has changed.

We are moving towards a mixed economy of provision of dentistry in the Isle of Man. Some patients will have dentists who are purely NHS dentists employed by the Department. Some will go to practices where, predominantly, it is private or through a private insurance scheme, Denplan. Some will go to practices which are a mixture of both. Some practices will have NHS lists for children only and, for adults, private or Denplan. This is the situation we are now in. Because of the flexibility, I believe that we have actually the scope in the Isle of Man to attract dentists to the Island, those who might well be dissatisfied with the arrangements in England, that this is a more attractive place, professionally, to practice.

So when we talk about attracting dentists into the NHS and Mr Singer raises a deficiency in these new NHS arrangements, I would ask him to bear that in mind.

Mr Henderson referred to what he called a ‘huge jump in costs’ and, like Mr Karran yesterday, gave examples of item charges of £4, for example, for particular items of treatment and I think Mr Houghton made reference to that, as well. What I would say is that it is rare for a small filling, or indeed an X-ray, to be carried out on their own. The charge that the patients will pay is for a course of treatment, probably over a number of visits, and by the time the patient has completed those visits, under the existing system, all those little charges are totted up. It is certainly, I think, very unusual to be presented with a very small bill, as low as £4. That is why it is more relevant to consider courses of treatment and why, Mr President, I circulated this paper, which I think shows realistically what patients will be paying. Some will gain and some will lose. We have made no secret of that but, as we have heard, the present system is utterly confusing. The system of charging is unclear, untransparent, difficult to understand and there have been concerns expressed by

patient consumer groups as to the cost of treatment and how it was calculated. The reason it has been so complicated is that, under this system, there can be up to 400 individual charge calculations.

We are proposing, under this regime we are debating today, to reduce it to four and when we do that it is inevitable some patients will pay more, some will pay less.

Mrs Cannell asked about the situation of students. I would reply to that that there is no change. The system of exemptions remains. Patients under 18 years of age, or under 19 years, receiving full-time education, they are exempt. That system remains.

Those students over 19, unless they are going to a university health service, for example, where dentists are directly employed, may not have charges in that situation but under NHS dentist's charging arrangements the system is exactly the same.

I would just remind the Court that examinations remain free for all. Women over 60 and patients over 65, treatment is free. That is a unique situation, so far as the United Kingdom is concerned, something we can take considerable pride in. Mr President, I do not know how long we can continue to sustain that happy situation, with the tremendous budgetary pressure that is about us. I flag that up. I not only flag it up; I re-flag it up. It has been flagged up before and this will be an issue for the next administration to consider.

The Hon. Member, Mr Houghton, raised a number of issues, I think, to do with continuing costs of treatment. There is provision for exemption to be granted on low-income grounds by completing the appropriate claim form, if not in receipt of benefit. This group could include, for example, university students without other forms of income, so there is a potential for assistance there, Mr President.

I thank Members for their contribution. I do thank my colleague, Mrs Craine, for, in some detail, explaining why it is absolutely essential we approve this charging regime today. If we do not, there will be mayhem with patients requiring dental treatment on 1st April, I can assure you of that.

I would like to think that the Isle of Man Health Service Division and in particular... I know I have already mentioned Mr Jones, but I will mention him again, has done an excellent job in negotiating elements of flexibility within a contract that is not universally popular with the profession but, nonetheless, has been tailor-made, as far as possible, for the Isle of Man: bearing in mind that to have completely separate contractual arrangements, or a separate charging regime that is completely – much as we might instinctively wish it were so – different from the UK, would be quite impractical.

It would be quite difficult, I suggest, to get dentists professionally attracted to the Isle of Man if we were too far adrift in our contractual arrangements but, just as we have maintained flexibility and better terms for NHS patients in the Isle of Man, so we have negotiated better terms for NHS dentists in the Isle of Man.

I urge the Court to support this measure this morning.

The President: Hon. Members, the motion that I put to the Court is printed at Item 8 on your Order Paper, that the National Health Service (Dental Charges) Regulations 2006 be approved. Those in favour, please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys – Ayes 18, Noes 3

FOR
Mr Anderson
Mr Teare
Mr Rodan
Mr Quayle
Mr Rimington
Mr Gill
Mr Gawne
Mr Cretney
Mr Braidwood
Mr Shimmin
Mr Delaney
Mrs Hannan
Mr Bell
Mrs Craine
Mr Corkill
Mr Earnshaw
Capt. Douglas
The Speaker

AGAINST
Mr Houghton
Mr Henderson
Mrs Cannell

The Speaker: Mr President, the motion carries in the House of Keys, with 18 votes for, 3 votes against.

In the Council – Ayes 9, Noes 0

FOR
The Lord Bishop
Mr Lowey
Mr Waft
Mr Singer
Mr Butt
Mrs Christian
Mr Gelling
Mrs Crowe
Mr Downie

AGAINST
None

The President: With 9 for and none against in the Council, Hon. Members, the motion, therefore, carries.

**Social Security Contributions and Benefits Act 1992
Social Security Administration Act 1992
Social Security Benefits Up-rating Order 2006
approved**

9. The Minister for Health and Social Security to move:

That the Social Security Benefits Up-rating Order 2006 be approved. [SD No 81/06]

The President: We move on, then, to Item 9, Hon. Members, and, again, I call on the Minister for Health and Social Security.

The Minister for Health and Social Security (Mr Rodan): Thank you, Mr President.

The purpose of this Order is to give legislative effect to the up-rating of the so-called Isle of Man Social Security benefits, the rates of which are not governed by the reciprocal agreement on Social Security with the United Kingdom. That is why I say 'so-called Isle of Man Social Security benefits.'

These benefits include, for example, child benefit and the income-related benefits, income support, income-based jobseeker's allowance, family income supplement and

disability working allowance.

The basic rate of child benefit for each child will increase from £19.50 per week currently to £19.90 per week from 10th April. Generally speaking, the personal allowances and prescribed amounts in relation to each of the Island's income-related benefits will be uprated in line with domestic inflation.

Also, in relation to the income-related benefits, each of the current maxima allowable towards housing costs for those who own their own homes, or who rent property within the commercial sector, will be increased by 5.3 per cent. In respect of income support and income-based jobseeker's allowance, the maxima for persons resident in privately operated nursing homes and residential homes are to be increased beyond the rate of inflation, that is by 6.4 per cent and 5 per cent respectively.

Those benefits which are governed by the reciprocal agreement on Social Security with the UK will be uprated to the same levels as will apply in the UK from the week commencing 10th April, 2006. Administrative tasks are already under way to achieve this and I shall be moving a separate Order in this Hon. Court at a later sitting, seeking approval to those increases.

The proposals for the uprating of all the benefits payable on the Island is explained in more detail in the memorandum which has been circulated to Hon. Members. I have also circulated a plain English version, as previously, which I hope is also of assistance to Members. The rates of the reciprocal benefits which will apply from the week commencing 10th April, 2006 are also set out in that memorandum.

Mr President, I beg to move.

Capt. Douglas: I beg to second and reserve my remarks.

The President: Hon. Member, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I have got a little bit to say about the Uprating Order this morning, sir, unsurprisingly perhaps, but, nevertheless, we start on a positive note. We have to recognise that the Department has done its utmost best to organise its slice of the Treasury cake and to help benefit those folk in our Island who are not doing as well as some of the rest of us are. That has to be applauded and we are obviously aware of the struggle and manipulation of accounts within the Department to come to this Order this morning and, ostensibly, it is fairly good, matching the RPI and so on and what benefits it is able to give out to our people.

However, as I said in my Budget speech, Eaghtyrane, even though we managed to put an extensive amount towards the new tax credit, tax personal allowance, system, I did say that some of the wealth that we have managed to generate in the last 12 months could be better directed in a more meaningful way to those people who need it within our social structure.

I also acknowledge the work of the officers involved in trying to piece this together and it is no disrespect to them that I have the following comments to make, Eaghtyrane. What we have to do is examine where costs have risen disproportionately, light-years ahead of the RPI that the Shirveishagh has just mentioned.

I would direct his attention to fuel and energy costs that people have to endure. I would also, and importantly

now – which has risen in the last week – direct his attention to the 14 per cent increase of residential and nursing home costs that have just been inflicted on people across this Island in all, or nearly all, private and residential nursing homes, who usually work in conjunction with each other. This is about an average rise that patients in there are having to come to terms with. That is fine, if you can afford to sustain that kind of increase, Eaghtyrane, on a private income of some description. If you do not have that kind of money, what it means is that if you are totally dependent on your benefits and your pension, you will have a shortfall of around £47 or so every week; in other words, approximately £200 a month shortfall for that patient to try and find somehow.

That news was transmitted to all patients just over a week ago and it came as some considerable shock to them – 10th March, in fact – just in a straightforward few lines, phrases, and that is all the warning that those people got. On subsequent inquiries, the Department have agreed that they have been struggling with it, as well, but, in the main, what the Department have come back to say is that there is little that they can do currently and that patients' relatives are going to have to try and find the money, or the patients, themselves, would have to try and see if they could transfer to somewhere that was less expensive!

Mr Houghton: And there is not anywhere.

Mr Henderson: And there is not anywhere because most of the homes, as we all know, work in conjunction with each other when it comes to the pricing structure within the Isle of Man in their homes association organisation.

We find out that there are probably 700 people benefit-dependent and pension-dependent who have now fallen into this trap. I would also focus the Minister's attention on the people who I have been continually making a call for, who fall into the grey-area trap: those with a little bit of income, who are entitled to nothing. How are these people going to cope, as well?

I have to say, Eaghtyrane, the Department is in a serious situation here because this is going to affect a lot of people in the Island. (**Mr Houghton:** Hear, hear.) I have had talks with one particular care establishment and they are just as upset with things as the patients, but they have outlined a business case as to the increases and they have cited wage costs, medical product costs and, certainly, energy costs, which the Minister has himself cited for his own overspend. It has hit the nursing homes hard, so we cannot entirely blame them for raising the costs.

Some utilities which are cited have gone up 70 per cent on them over the past couple of years and they are struggling to balance their own books. So, really, this has placed us in a vicious circle at the minute. The Department is in a catch-22 situation because we all know the arguments, 'Oh, well, if we push benefits up accordingly, the nursing homes will raise their fees.' Yet the private sector care homes out there are subject, in themselves, to increasing costs, fuel being one of them. They are struggling with their staffing arrangements at the minute. If they try and match the Health Service staff wage, they will not be able to do it so, consequently, they have to pay a lower wage. They have high staff turnover problems. It all impacts on their pricing structure.

What I have to say, Eaghtyrane, is that this matter is so serious that it will cause me to place a rake of Questions in the forthcoming weeks – parliamentary Questions – and it will

undoubtedly cause me to place a motion, or several motions, to try and engender some sort of negotiations between the Department and the private care sector to see what can be done for the people, at the minute, who cannot afford to pay the £47 shortfall. It is a serious, serious situation and the amount of calls and letters I have had recently, certainly from relatives who just have not got that money... Something has to be done. (**Mr Houghton:** Hear, hear.)

As I started off, Eaghtyrane, as good as the Uprating Order is in some areas, it has fallen flat on its face for one or two other areas. Also, Eaghtyrane, I would say there are some measly rises in here, too. We are talking about pence in places here when we could be doing a lot better and, as I said, Eaghtyrane, we could be directing the wealth of the Budget in a more meaningful way into our community. It is all very well saying that we have got a new hospital, we have got a new power station, we have got a new incinerator. That is good, but for somebody who is trying to make ends meet every day of the week for the family and not quite balancing the family books up, that hardly means anything to them when they are struggling, literally, on the breadline. That is what we have got to be aiming at and that is what future Budgets should be aiming at, Eaghtyrane.

So I flag that up, Eaghtyrane. It is a serious issue and I do not want the Members of the Department to come back and treat this situation lightly when they respond to me, which they surely will, but I make a serious call now. I have outlined to the Minister what my parliamentary intentions are with this situation but I make a serious call on him that he and his officials, if they have not already, enter into negotiations, some kind of talks with the Care Home Association. At the very least, put relatives' minds at ease and put the patients who are in there, their minds at ease, that they, literally, are not going to be put out. I do not think the homes have any intention of doing that, but that is the stress and pressure that the families feel may happen and it is something I have had to deal with.

I have had my own talks, Eaghtyrane, and I have been able to pass on some reassuring words for the short term but what on earth are we going to do for the interim and the longer term here? That is something we need to struggle with and we need to grasp this nettle now, not next week or the week after. It needs to be done now (**Mr Houghton:** Hear, hear.) and I would really appreciate some reassuring words from the Minister in his winding up, Eaghtyrane.

Gura mie eu.

The President: Mr Houghton, Hon. Member for Douglas North.

Mr Houghton: Thank you, Mr President.

I could not go beyond any further than supporting my hon. colleague, who has really put the case this morning of the serious situation that we are in and I will not go through everything that the Hon. Member has said. I just simply support it.

I am also receiving a lot of calls – and I know other Hon. Members are – but, in looking at this... and what I would like to offer myself because I am so concerned about this... in addition to what my colleague has said, is if the Minister would have a cross-parliamentary discussion on this, rather than just leave it to his Department.

There needs to be some brainstorming. There need to be some real shoulders behind the wheel on this matter because

I do not just speak on behalf of those people who are losing on the shortfall, as my colleague has stated, £47 a week, which amounts to £1,200-odd per year. What about those private people, those non-beneficiaries, who are paying the full amount and their money is dwindling to absolutely nothing?

Further to that, Mr President, what about the *Coughlan* judgment that we have spoken on at a presentation recently? I am grateful to the Department for that, but the proposals arising from that go absolutely nowhere to replacing what the Government used to provide in the first place, in the Mannin infirmaries and all those other beds at White Hoe etc...

The Isle of Man Government, in the past, Mr President, as we know, provided its own nursing care. Long before Springfield Courts, Elder Granges and the rest of them were there, it was provided by ourselves or by the family. So it was not all provided by the Government, but the lion's share, for those people who *really need* that nursing care. Just put residential care to one side at the moment because that opens a further debate, whereby there are an awful lot of people who are in nursing care who should not be. They should be in residential care at a cheaper rate.

Let us just cut right down to the chase, Mr President, insofar as Governments or parliaments before us have offloaded this very carefully on to the private sector and then just, of course, paying through income support towards people who cannot afford to pay it. It was a clever move those years ago and, of course, the Government is now proposing to pay, that we are looking to support, in respect of nursing homes for this current year, some £559.44 per week towards nursing care.

Notwithstanding anything that my hon. colleague and the Minister have stated thus far on rising costs, I just cannot believe that for a full nursing home such costs can amount to the levels that they have. I just cannot believe it, because –

A Member: £695 now.

Mr Houghton: £695 per week, so that is £700 per week! It would be cheaper in a hotel on Douglas Promenade. I am quite certain of that because I also have to say that certain standards... and I am not complaining about this, I am just stating the case that standards in nursing homes are not the real high dependency nursing care that we give in Noble's Hospital and our NHS care. It is not happening. So what are these people paying for? They are paying to a business. They are paying to the bottom line and the bottom line on that business is what is going to happen if we just beat up on the Department to pay out of taxpayers' money for further amounts of income support, in order to replenish the bottom line on that business.

We have had a recent presentation, reference the *Coughlan* judgment in the United Kingdom, and what we are going to do in the Isle of Man. It is nowhere near. What we will have to do is look into it much deeper. It is no good coming up with wild suggestions now. I am just offering my time to the Department because it is not just a departmental responsibility. It is a parliamentary responsibility, because we are being ripped off, the private people are being ripped off, and we have got to stop that so, perhaps, it may require some sort of enforcement put on some of these nursing homes, as to the level of profit they are making out of it. Let us get into the real world and say, 'Hang on, we're being ripped off,' not 'How are we going to afford paying the private sector

more and more for the care of our elderly people, the care which they are not getting?’

It is very much similar, too, in the status of residential homes but I am concentrating at the moment on nursing care. I do think that we need to look at that in much more detail and start cracking the whip, which is what we are here to do and which is not what we are doing. We would rather pay our way out of things – pay our way out and offer some more money in income support and so on.

So, Mr President, I do not criticise the Department. I will be supporting this Order. I have no criticisms there, other than the fact that we really need to get down to doing something here about it. We all do, together, because there are a number of issues that are making up here because, if we wave this through or, as my hon. colleague – and I would be supporting him – brings a motion and a further motion comes to this Court to pay further moneys to nursing care homes and so on, all we are going to do is build the problem up, indeed, for next year when they will want even more.

So we have got a major problem here simply because of a decision that was made by this parliament, by the Government, many years ago, when we dumped nursing care into the private sector. I am sorry, we are going to have to be thinking about taking that back in some measured way to stop it.

Thank you.

The President: Hon. Member, Mr Delaney.

Mr Delaney: Thank you, Mr President.

I am not going to take anything away from my Minister on his reply, who has spent, the Minister, a lot of time with my colleagues with the surprise – and it was a surprise – on the increases that have been asked for by these particular companies and organisations, who run the private care. You can imagine the effect it has had on us, you can imagine the effect it has had on individuals. This affects every Member of this Court, whether it be in this branch, or in the Upper House, because, whether we like it or not, we are all going to get older and, if we are lucky, we might be around to require care in the future. It is a point which will not be lost on the Chief Minister and the reason for my visitations to him and the Treasury Minister and the understanding, I hope, they now see on the problems.

The Members for North Douglas are right –

Mr Henderson: Yes.

Mr Delaney: – in their concerns, and the concerns are shared by all of us. We did change the situation. We did allow private enterprise to come to the situation that we now find ourselves in, to be the answer, in part, to the solution and at the time there were certain voices of concern.

As the Member who has been given the responsibility for certain areas, which includes this particular matter which has been raised by the North Douglas Members, I have been in touch – although I have not been with you physically here – through communications, constantly since the word came out, to organise certain meetings which are required by the Minister, by the officers under my political representation at the Department and, certainly, on behalf of, all the people of the Isle of Man, who are now going to have to face up, either now or later, to these charges.

The Member for North Douglas mentioned the *Coughlan* judgement. Well, that fades, virtually, into some insignificance

if you look at the actual cost increases recommended and take them forward, with inflation year on year on year over the next five or ten years. The one truism this morning is probably in relation to the staying in a hotel. If you look at some of the situations, you are probably better off staying in the Algarve than staying in some of the nursing homes and the homes at the costs, if you could get the flights over there but, of course, being the human failures, we cannot do that.

My own personal thoughts on this for the future is that we should go back, not to follow the British pattern, which has collapsed, and has collapsed where they were farmed out by local authorities, who cannot afford to run these establishments and virtually put a lot of the people back into squalor out on the streets. We have got to have our own solution and one solution I want those in power in the future to look at, and quickly, is at least getting into a situation where we now start constructing the facilities that not only our own people, you and me, may require, in the future, so that we have a balance where we are not held hostage to fortune. (**Mr Houghton:** Hear, hear.) where we are not in a position where we have no alternative.

We have got to get back to the system to looking after a policy that suits us, not that might suit somebody else outside the Island. We have a responsibility, and we are caring, for our elderly and those who have the needs, so, therefore, the solution is ours and has to be ours and I believe that solution at this time is to start planning. It may be costly but who better to spend the money on than our own people who have reached the age of care. This is a policy that we have got to look at and I believe that we should be looking and putting finances by to actually improve the facilities we are going to require and our people are going to require in the future.

Mr President, on the increases that we have put in this Order – and I hope every Member supports it – you can see my concern which you would expect me to have, with my concern for the people, on this subject. My colleagues have got concerns for the people, but the issues that have been raised by the Members for North Douglas, which are hitting all of us, have come out of the blue and I can only say this to you, as the Member responsible under my Minister, no stone will be left unturned over the weeks ahead until a solution to this new problem that the people who require these services are being faced with. (**Mr Henderson:** Hear, hear.)

I give the Members of this Court my assurance, on behalf of my Minister, if I am any good at all, it will be to try and get this problem solved.

Mr Houghton: Hear, hear. Well done!

Mr Delaney: The problem is ours. It is not just North Douglas, it is not just West Douglas, it is everybody’s in the Isle of Man.

Mr President, I hope Members support this resolution before them, give the Minister, who is caring enough to know this problem is there, give us the chance to come back as quickly as possible after meeting the people concerned on all sides, to see if we have got a solution to the problem your constituents are facing at this moment.

The President: Let us try not to be repetitive, Hon. Members. Hon. Member for Ayre.

Mr Teare: Thank you, Mr President. I rise to support

this motion, I am fully behind the Department.

Whilst I am fully aware, probably more so than most, that fuel and energy costs have gone up, I feel that this is only one side of the equation. One of the major costs of running a care home is the capital costs and the capital costs are represented by the interest that they pay in respect of their borrowings. Now, over the last five years, as I think most people will be aware, there has been a substantial fall in borrowing costs and I am just wondering: are these falling lower borrowing costs being reflected in what our people are being asked to pay?

Now, interestingly enough, I understand that the difference in charging ratios between those on income support in the Isle of Man and the UK, for those in a nursing home, the Isle of Man actually charges £102 a week more. For those in a residential home, it is £19 a week more. Why is the question?

I think here there is a case crying out for investigation by the Office of Fair Trading (**A Member:** Hear, hear.) and I would recommend to the OFT that they go and get their teeth into this. It is fairly straightforward, from my simplistic approach. Let the care owners, instead of coming and saying, 'That's the costs, can you give us more?', let us let them justify it. On top of that, too, they do not pay tax on their profits, either. So they seem to me, from, once again, my simplistic approach, they are having it all ways and we are being asked to pay left, right and centre. Let us get real, let us make people justify their actions.

Thank you, Mr President.

The President: Hon. Member for Middle.

Mr Quayle: Thank you, Mr President.

I acknowledge all the concerns that have been expressed. In fact, over the last few years I have been working along with representing constituents, not just in my area but, really, it is an issue affecting the whole of the Island. I have spoken to the previous Minister for Health and Social Security, the Hon. Member of Council, on a very regular basis, as she will recall. Equally, with the Hon. Member for Onchan, former Chief Minister, Mr Corkill, and, indeed, the current Minister for Health and Social Security, the Hon. Mr. Rodan. I was grateful, too, to have the opportunity to attend a meeting specifically requested with the Minister and Members for Treasury and pleased that they were able to respond, with looking at the *Coughlan* judgment and bringing in the arrangements in the Budget which we all know about.

But this has been an issue which is a time bomb, which has been brewing for a long time now. (**Mr Houghton:** Hear, hear.) I have been contacted by a number of concerned constituents about this over the years. It is something I have been working on and I have, in fact, tabled a question in another place which will be dealt with, but it is to reflect the fact that people are worried sick as to how they are going to cope. If they are acting on behalf of their loved ones in a nursing home, it seems to be a very vulnerable situation for people, where they find themselves at the mercy of these, what I see, exorbitant charges.

People see a total inequity, in the fact that one person in one room is having to fund, to a large extent, the care themselves whereas, in another room next door, then that is funded by the state, as I understand it. So the whole situation, I think, does need a fresh look.

I will be supporting this today but I just want to put on

record the fact that I have been working, and will continue to offer to work and assist, to overcome the problem.

The President: Hon. Member for Douglas South, Mr Cretney.

Mr Cretney: Yes, thank you, Mr President. I will try not to be repetitive, but it is a bit difficult and I will be brief.

At the time the Health Service's strategy was decided by this Hon. Court, I did move an amendment that the state should not entirely divorce itself from provision of this kind of care for our elderly and I do believe that was carried. So, as such, it should still be the policy. (**Mr Houghton:** Yes!) Now what has happened is we have seen a growth in the private sector and the private sector, generally, does a good job. There is no question of that.

My constituents who have contacted me in relation to this are very content with the conditions in which their elderly relatives are kept in some of these private establishments but, the situation is, they are just then faced with this bill which has just landed on their desk, this increased cost, and they do not have the means to meet it. So they are then faced with a situation where the elderly person – what happens, do they take the elderly person out of the home, when they are settled and they are happy in that? That is quite an unsatisfactory situation. (**Mr Henderson:** Hear, hear.) So I welcome the comments from the Member for Ayre, because I would like to see the other side of the equation and it has been commented on by the Hon. Member for North Douglas, Mr Houghton.

We know – because we can see quite clearly how much is being charged by the private nursing homes, and the other Hon. Member for North Douglas, Mr Henderson, has commented, after he has made an approach – as to what their increased costs are. Yes, obviously, there have been increased costs.

I think everybody recognises that but it would be nice, too, if we are going to have a transparent situation, to see what the bottom line is in terms of the proprietors of the private nursing homes, what profit they are actually making and whether it is considered, or deemed to be, excessive or not. Now my only concern is that if we are going to have an Office of Fair Trading Inquiry into that, that may take some time and I am not convinced, in the short term, that that would assist this present situation.

I feel a little bit like people are being, without being too emotive, blackmailed, (**Mr Houghton:** Hear, hear.) that if they do not find this additional money per week then their elderly relatives are going to have to find somewhere and that is not an acceptable situation. I am grateful that the Hon. Member for West Douglas, Mr Delaney, and others, are working to see if they can find a solution to that.

Again I pledge myself to help in any way I can but, in terms of the resolution which is before us today, obviously I support the Hon. Member.

A Member: Hear,hear.

The President: Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, I raise today the simple fact that, yes, it is alright talking about blackmail and whatever, but I think the Department has to pay the bill because, at the end of the day, when I look at my constituents, I have got one there who I was talking to two days ago where

the wife actually keeps on working and part of the reason she keeps on working is to pay for her mother to stay in a nursing home.

I mean, I have got another one who is pulling their hair out: it is alright saying we will do the OFT and we will do this and Mr Delaney will look at it and all this carry on... We need action now. (**Several Members:** Hear, hear.) Unfortunately, we have allowed it to happen. Let me just remind Hon. Members that these chickens have come home to roost simply because we have allowed the environment to happen!

Thank God we won the argument when we were on the DHSS in the late 1980s, when we had the chief executive then trying to push us to throw out, to get rid of, Glenside, and all these other places to be privatised. Thankfully, we had representation in the Council of Ministers at the time, with a Labour grouping that actually worked and we actually stopped that nonsense.

But I must point out, Eaghtyrane, that when we talk about this situation of the private sector, we have to remember, when we talk about residential homes, for instance, if they are state run, the capital costs are paid for but in the private sector, obviously, they are not, so to be fair to them on that, there is a disadvantage to the private sector.

Eaghtyrane, I am very sad today here. I do not want to be party to any stamping of feet trying to look like I am doing something when I am not doing something. I will support the Order but I want to see a supplementary Order at the next sitting to reflect the fact that it has gone up 14 per cent and we have created that!

As the former Member for Health, I was absolutely outraged about the situation of the lack of decent nursing accommodation in the west of the Island. These people have lived all their lives in the west of the Island and then they have got to be dragged into Douglas. It is hard enough when you are 80-odd, with your bad hips and your arthritis, to get out of bed, without having to drag onto a bus to go and see one of your mates in Douglas! You know that issue was allowed because, once again, we know the price of everything and the value of nothing. That should have been done at that time, when I was...

Well, alright, it would not have solved the problem and the crisis, but it would have created more beds in that sector.

The reason we have got this situation is that we, in this House, are the people who create the environment. We do not make the money. We create the environment and, as far as this issue is concerned, we have created this environment, by allowing the situation where the private sector have been allowed to make the... yes, because of the Council of Ministers, but the private sector have been allowed to make the agenda and it has been aided and abetted by the Council of Ministers, in my opinion. The situation was that we now have to look forward.

Eaghtyrane, it is important to put down on record that the problem we have got in the nursing sector is that we have not got both a public and private response, or whether it should be through charities that should be – such as the Corrin Home, such as, maybe, the Ellan Vannin Home – broadening out into the like of nursing care. But, at the end of the day, we have created it.

I would just say, Eaghtyrane, that we have to accept one issue, and one issue that has to be accepted, that, when we had Cronk Grianagh, it was appalling. I was the one who,

actually, finally, got the place shut. I am not ashamed to admit that I got the place shut.

I can remember with abject horror –

Mr Houghton: It was part of the strategy.

Mr Henderson: That was part of their strategy.

Mr Karran: – the bad conditions that they were living in. It was degrading and it was appalling.

Mr Henderson: Point of order, Eaghtyrane. Point of order. That was part of the strategy at the time, (**Mr Houghton:** Hear, hear.) to deliberately run that down.

Mr Houghton: So it could go into private hands.

The President: Now, Hon. Members, let us not get into that discussion and let us deal with the motion which is in front of us.

Several Members: Hear, hear.

Mr Karran: Eaghtyrane, the point was that we have got to accept that people are living longer and we have got to find ways of dealing with them.

In my opinion, Eaghtyrane, what we have got to do is accept the Order today but we must have an undertaking by the present Shirveishagh that he is going to come back with something that is going to reflect reality. There is 11 per cent difference in what he is offering as an upgrade and what people are being told. This is just not acceptable.

It is alright... it is like the Hon. Member for South Douglas saying: 'What do they do?' If they can work, they can work a few extra years to keep the mother in the nursing home. But not everybody is in that situation. These people deserve the dignity to be able to afford (*Interjection*) to get their hair done once a month. (**Mr Houghton:** Hear, hear.) They should have the dignity to be able to afford to keep the £12 or £14 a week that they are supposed to keep for toiletries. These things have been stopped.

Eaghtyrane, what I would like to see is that the Minister, in replying, will address the issue, the principle we established with residential care, where we kept the public sector. We kept our Reayrt ny Baie, we kept our Glenside and the like, but we allowed them to have the private sector.

I think what we need to do is make sure that we now start seriously looking at the issue of nursing care, being nursing care beds, within the Social Services Division, as far as I am concerned. Because, obviously, if it is in the Health Services Division, then there is the question of it coming under, instead of the National Assistance Act, the National Health Act.

But, Eaghtyrane, at the end of the day, the situation is that we brought this about because we have allowed the accountants to work it out and I am afraid that it is no use strutting our feet and saying we will do something tomorrow and in the near future, and we will have the Office of Fair Trading... We need an Order next month and we need to accept that there has to be some way of taking over the reins, as far as the control of the nursing care sector is concerned. Because, at the moment, if there is no competition, they can ask the price they want. People are desperate, and people should not be living under the constant threat of having to

be thrown out, with nowhere to go.

The President: Hon. Member, Mrs Hannan.

Mrs Hannan: Thank you, Eaghtyrane.

I rise to my feet to speak on the nursing homes and residential homes issue. I support the motion that is before us. I think what Members forget is that the increase in this uprating is 6.4 per cent and 5 per cent, respectively. There is an increase over and above inflation in this and I am quite alarmed by the comments made by Members, saying that we have got to pay this.

Mrs Crowe: It's awful.

Mrs Hannan: If anybody is going to come in and hold a gun to our heads, yes, I would suggest that, maybe, there is no way out and we have to pay it, but what we have to remember is that this is a private company and a private cartel that have come together and increased their charges. (*Interjection by Mr Henderson*) It is a gun to our head.

Now, they have developed this business. They have not developed it out of the goodness of their hearts and this increase has not been out of the goodness of their hearts, either. What discussion have they had? We talk about consultation, but what consultation have they had with their residents? What consultation have they had before we were just jumped on with this particular area?

Mr Henderson: Point of order again, Eaghtyrane. The Department knew and was in consultation with one particular outfit on November 11th last...

The President: Hon. Member, you are really wasting your time and the time of the Court. Hon. Member for Peel, Mrs Hannan.

Mrs Hannan: Consultation and telling somebody that you are going to do something are two different things. I am not saying that the Department did not know. What I am talking about is consultation and, as has been pointed out by the Member for Ayre, the tax situation has changed.

There are a number of issues that have changed. I accept that costs have increased but they have also increased for residential homes and what we have to remember is that residential homes tend to be in older properties, whereby nursing homes tend to be in more modern up-to-date premises, which would, on the understanding of it, be easier and more convenient to manage and, therefore, be more cost effective than the residential homes, such as the Corrin Home, such as Grest, such as the Ellan Vannin Home. There are others, but those are the ones that are operated by charity. I know they find it very difficult to make ends meet, from the point of view of the support they have had in recent years, but that has been recognised.

The increase has been over and above inflation in all of these areas, including, I would say, more to the residential homes, recognising the difficulties that they have. What we have done in recent times, we have brought in inspection. We have brought in standards and these standards and inspections were not in place when we were looking after, in such places as Mannin Infirmary and the other areas that we have operated in. The standards were not there. They were not expected. It was seen as being a charity. It is now

not seen as being a charity.

I think what has been suggested – that there should be an investigation – is quite right, looking at the profits, because I think this comes back to the *Coughlan* judgment. People have talked about it and they have said: 'Yes, we will get more because we will up it and they will bring in the *Coughlan* judgment, which will allow us (**Mr Henderson:** Hear, hear) to have more income.' I am quite sure that that is what the Budget said, that, as and when we were able to afford it, we would bring that in.

The areas of development of care to people in need: hopefully, when the new legislation is brought in, people can be looked after in a residential and nursing situation in the same premises, but different beds are registered for different purposes. I think that is the way we should be moving in the future, so that people are not moved on to somewhere else just because they need care. They know the people who are looking after them.

It does not matter in what setting that is, whether that is private or whether that is under the Department's control. But I think that is something which should change in the future. That can, maybe, address some of the concerns that Mr Karran has voiced this morning about care in the west of the Island. It is not something that the Department has not been trying to deal with. It is not something that the private sector has not been trying to develop. The actual costs are quite prohibitive and the actual costs which they would be then handing on to their residents are more than has been suggested in here, I can tell you that. So, nobody has, actually, developed that, although we have been in discussions with numbers of people.

But you have only got to look in the Pink Book, and the Pink Book, actually, says that there is money being suggested there for a development in the west of the Island, under Social Services. It is not something that we have closed our eyes to, or decided that everything was going along hunky dory, because we have assessed that it is not: we assessed that there needs to be some change.

The suggested increases, the 6.4 per cent and the 5 per cent in this particular uprating, I am very happy to support that, but I think an investigation into what profits, some area like this, should be supported by Government because that is what we are looking at. We are looking, by Government, and also by the residents that are in these properties, what is acceptable: I think this is, maybe, what we should be looking at in the future. But this particular Order, I would be supporting.

The President: Minister to reply.

The Minister: Mr President, we have before us, this morning, the Social Security Benefits Uprating Order, which is a 40 page document.

I suppose one could say that it was inevitable that a document of unadulterated good news for the Isle of Man, which nobody has commented on hardly, good news – 2.9 per cent increase uplift in benefits to the people of the Isle of Man, benefits which, in many respects, are already higher than the United Kingdom, maintaining this proud record of Government of, where possible, having benefits higher than the UK – inevitable and ironic that the sole focus of attention has been the one area where we have not simply uplifted by 2.9 per cent but uplifted, uniquely, of all the benefits, by double the rate of inflation, double the rate of

RPI. (*Interjections*) And that is what has occupied us for the past hour!

Mr Houghton: A very serious problem.

The Minister: Income support for those in residential and nursing homes – increases this year of twice the rate of RPI. I ask you!

Mr President, in doing that, if Members would please refer to the table I had circulated, they will see that this is a tradition of increase that we have had for, at least, the last eight years. Cumulatively, certainly over the last eight years, over 30 per cent higher than the prevailing rate of inflation, have we increased income support for people in residential and nursing homes – 30 per cent higher than the rate of inflation! The only year we did not do it was in 2005 and that was a year that Mr Henderson will remember, when he was in the Council of Ministers, we had 6 per cent RPI and we pegged the rate to (*Interjection by Mr Henderson*) 6 per cent.

So, I think, in doing what we, as a Department, can afford this year, we have a lot to be proud of. (**A Member:** Hear, hear.) And this Court has got a lot to be proud of that we can, actually, afford twice the rate of RPI for income support. (*Interjection by Mr Henderson*)

Any private business, Mr President, increasing its prices to its customers by 14 per cent is bound to have angry customers. (**Mr Henderson:** Absolutely.) I am sorry that nursing homes, who have notified their residents that their nursing home fees are to be increased from £610 to £695 a week, an increase of 14 per cent... I am sorry that Government is being blamed for this. There is no blame to be attached to Government. (**Mr Earnshaw:** Hear, hear.) Every business in this Island has got rising fuel costs, wage costs, health and safety requirements to implement, and all the expenses attached to that.

Mr Houghton: Customers have choice, but not here.

The Minister: I think there is a lot in what has been said that there should be an investigation into how these businesses operate and the profit levels, historically.

The fees for nursing homes on the Island, Mr President, are already substantially greater than those for nursing homes in the UK, already substantially greater. The difference in fees between nursing homes and residential homes is also greater in the Isle of Man than it is in the UK. (*Interjection*)

Now we could give the nursing homes what they want. We could do that. The Department, certainly, cannot afford that.

I have no difficulty in continuing dialogue with the nursing homes, as we have been engaged in. I have sat down with them. We have identified areas of concern, some of which will be addressed in terms of particular expenses related to health care costs that are currently being chargeable to fees, if and when, as the Department and Government proposes, we come to the Court with a resolution on the *Coughlan* judgment situation. We are not talking about that this morning, but that element of cost will be addressed in that. Now, we could give them what they want by pitching the income support at that level.

Whatever we pitch it at, the fees will go up accordingly. If you are in any doubt about that, I will just quote from a letter that a particular nursing home – residential home – issued to one of its clients:

*We are writing to inform you that, from 10th April, 2006, the new fee rate for accommodation and care at [such and such home] will be £388.50

per week or £1,688.13 per calendar month. The above is in line with the increases *approved* by the Department of Health and Social Security, in terms of both amount and date of increase.*

Well, there we are, Mr President! The increase in residential fees for this client, one of many, is laid at the door of Government.

The fact that those fees are going up by 6.7 per cent – it is a residential home – Government have put it up!

What, of course, it does *not* say is that it is the income support of Government that you, this morning, Hon. Members, are putting up by 6 per cent that has enabled the home to lift its fees to the maximum it can charge. Not Government putting up the fees in the homes! And, of course, miraculously that £388.50 equates, in this particular instance, to the maximum income support with the low band of attendance allowance.

Now, Mr President, I shall not be much longer. I have said that the fees in the Isle of Man being charged by residential nursing homes are already higher than the UK, but I think Members ought to know what the difference is with the UK, in terms of income support. I think this will make you interested, Mr President.

The average rate for a nursing home of income support in the UK this year is £457. Our current rate is £532.77. What you are being invited to do this morning is to increase that £532 to £559 –

Mr Houghton: Very considerable!

The Minister: – a difference, as Mr Teare has pointed out, of £102 a week compared with the UK, where there are similar cost drivers in the overheads of homes. Many of ours are driven from the UK. How can it be otherwise?

In addition, Mr President, the Isle of Man nursing homes also get an attendance allowance paid on top of this, generally, in most cases, at the higher rate of £62.25. In addition, there is what is called income support personal allowance, currently £25.15. That will be going up to £26, to take to a grand total, to a nursing home resident, from 10th April 2006, in receipt of the maximum income support – that is, personal allowance and attendance allowance of the higher rate – £647 is what that resident will be getting.

Now, the difference of £55 a week that the home is requiring, that is the figure that they say they would have liked our income support to have risen by – the £647 going to be coming in – it is currently £610, it is going up to £647, but they would like £695. I am happy to sit down and continue the dialogue – just to explore this – and I would be interested, as well, in looking at the profits that are being made in that situation.

As for residential homes, just to complete the picture, and then I will sit down, Mr President, in the UK, residential income support is £328. The proposed increase in the Isle of Man for residential homes, 2006-07, is going to take it to £346, a beneficial difference of £19 a week in residential homes situations. Now if I were in business in the Isle of Man, running a residential home or a nursing home, I would be quite pleased I was doing so in the Isle of Man and not across in that situation.

Now that is... none of what I have said is to detract in any way from the very genuine concerns that have been raised in terms of care for the elderly. As I think the Hon. Member, Mr Quayle, put it, people are 'worried sick' about how they are to provide in future. That is to be a wide debate, general debate, for this Government and the next Government as to how that

is affordable and how that should be achieved.

I would welcome that debate, I would welcome an examination as to the role of the public sector and the private sector in that debate, the fact of how we should really be encouraging people to be looked after in their own home, with community support, rather than moving them into buildings, and the assumption that it is only buildings that people in later life can be best looked after. That is a wider... that is not for this morning, Mr President.

I can assure the House that I and my colleagues take very seriously this issue and what I have had to say about the costs of delivering private care, that is a problem. It is a problem here and now, I agree, for those residents. It is not a problem, though, of the making of this Government. (**Severall Members:** Hear, hear.) It is not our making –

Mr Henderson: Nobody said that!

Mr Houghton: The previous Government, sir.

The Minister: – or the previous Government, but it is an issue that will not go away. We have to deal with it and confront it and I am quite sure we will sit down and do so.

I invite the Court this morning to support the Benefits Up-rating Order.

Thank you, Mr President.

The President: Hon. Members, the motion I put to the Court is that the Social Security Benefits Up-rating Order 2006 be approved. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**Social Security Act 2000
Social Security Legislation (Application)
(No. 5) Order 2006 approved**

**Social Security Contributions and Benefits Act 1992
Income Support (General) (Isle of Man) (Amendment)
Regulations 2006 approved**

10 & 11. The Minister for Health and Social Security to move:

10. That the Social Security Legislation (Application) (No. 5) Order 2006 be approved. [SD No 82/06]

11. That the Income Support (General) (Isle of Man) (Amendment) Regulations 2006 be approved. [SD No 83/06]

The President: Item 10, Minister for Health and Social Security.

The Minister for the Department of Health and Social Security (Mr Rodan): With your permission, Mr President, I would like Items 10 and 11 to be moved and debated together, but voted on separately.

The President: Agreed, sir.

The Minister: Mr President, this Application Order and set of Regulations amend the existing rules in relation to the benefit entitlement of long term hospital in-patients.

Principally, they provide that all those entering hospital will continue to receive their full state pension and their full entitlement to incapacity benefit and severe disablement allowance for the entire duration of their stay in hospital from April 2006. The Regulations which, previously, reduced entitlement after 52 weeks of free NHS in-patient treatment are being revoked.

In regard to income support and income based jobseeker's allowance, generally speaking, the relevant personal allowance will not be reduced after 52 weeks of free NHS in-patient treatment. However, payment of certain premiums will be withdrawn. The Order also aligns the rules across all benefits concerning the eligibility of people who have been sentenced to a term of imprisonment, but are transferred to a mental hospital during the period of their sentence. The position is explained in more detail in the memorandum which has been circulated, Mr President.

I beg to move.

Mr Delaney: I beg to second and reserve my remarks.

The President: Hon. Member, Mr Earnshaw.

Mr Earnshaw: Thank you, Eaghtyrane.

I would like to ask the Minister a question in respect of Item 10, if I may. My question is: how many persons are at present affected by this regulation; is hospitalisation necessarily the best location for these persons; what opportunities are available to relocate them elsewhere and, if other locations are available, would this make good sense financially from his Department's point of view to do this?

I do not, in any way, want to suggest I am not going to support this. I shall be supporting both motions, but I wonder if he could just answer those questions for me, please.

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

Mr Karran: Eaghtyrane, the two things I would like to ask are: can you just clarify what is the position at the present and how these Regulations change that. The other thing I am concerned about, Eaghtyrane, is what happens if we have somebody with mental health problems, who wants to try and keep their local authority house, or their house, going and they are in short-term incarceration, as far as this situation is concerned? Will it mean that there will be no flexibility with the DHSS, as far as benefits?

One of the concerns I have is that I do not want to find out that somebody is in for two to three weeks, either in prison or gone into... has been sectioned or whatever, and then finds out that their benefits for their housing benefit is stopped, so when they come out of wherever they are, we end up with them being homeless and we have got extra problems with these individuals. I would just like to find that out from the Minister because what concerns me is I do not want his staff then telling me I have nodded this through, when I have got to try and deal with the mess and sort it out.

The President: Minister to reply.

The Minister: Yes, I thank the Members for their questions.

This is a consequence of the reciprocal agreement and it has come about, really, because of the case being made that those who were in hospital for more than a year and who, after

52 weeks, were having their benefits hindered and reduced, were being prevented by restrictions and benefit in terms of their rehabilitation. Now, Members may be aware that, until 1987, the period of hospitalisation from which benefits were reduced was six weeks, with a further reduction at 52 weeks. Then, in May 2003, this was changed to reduction only after 52 weeks.

The intention today is to have no such reduction after 52 weeks at all and it, I think, reflects the fact that the great majority of cases, those who are in hospital care for more than a year, are actually suffering from mental health problems. They are in a situation not really as hospital in-patients, but people who have lifelong disabilities and care requirements. (A Member: Hear, hear.) So that is the purpose of this change. There is a cost, it has been identified in a memorandum, been budgeted for.

Now, the Hon. Member, Mr Earnshaw, asks how many persons are at present affected by the Regulation. Is hospitalisation necessarily the best location for these people, are there alternatives to relocate them elsewhere and would that make good sense?

I hope Members have the supplementary information that was circulated that, actually... if not, I am very happy to outline the fact that there are currently 21 pensioners whose retirement pensions have been reduced to a weekly rate of £16.40, because they have been in hospital for more than 52 weeks. Now, for those 21, from April this year they will begin to be paid retirement pension at the full rate of entitlement.

One of those patients is in a particular ward in Noble's Hospital. There are, at Gardener House in Ramsey, eight patients and, Ballamona, 11 patients. There are currently 89 disabled persons in receipt of severe disablement allowance and a further 16 disabled persons in receipt of incapacity benefit and, again, their benefits had been reduced to a weekly rate of £16.40 because they had been in hospital, technically, for more than 52 weeks.

But, as I said, predominantly, these are persons who have a lifelong mental disability and are being maintained free of charge in accommodation provided by Social Services. Now, they will, from April, begin to be paid respective benefits at the full rate of entitlement. I can advise that officers within the Department are looking at that situation, in terms of what is currently free accommodation in Government facilities. That will be looked at now that the benefits are being uplifted to their full rate.

I do not believe, in answer to Mr Karran, that housing benefits are being unduly affected. There is provision that, where a person leaves hospital for a period and, within the following 28 days, goes back into hospital for a long stay, that will no longer be taken into detrimental account, to that person. What, in effect, is happening, in terms of income support, is that reductions are only being made in the case of people who have spent at least four weeks in hospital and who qualify for attendance and mobility premium.

So, the Regulation, which is continuing the benefit system beyond 52 weeks, does not affect benefits which are disability related. I will enquire further into the Hon. Member's particular question about housing benefit and if what I have advised the Court is any different, I will advise them and the Court, sir.

I beg to move.

The President: Hon. Members, whilst the Minister has moved both Items 10 and 11 together, I will, for purposes of

definition, put them to the Court separately.

Those in favour of Item 10, please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, those in favour of the Item printed at 11 on your Order Paper, those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Hydrocarbon Oil Duties Act 1986 Excise Duties Order 2006 approved

22. The Minister for the Treasury to move:

That the Excise Duties Order 2006 be approved. [SD No 51/06]

The President: We turn, then, Hon. Members to Item 23 on your Order Paper and I call on the Minister for the Treasury to move.

The Minister for the Treasury (Mr Bell): Item 22, I think, Mr President, unless you want to nod that one through!

The President: Item 22, sir.

The Minister: Mr President, the purpose of this Order is to amend section 14(1) of the Hydrocarbon Oil Duties Act 1986, with the effect of increasing the duty rate on light oil used as a furnace fuel, from 4.82 pence per litre to 6.04 pence per litre.

This, in effect, mirrors a similar change made to United Kingdom law in December 2005 and the new duty rate came into operation in the Island with effect from 1st February, 2006. The relevant duty rebate arrangement is not currently used by any business in the Island and has not been used by any in recent years. Therefore, there will be no effect on either the business community or the revenue from the rise. However, under the terms of the Customs and Excise Agreement, the Island is obliged to maintain its duty rates and arrangements relating to oils in line with those of the United Kingdom.

I beg to move.

The President: Hon. Member, Mr Earnshaw.

Mr Earnshaw: Thank you, Eaghtyrane. I beg to second and reserve my remarks.

The President: Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, I would just like to ask the Treasury: whilst I shall be supporting this proposal, will the Treasury consider looking into whether we can get some sort of exemption, as far as alternative fuels, such as waste cooking oil and crops that can be grown that can create an alternative form of fuel, to see whether we can get an exemption in the Island?

I would hope that he will consider this and bring it back to this Court some time in the future so that we can be seen more as a greener Island, as far as this issue is concerned.

The President: Minister to reply, sir.

The Minister: Yes, Mr President.

Certainly, it is something we will always keep under scrutiny but we are very tightly controlled by the terms of the Customs and Excise Agreement, which relates to fuel duties, as well. Therefore, there is very limited scope for any exemptions for the Isle of Man but, certainly, if there is an opportunity there, we will certainly explore it, Mr President.

The President: The motion, Hon. Members, is printed at Item 22, that the Excise Duties Order 2006 be approved. Those in favour, please say aye; against, no. The ayes have it, the ayes have it..

**Fees and Duties Act 1989
Town and Country Planning (Fees for Applications)
Order 2006 approved**

23. The Minister for the Treasury to move:

That the Town and Country Planning (Fees for Applications) Order 2006 be approved. [SD No 99/06]

The President: Now we have Item 23, Minister.

The Minister for the Treasury (Mr Bell): Mr President, the Town and Country Planning Act 1999 does not make provision for the levying of fees for planning applications and, accordingly, the Department of Local Government and the Environment has requested that the Treasury make an Order under the Fees and Duties Act 1989.

In October 2005, Members may recall that an earlier Planning Fees Order was approved by this Hon. Court. That earlier Order revised some of the fee categories and also introduced certain new types of fees. It did not, however, increase the level of actual fees paid. The Order before us today does propose to increase the level of fees but only so they are kept in line with the annual inflation rate.

I beg to move.

The President: Hon. Member, Mr Earnshaw.

Mr Earnshaw: Eaghtyrane, I beg to second and reserve my remarks.

The President: Mr Speaker.

The Speaker: Thank you, Mr President.

Mr President, I do not have a problem with the Order *per se*, but I do have a problem with the issue that, in fact, presumably by an oversight, we now have a deficiency in the Town and Country Planning Act 1999, in that the Minister for Local Government and the Environment now has no powers to make an Order in relation to his policies of setting charges for planning application fees.

Up to the implementation of the Town and Country Planning Act 1999, that power was vested in the Minister under the Town and Country Planning Act 1934. The Town and Country Planning Act 1999 rescinded that Act and, therefore, took away that provision.

I would urge the Chief Minister and the Council of Ministers to, as soon as possible, bring forward an Amendment Act to the Town and Country Planning Act to make a provision so that the Minister who is responsible for planning, the

Minister who is responsible for setting the fees, is, in fact, answerable directly to this Court (**A Member:** Hear, hear.) and has to make the case for any increases.

As I say, at this stage, I have no problem. It is totally illogical that the Minister for the Treasury is the one who has to stand up and justify the case because of what, quite clearly, is an oversight and, I would say, an error, when the new Town and Country Planning Act 1999 was brought in.

Mr President, we have had today, as we do on many Order Papers, at least three items, Items 13, 18 and 20, where the Ministers for the relevant Departments have moved forward and recommended to Tynwald charges and increases in charges and they have been answerable for that action.

It is *not* a job for the Treasury Minister to do the job of another Minister. I understand why he is having to do it because there is no other way to do it, except under the general provisions of the Act, which is the Fees and Duties Act 1989, as laid out in the Order. So, I think this is an important issue to get sorted out and I make that point because, if it is not made at this stage, this anomaly will continue and it is not logical. Otherwise, I support the Order.

The President: Hon. Member, Mr Karran.

Mr Karran: At page 7, part 2 of the category of development – applications for approval of buildings, rebuilding, engineering, mining or other operations, other than approved in principle. Everywhere else has got a fee structure down. There is no fee structure for that. Is there a reason for that?

The other issue that I would just like to ask the Shirveishagh is that he says we are having inflation at 4.2 per cent if it is building works, 3.2 per cent if it is old age pensioners, 5 per cent if it is Council houses. Can we see a little bit of consistency across the board, as far as what we increase our costs across Government, because I think it is important. Let us not forget that, maybe, we need to be looking at ways of laying off these fees, when there is a chance for first-time buyers' houses being built by the Department of Local Government and the Environment in the future.

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

Mr Rimington: Yes, thank you.

Yes, obviously in support of the Order, as it is, obviously, done on behalf of my Department, and the fees.

I do understand the point that the Hon. Speaker has made on that issue. I think he has made a valid point and we, of course, need to consider what was said there because it does leave, obviously, now myself in that strange position in entering into the debate to, possibly, answer points of detail or, indeed, if there had been substantial increases, not being in the appropriate position to introduce and then reply on the nature of those increases, if they had been so included. So, there is a valid point made in respect of that.

Just on the point the Hon. Member for Onchan, Mr Karran, made: forgive me if I heard you wrongly, it was on page 7 and it is under part 2 (2), there was nothing in the box next to it. That, simply, Hon. Members, is because that is the headline covering the items (a) to (k) beneath it, so it is all those matters underneath which are itemised, which have that. So, that headline relates to those items (a) to (k). Otherwise, obviously, there is a save-all in (k) of that particular Order, where it says, 'any operation not falling

within (a) to (j) above is £53'. There is that covering thing, so if anything in those many descriptions is omitted, then there is a save-all for that.

But, other than that, Mr President, I support the Order, as is.

The President: Hon. Member, Mr Shimmin.

Mr Shimmin: Thank you, Mr President.

I am just brought to my feet by the comments from the Member for Onchan regarding the differentials in some of the percentage increases in this and other debates.

It would be ideal if we were starting from a position where all of the charges being levied were appropriate. What is, actually, being done periodically, throughout Government Departments, is attempting to levy a slightly larger than inflation increase in those areas which have fallen well below in the past. It would be inappropriate to do a dramatic rise, but there are some areas that all Government Departments have been, effectively, subsidising over many years. Therefore, there will not be a consistency of increase in percentage because we are attempting to try and attach suitable costs to those administrative fees for the Departments.

I understand that there does appear to be a variation but that is, really, because, in the past, historically, the Departments have been tasked with trying to cover their administrative costs and some of the rationalisation is attributing a greater element of administrative costs, which, in the past, may have been borne by Government, whereas it should have been passed on to the person making the application, sir.

The President: Minister for the Treasury to reply.

The Minister: Mr President, I think most of the points that were raised have been responded to. It is a most unsatisfactory situation, I have to say, that the Treasury Minister is left in a position of having to argue the case, not only in this situation but there are a number of other fees that come through Treasury, as well. I recognise, in the past, that there was, perhaps, a tidiness about putting it all through one channel but it makes it very difficult for the Treasury to argue and answer some of the more technical details which, actually, sometimes get thrown up.

I would just like to point out, Mr President, in relation to the final point that the Member for Onchan made in relation to exemptions for first-time buyer houses, that there is provision for exemptions for the Departments, or Statutory Boards, or Manx National Heritage, or local authorities. There is a provision here, I think, for some of these fees to be waived in the case of first-time buyer properties.

I beg to move.

The President: The motion I put to the Court, Hon. Members, is printed at Item 23. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**Retirement Benefits Schemes Act 2000
Retirement Benefits Schemes (Miscellaneous
Amendment) Regulations 2006 approved**

24. The Minister for the Treasury to move:

That the Retirement Benefits Schemes (Miscellaneous

Amendment) Regulations 2006 be approved. [SD No 63/06]

The President: Item 24. The Minister for the Treasury, Mr Bell.

The Minister for the Treasury (Mr Bell): Mr President, the Retirement Benefits Schemes Act 2000 introduced a mandatory requirement for all Retirement Benefits Schemes to be registered with the Insurance and Pensions Authority, in accordance with the provisions of that Act and subordinate legislation made thereunder.

The Amendment Regulations modify these existing provisions, primarily in respect of wholly insured single member pension schemes, so as to provide that (a) the annual audit requirements and existing independent and individual trustee requirements are relaxed for single member schemes where the member is also the scheme trustee, (b) the assets of wholly insured personal schemes established under deed poll need not be held under a separate trust, and (c) the existing exemption provisions are modified to cater for certain pre-existing single member schemes.

Before being made by Treasury, the proposed Regulations were subject to a public consultation process with the Island's pension and finance industry and have attracted widespread support. Therefore, I beg to move.

The President: Mr Earnshaw.

Mr Earnshaw: I beg to second, Eaghtyrane, and reserve my remarks.

The President: The motion I put to the Court is that the Retirement Benefits Schemes (Miscellaneous Amendment) Regulations 2006 be approved. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**Income Tax Act 1970
Income Tax (Repayment Supplements) Order 2006
approved**

25. The Minister for the Treasury to move:

That the Income Tax (Repayment Supplements) Order 2006 be approved. [SD No 114/06]

The President: Item 25, Minister for the Treasury.

The Minister for the Treasury (Mr Bell): Mr President, the purpose of this Order is to amend the right of repayment supplement payable to a non-corporate taxpayer on the repayment of income tax.

Mr President, the primary legislation regarding repayment supplement was recently changed to deal with corporate and non-corporate taxpayers separately. The rate of supplement payable to corporate taxpayers was amended, with the support of Tynwald, in February 2006.

This Order will bring into line the rate of repayment supplement that is payable to non-corporate taxpayers with that payable by corporate taxpayers. The Order being considered by Tynwald today reflects the regular review of rates of interest undertaken by Treasury and, if approved,

will reduce the rate of repayment supplement to 2 per cent, effective from 6th April 2006.

I beg to move.

The President: Mr Earnshaw, Member for Treasury.

Mr Earnshaw: I beg to second, Eaghtyrane, and reserve my remarks.

The President: Mrs Crowe, Hon. Member for Ramsey. *(Laughter)* Craine!

Mrs Crowe: My twin! *(Interjections)*

Mrs Craine: Oh dear, thank you, Mr President. I am sure we would welcome Mrs Crowe to Ramsey!

Mr President, I have an issue with this particular measure that is being introduced today. It is one that I raised at the time of the Budget and I have had correspondence with the Minister for Treasury since then.

It applies to the issue of overpaid tax and the monies that are thus repaid to the taxpayer. The current rate, as we have had before us, is that of 3 per cent and it is to be reduced to 2 per cent. Now the Minister has made the point to me that the Treasury should not be running a savings scheme for taxpayers. Well, indeed they are not, but since the arrangements were previously set in place the goalposts have shifted. The situation is now that, with the new system of paying on account, it is quite conceivable that taxpayers will be paying too much and they will, therefore, be getting penalised for doing so.

The comment is made that the changes that will be brought into effect are expected to be less than £50,000 additional general revenue. Well, that £50,000 does not rightfully belong to the Treasury, anyway. It belongs to the person who has overpaid that, or the interests of the person who have overpaid their tax, and I believe this to be a deceitful measure.

On the other hand, we have heard from Treasury that, where tax is paid late, Treasury charges an interest rate of 7 per cent so, either way you look at it, Treasury wins hands down. You pay in advance, you get 2 per cent interest; you pay late, you get charged 7 per cent! I have been advised that this measure – this 7 per cent measure – is to encourage prompt payment, which is laudable, on the face of it, but, in practice, that is not always possible to do.

I feel uncomfortable with the measure, Mr President, and I will be voting against it.

The President: Hon. Member, Mr Singer.

Mr Singer: With relation to the last comment by the Member for Ramsey, could the Minister possibly counterbalance. We hear that it might save the Treasury £50,000 this way: does the Minister happen to know how much the 7 per cent charge on underpayment brings into Treasury?

The President: Minister to reply.

The Minister: To the last point, Mr President, I do not actually have that figure with me, so I will certainly pass it on. I can say that I have asked my officers, though, to review the 7 per cent charge which is being applied at the moment,

with a view to reducing that as well in the not too distant future to reflect the changes.

Mr President, I take on board the comments made by my friend and colleague from Ramsey, but there are a number of changes which have taken place already in relation to the handling of tax and, because of that, already we have substantially increased the speed of repayment for most outstanding sums held by Treasury. In the past, this repayment could easily have taken up to 12 months and, in many cases, actually up to two years before the money is repaid. It is now paid, or is in the process of being paid, within weeks, and certainly months at the outside, so there is a substantial improvement on that which will benefit the individual taxpayer.

We do review these rates, Mr President, from time to time and it is believed, at the moment, in the present climate, that a 2 per cent rate is more appropriate. As I have said to my hon. colleague, it is not the role of Treasury to be acting as a savings scheme for those who have, in fact, left their funds with Treasury for an extended period of time and have gained a benefit of three per cent. We believe this is a fair balance, Mr President.

As I say, we are reviewing the surcharge which we apply at 7 per cent, to bring that more in line with the present day situation and, no doubt, I will be coming back with changes to that in the not too distant future.

So, I beg to move.

The President: Hon. Members, the motion I put to the Court is printed at Item 25. Those in favour, please say aye; against, no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys – Ayes 13, Noes 3

FOR

Mr Teare
Mr Rimington
Mr Gill
Mr Gawne
Mr Henderson
Mr Cretney
Mr Braidwood
Mrs Cannell
Mr Shimmin
Mr Delaney
Mr Bell
Mr Earnshaw
The Speaker

AGAINST

Mrs Hannan
Mrs Craine
Mr Karran

The Speaker: Mr President, the motion carries in the House of Keys, with 13 votes for and 3 votes against.

In the Council – Ayes 7, 1 Noes

FOR

The Lord Bishop
Mr Lowey
Mr Waft
Mr Singer
Mr Butt
Mr Gelling
Mrs Crowe

AGAINST

Mrs Christian

The President: With 7 for, 1 against, in the Council, Hon. Members, the motion, therefore, carries.

The Hon. Minister for Treasury, if you are circulating or passing on to Mr Singer the figure in relation to the 7 per cent issue, I would ask that it be circulated to all Members of the Court, sir.

**Reserve Forces (Safeguard of Employment) Act 1985
Tynwald recognition of HM Forces
Motion carried**

26. The Hon. Member for Rushen (Mr Gill) to move:

That Tynwald recognises the valuable service to the Isle of Man by members of HM Forces and supports the full application of the Reserve Forces (Safeguard of Employment) Act 1985 as extended to the Isle of Man.

The President: We then turn to Item 26. I call on the Hon. Member for Rushen, Mr Gill, to move.

Mr Gill: Thank you, Eaghtyrane, I will be brief.

I hope this will be a motion which will receive the support of the Court and I would begin by saying this is, of course, just a declaratory motion and all it does is underpin and support legislation previously agreed.

Perhaps, unlike some other motions, it is not in response to difficulties which have been experienced, or problems that have been experienced, on the Isle of Man, so I make that clear. But, unfortunately, members of the Reserve Forces coming back to the United Kingdom – or a member, and this is a test case which is pending in the United Kingdom – have found themselves having to take legal recourse because the basis of the protection of their employment under the relevant legislation has not been forthcoming. However, that case is proceeding in the United Kingdom.

I would say, in the Isle of Man, there is no problem. I do not wish there to be and all really I want to do is send a message today that underpins and repeats the comfort that members' – and there are about 30 to 40 members of the Reserve Forces from the Isle of Man serving at any time – rights under the provisions of the protection of employment, the safeguard of employment, will be honoured and that Tynwald reiterates and reaffirms its support for that.

So it is really as simple a matter as that, Eaghtyrane. It is a message of comfort and I hope it is a message that the Court will sing clearly and overwhelmingly to those members of our Reserve Forces, so I beg to move the Item at 26 on the paper, sir.

The President: Hon. Member, Mr Delaney.

Mr Delaney: I beg to second and reserve my remarks, if any.

The President: Hon. Chief Minister.

The Chief Minister: Thank you, Mr President.

I must confess, when I saw the motion on the paper, we do, of course, then try to study it to see what the Hon. Member is, perhaps, coming forward with and I can say, straightaway, that there is no difficulty whatsoever in supporting. Having been to the Army presentation only recently, it was spelt out fairly forcibly the way in which the

Island does supply not just servicemen and servicewomen, but also Reservists.

But, then, in researching the Hon. Member's 1985 Act, which was extended, and the appropriate modifications by Order in Council, we did, in fact, put in the Reserve Forces (Safeguard of Employment) Act 1985 (Isle of Man) Order in 1986, which is the one that the Hon. Member is referring to.

However, the Reserve Forces Act 1996 – this is the interesting part – does not appear to have been extended to the Isle of Man. Now, one thing that the 1996 Act, it might interest the Hon. mover, is that it contains provisions for compensation to be paid towards the difference in pay that a called up Reservist might receive and their salary in civilian life, which does not actually perform part, or is... in the 1985 Act: that provision is not in it.

So, therefore, what I can say to the Hon. Member is this, certainly, has started a thought process. Having checked this, we find that that Act of the Council of Ministers of 1996 was considered, but it has not been extended to the Isle of Man. So all I am really doing, Mr President, is informing the Hon. Member that we are seeking now to establish what happened and we have not, as yet, had any response. However, that is something now we are following up because it would appear that that particular part of the Act has not been extended to the Island and, obviously, we would like to know, perhaps, why.

The President: Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, my concern is as I thought we would have got more detail about what this Safeguard of Employment Act was in 1985, because, at the moment, I have no information in front of me, as far as what it is the Hon. Member is wanting us to extend to the Isle of Man.

The second thing that concerns me, Eaghtyrane, is the fact that I have said it for long enough: if we act like a suburb of Surrey we will be treated like one and, wherever possible, we should not be extending UK legislation to the Isle of Man. Now, alright, after years of abuse, it is sort of catching on and I think that if we are going to do something about it, then it should be done by an Order in this Hon. Court, not extending UK primary legislation.

So what I am concerned about is, I am not sure what I am supposed to be voting for, as far as this is concerned and, on that case, I would have to vote against the thing. I know lots of things get nodded through in this place, but I try to know and I do hope that the mover will explain to us what he exactly wants, as far as this position is, because it is all right saying it is a declaratory resolution and it has got... but, really speaking, I would be very disappointed if the Council of Ministers did not honour that declaratory resolution by bringing it forward, in my opinion.

So I think it is no good just saying, 'Well, it doesn't matter, it's only a declaratory resolution,' I think we need to know that.

The President: Mr Delaney.

Mr Delaney: I think it is fairly obvious already, Mr President, by the Hon. Member's resolution, he has also done us service by having clarified, through the Chief Minister, that there is an error, there is a small gap, there for our people who are prepared to serve us – and I emphasise that,

us, nobody else – in the Services, that they should not be any worse off than their counterparts, who are also serving. I thank the Chief Minister.

My indication, when I first asked, the indication was that we were covered and we were getting the same benefits. Now, I am clear, through the Chief Minister... and I hope to ask the Chief Minister to indicate to me, as some urgency, you will bring forward the acceptance of this?

Thank you, Chief Minister.

So the benefit to the Hon. Member for Onchan, Mr Karran, has already been highlighted, and the resolution, actually then by what has been said by the Chief Minister is worth supporting, because it is a commitment given by the Chief Minister that the benefits of that said same Act will be brought through on an Order to give the same benefits to our people, as enjoyed by other servicemen.

Mr President, the Member putting this forward asked me to second this. I did explain to him I thought that they were covered. Now, I am grateful to him for putting forward such a resolution because we can achieve something for the three or four dozen Manx persons who may be caught up in this particular operation, where their jobs etc, benefits, will be protected by Order through the law.

Thank you, Mr President.

The President: Mr Gill to reply.

Mr Gill: Thank you, Mr President.

First of all, can I begin by thanking Mr Delaney for his support and for seconding this and then turn to the Chief Minister, and perhaps the message I will reflect on is: 'It is good to talk.' Maybe, if we had spoken, we could have thrashed out this and any misunderstandings or uncertainties you had about the motivation for me bringing this forward.

I am certainly grateful to the Chief Minister for having the research which has brought up the shortfall in legislation – a shortfall I was not aware of. I am not being clever here, trying to manipulate a situation, but I am grateful for the Chief Minister's candour and for his clear undertaking to progress that. That is a very happy outcome, as far as I am concerned.

As far as Mr Karran's concerns –

Mrs Hannan: He has moved.

Mr Houghton: There is no need to answer him, he is not here.

Mr Gill: – I would just make it clear that I am not asking us to extend anything.

I take his point about UK legislation being extended and his consistent opposition and reservation to that, but this does date back 20 years. It is a done job, as far as that is concerned. We are not asking to extend anything, we are simply asking to reflect on that.

So, perhaps, for clarity, if I read the motion and, hopefully, that will reassure him. The motion is

'That Tynwald recognises the valuable service to the Isle of Man by members of H M Forces and supports the full application of the Reserve Forces (Safeguard of Employment) Act 1985 as extended to the Isle of Man.'

That is the motion. I realise it has been overtaken by the

advice from the Chief Minister but, as far as that motion goes, I would hope that Mr Karran, who I see nodding, hopefully, in agreement, will, as will all other Members of the Court, voice their support for that principle. That is really all, for my motion, I want to do, but I am, again, pleased for the Chief Minister's reassurance that the shortcomings in the further legislation will be addressed by himself and his Government and... I can see the Chief Minister is trying to catch your eye, Mr President.

The President: If the Hon. Member for Rushen will resume his seat for a moment, I will give the Chief Minister the floor.

The Chief Minister: On a point of clarification, basically, the point raised by the Hon. Member for Onchan: of course, it is in the motion 'as extended to the Isle of Man.' All I wanted to do is to make sure that you ... perhaps if you did not hear when I said that 'the Reserve Forces (Safeguard of Employment) Act (Isle of Man) Order 1986' ... so it is our order in this Court. It is not just extended from the United Kingdom, sir.

The President: Continue, Mr Gill, if you wish, sir.

Mr Gill: I have very little more to add, sir, than to thank the Chief Minister for that clarity and to also thank him for his undertaking to progress the matters he has described and put the motion at Item 26 before us, sir.

The President: In that case, Hon. Members, I put to the Court 'That Tynwald recognises the valuable service to the Isle of Man by members of H M Forces and supports the full application of the Reserve Forces (Safeguard of Employment) Act 1985, as extended to the Isle of Man.' Those in favour, please say aye; and against, no. The ayes have it. The ayes have it.

Common Tenancy Agreement Investigation of provisions Motion lost

27. The Hon. Member for Peel (Mrs Hannan) to move:

Tynwald resolves that a Select Committee of three Members be set up, with powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, to investigate the provisions of the Common Tenancy Agreement issued by the Department of Local Government and the Environment and Local Authorities to consider –

(a) its provisions and recognition of the law;

(b) if it is in the best interest of the tenant and the landlord;

(c) to investigate whether or not it is contrary to the legislative provisions or conventions; and to take evidence and report back to the Court in June.

The President: Item 27, Hon. Member for Peel, Mrs Hannan, to move.

Mrs Hannan: Thank you, Eaghtyrane.

I am grateful to the Department of Local Government and the Environment for circulating the Tenancy Agreement and the Tenant's Handbook and also the briefing notes for Tynwald Members. The briefing notes explain the development of the new Common Tenancy Agreement for local government housing, whether under the administration of the Department or local authorities.

I am afraid that the briefing notes are somewhat naïve, as it assumes certain things can or cannot happen. The question is: when is an agreement binding and is it binding on both parties? In moving this motion, I would like to see a proper modern agreement between tenants and landlords that protects the interests of both, starting from the point of view that this should be an agreement of two equal parties, and also relates to the law in all parts or none.

I accept that the Tenant's Handbook is a major step forward, as it seeks to explain that, and I quote,

'Legal action will only be taken, if help offered by the Housing Authority and/or other agencies, is not accepted or is ignored.'

I welcome that statement, but it is a statement of hope over actuality, especially where some local authorities are concerned. It should have been possible that, when this Agreement was being reconsidered, a modern agreement, which delivered up-to-date protection for tenants and landlords, was developed within the law. That, I would contend, has not happened.

Now, we turn to the first part of the Agreement, because it is in two parts. It is one 'The Agreement,' and one 'The Regulations,' but in paragraph 3 – and this is not new – it states:

'If any rent shall be in arrears for seven days, after the due date of payment, whether formally demanded or not, or in the event of any breach or non-observance by the tenant of the agreement, on his, her or their part, contained herein, or in the schedule hereto, or if the tenant shall become insolvent or bankrupt, or enter into any agreement for the benefit of creditors, then and in any case, the Department/Commissioners may re-enter at any time thereon, upon the property, or any part thereon in the name of the whole and re-possess the property.'

In this clause there is no mention of any law. In the explanatory document, the Department explains that, and I quote:

'The Department sought legal advice with regard to clause 3 on rent arrears. The Department's legal advisers concluded that this was a standard term and was not a matter of concern.'

Clause 3 is said to, and this is how it was described:

'operate on its own, only when the tenant is no longer in occupation, in which case it is essential, otherwise the tenancy cannot be terminated without notice being given to him, which could be impossible if he has disappeared.'

It continues,

'In relation to occupied premises, however, clause 3 must be read in conjunction with section 2 of The Landlord and Tenant's Miscellaneous Provisions Act 1976,'

which provides, as follows, and I quote

'Restrictions on re-entry without due process of law, without prejudice to section 11 to 13, inclusive of the Conveyancing, Leasing and Tenancy

Act 1954, where any premises are let on a lease, which is subject to right of re-entry or forfeiture, it shall not be lawful to enforce that right, otherwise than by proceedings in the court while any person is lawfully occupying the premises or part of them. A pre-requisite for such proceedings would, of course, be the service of a valid notice to quit.'

I would suggest that this should be part of a legal agreement, signed by both parties. It should clearly state the due process of law and not leave issues to chance. Now, the other issue here is the bankruptcy or insolvency of a tenant. Why should somebody be deprived of their home when they are in a time of need? Even a court of law, in this day and age, would, in most cases, allow people to keep a roof over their family's heads, especially when it is a rented property. The briefing note states:

'The overarching legislation remains the same and none of the tenant's rights in law have materially altered. The Common Tenancy Agreement will promote commonality of approach and facilitate a joined-up approach to housing management issues. While most aspects of the document have been included in Tenancy Agreements across the Island for many years, the document aims to standardise terms and conditions and makes enhanced provision for addressing such issues as anti-social and nuisance behaviour. Those clauses will only be applied when absolutely necessary. They will not be applied in a trivial way or in a way that will alienate good customers.'

The briefing notes continue:

'They are not there to threaten the security of tenure for the vast number of tenants who maintain their tenancies in a reasonable way,'

but the Common Tenancy Agreement is, I would suggest, a legally binding document and tenants do have concerns and, in some cases, quite rightly so. I refer you now to paragraph 2(b):

'To pay on demand by way of additional rent, any administration and/or legal charges, reasonably incurred by the Department/Commissioners (1) in pursuit of rent arrears by reason of failure by the tenant to pay the rent on the day due; (2) by obtaining possession of the property, whether in possession order or otherwise, where a notice to quit or a notice of forfeiture was observed by the Department/Commissioners as a result of such tenants arrears; and (3) for any damage to the property or the Department/Commissioners fixtures or fittings.'

This clause in the Agreement is most worrying.

We all know that we house some vulnerable and challenging people, who have low incomes and that is really what our housing is all about. It is about supporting people who cannot get into any other sort of housing. Many of these people find it difficult to make ends meet. Sometimes they do get behind with their rent, but this particular clause protects the local authority and the Department by way of passing on costs for legal action on to the tenant.

If a tenant has not paid their rent and is finding it difficult to make ends meet, a local authority, before working with, assisting or helping the tenant, can go straight into legal repossession orders through the courts, with those costs being borne by that tenant. This is an open door to allow local authorities to take legal action first and any other action much later, leaving a tenant with a huge bill and with no redress.

It does not even say that the administration or legal costs can be questioned or taxed and, while we know that is the case, anyone signing this Agreement cannot possibly know that, unless they get legal advice, which, again, would be at their expense. While I agree with the comments in the

Tenant’s Handbook, that these are not intended to be a threat to the security of tenure of the vast majority of tenants, who maintain their properties in a reasonable way, they are a threat to the many who have no confidence in the fairness of local authorities and their actions. There are also those in the community who find it difficult to make ends meet, or indeed conform to society. We have a number of people, of those type of people, living in local authority properties, which local authorities would love to evict, because of their difficulties. This Agreement, if signed, could allow that to happen.

Now, 2(k), in the main document, relates to additions or alterations to the exterior or interior of the property. It is emphatic not to make any addition or display posters etc. Regulation 5 then says that:

‘...a tenant shall not paper or paint walls of the demised premises without the consent of the Department/Commissioners and in no case should a nail be driven therein, either within or without.

Regulation 5 relates, so I am told – this is my understanding – specifically to new-built properties for the first year following construction, while they are still within a default liability period, but the Tenancy Agreement does not state that. I am also informed that this has always been contained in the Tenancy Agreement and serves as a ‘just in case’ clause. This, I think, highlights my concern about this Agreement. Either it is an agreement that is going to be applied, or it is an agreement where the local authority or the Department can pick and choose whether they apply this Agreement or not.

2(n) does quote the law in regard to the Misuse of Drugs Act 1976, but why? If that can be included in a Tenancy Agreement and the Misuse of Drugs, as quoted, then I do not see why the relevant Acts should not be quoted in the document in total. How was the tenant expected to know all the regulations, byelaws, etc if they are not spelt out? When 2(m) states:

‘The tenant must comply with all relevant legislation, regulations, byelaws and requirements of any competent authority, from time to time, affecting the property and/or the tenant’s occupation thereof.’

I consider, in the interests of good government, that this document must be given proper independent scrutiny and that is why I am suggesting a Select Committee to give that independent scrutiny to all of the issues contained in this Agreement, not just the ones I have mentioned.

I realise the Department does not want any further challenges to its authority. I have flagged up my concerns. However, I do not agree with the final paragraph of the briefing notes:

‘that the Department and Housing Authorities have commenced to roll out the updated Tenancy Agreement and Tenant’s Handbook.’

It continues:

‘Challenging the legal advice provided to the Department and introducing further changes would only help to confuse and undermine the Common Tenancy Agreement and the intentions prompted in the Tenants Handbook.’

Eaghtyrane, I must add that I have no concern about the Department of Local Government and the Environment and their housing management in any way whatsoever, (Mr

Houghton: Hear, hear.) and, in an ideal world, I would want all housing supported by Government, managed by the Department. (*Interjection*)

But we are where we are and this is with a number of housing authorities. I have considerable concerns about how they operate their housing policies. After all, Government pays for all this housing and, therefore, we have a responsibility to make sure that this agreement is applied in a fair, reasonable and just way.

I refer you now to an issue that has been raised with me regarding Onchan. Somehow, it is suggested that their tenants now pay their rent in default and now Onchan are demanding it in advance, upping the rents over the year, along with the annual rent increases. How does somebody know if they are paying the rent in deficit or in advance after, maybe, 30 or 40 years in a house, or, maybe, even four weeks into a tenancy? Who knows how their rents have started? This agreement says that rents – and it is flagged up as being something that has always been there – paid in advance. This issue has not been flagged up as a new issue in this new tenant’s agreement.

I am not saying the Committee will get to the bottom of that matter but, for those on fixed incomes or benefits, will the Department of Health and Social Security be expected to pick up the extra funding? I suggest that it is the local authority that is at fault if it has not requested rents in advance and, therefore, I think they should, actually, commute the rent and suggest that it is now paid in advance.

However, Eaghtyrane, I beg to move that a Select Committee of three Members be appointed to report back in June with powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, to investigate the provisions of the Common Tenancy Agreement issued by the Department of Local Government and the Environment and Local Authorities and to consider (a) its provisions and recognition of the law, (b) if it is in the best interests of the tenant and the landlord, and (c) to investigate whether or not it may be contrary to the legislative provisions or conventions, and to take evidence and report back.

I beg to move.

The President: Mr Speaker.

The Speaker: Thank you, Mr President. I have much pleasure in seconding and reserving my remarks.

The President: The motion I put to the Court, Hon. Members, is that printed at Item 27. Those in favour, please say aye; against no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys – Ayes 8, Noes 8

FOR
Mr Gill
Mr Houghton
Mr Cretney
Mrs Cannell
Mr Shimmin
Mrs Hannan
Mr Karran
The Speaker

AGAINST
Mr Teare
Mr Rimgton
Mr Gawne
Mr Henderson
Mr Braidwood
Mrs Craine
Mr Corkill
Mr Earnshaw

The Speaker: Mr President, the motion fails to carry in the House of Keys, with 8 votes for and 8 votes against.

In the Council – Ayes 4, Noes 4

FOR

The Lord Bishop
Mr Lowey
Mr Waft
Mr Gelling

AGAINST

Mr Singer
Mr Butt
Mrs Christian
Mrs Crowe

The President: Equally, 4 votes for and 4 votes against in the Council, Hon. Members, the motion, therefore, fails to carry.

Hon. Members, that draws to a conclusion our Order Paper. Again, Hon. Members, can I apologise for having to lead you through the Paper, up and down in various manners, in order to get through it. Thank you also for your co-operation, particularly as we were sitting quite late last evening.

Hon. Members, the Council will now withdraw and leave the House to transact such business as Mr Speaker may wish to put before you, Hon. Members.

The Council withdrew

House of Keys

The Speaker: Hon. Members, the House will now stand adjourned until Tuesday next, 28th March, in our own Chamber at 10 a.m. Thank you, Hon. Members.

The House adjourned at 1.13 p.m.