



**LEGISLATIVE COUNCIL
OFFICIAL REPORT**

**RECORTYS OIKOIL
Y CHOONCEIL SLATTYSSAGH**

PROCEEDINGS

DAALTYN

(HANSARD)

Douglas, Tuesday, 11th November 2008

Present:

The President of the Council (The Hon. N Q Cringle, OBE)

The Lord Bishop of Sodor and Man (The Rt Rev. R M E Paterson), The Attorney General (Mr W J H Corlett QC),
Mr D Butt, Mr D A Callister, Mrs C M Christian, Mr E A Crowe, Mr A F Downie,
Mr E G Lowey, Mr J R Turner and Mr G H Waft,
with Mr J King, Clerk of the Council.

Business transacted

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The Council adjourned at 11.32 a.m.

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Legislative Council

The Council met at 10.30 a.m.

[MR PRESIDENT *in the Chair*]

PRAYERS

The Lord Bishop

Lord, make us instruments of your peace. Where there is hatred, let us sow love, where there is injury, let there be pardon, where there is discord, union, where there is doubt, faith, where there is despair, hope, where there is darkness, light, where there is sadness, joy, for your mercy and for your truth's sake. Amen.

Procedural

The President: Good morning, Hon. Members. We do not have any apologies, so we have a full House.

Hon. Members, as it is the 11th of the 11th today, I propose if we are still in action at 11.00 a.m., we will observe a short period of silence.

Questions for Oral Answer

GOVERNMENT

Harvard University visit by CEOs Purpose

1.1. The Hon. Member (Mr Lowey) to ask a representative of the Government:

- (a) *why in these new austere financially stringent times are you planning to send a party of Chief Executive Officers to Harvard University in the United States of America;*
- (b) *is this not a desirable as opposed to essential project;*
- (c) *what tangible achievements were achieved by last year's visit;*
- (d) *who are the Chief Executive Officers who went last year and whose turn is it this year?*

The President: We turn then to our Order Paper and the first Question. I call Mr Lowey, please.

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

The President: This Question will be answered by Mr Butt.

Mr Butt: Yes, sir, thank you. Mr President, I thank the Hon. Member for his Question.

I would like to take the opportunity to make reference

to similar Questions asked in the other place in March and December last year. On those occasions, the questioners were Mr Karran and Mr Cannan. I can confirm that the Civil Service Commission is committed to encouraging all civil servants, including senior civil servants, to continue to enhance their skills throughout their careers. This is more important, not less important, as times become more difficult and it is essential that senior civil servants develop new skills to deal with the changes which we face.

The course which the Hon. Member refers to is entitled 'Leadership in a changing world' and is a course specifically designed to enhance the leadership skills of senior civil servants in changing times, as the title suggests. The course is run at the John F Kennedy School of Government in Boston and is a course which we share with the civil services of both Northern Ireland and Eire, thereby achieving economies of scale, as well as sharing of experience with other senior civil servants, both inside and outside the United Kingdom.

The cost of the course compares very favourably with similar courses in the United Kingdom, the cost of this course being £4,791 per person per week-long course, compared with the comparable course in the United Kingdom which costs £14,500, which lasts for three weeks minimum. This course therefore not only minimises the costs, but also minimises disruption to the officers' work.

As with all development opportunities, it is not always possible to point out specific instances and say they are a direct result of the course, but it is fair to say that every participant to date has come back with the view that the course was worthwhile, value for money and extremely hard work.

Mr President, I am sorry to say that we received information that this year's course is the last one to be organised by the Northern Ireland Civil Service and therefore this may be the last opportunity to send our senior civil servants on the course at this level of saving. Therefore five places were retained this year, rather than the rolling programme of three per year, which has been the normal course of events.

For the information of the questioner, those who participated last year were: Mrs Skillicorn, Chief Officer of the Personnel Office; Mr David Killip, Chief Executive Officer of the Department of Health and Social Security; Mr Cain, the Director of Education. Those participating this year were: Mr Colin Kniveton, Chief Executive of the Department of Agriculture, Fisheries and Forestry; Mr Kinrade, Chief Executive Officer of the Department of Local Government and the Environment; Mr Corlett, the Chief Executive Officer of the Department of Trade and Industry; Mr Black, Chief Officer of the Office of Fair Trading; and Mrs Ann Reynolds, the Airport Director.

The President: Mr Lowey.

Mr Lowey: Thank you, Mr President. I thank the Hon. Member for his reply.

Would the Hon. Member not agree – the title, 'Leadership in the changing world' – we are in a changed financial world and costs, as the Treasury Minister says, are important? Would he also not agree that we have an International Business School of our own, where we could have had a course and if we needed a professional adviser, perhaps he could have come and there would have been bigger value for money?

Would he also not agree that the costs do not include the transport costs, and the additional costs that go with it should be added to those figures? Therefore, it would be more than £20,000 for the five of them to go. Would he not agree, in these stringent financial times that, while it may be desirable, it is hardly essential?

And could he tell me – (*Interjection by the President*) I have got more –

The President: I think that is enough supplementaries at this stage –

Mr Lowey: Right, okay.

The President: Mr Butt, please.

Mr Butt: Thank you, sir.

I would agree with Mr Lowey that leadership is important. In fact, in my time on the Civil Service Commission, it is something I have been requesting from the Commission to be emphasised, because I have found personally that there is management but not leadership within the Civil Service in lots of instances and this is an example I think of proper leadership training, which I believe has been of value.

Following receipt of this Question yesterday, I went to see one of the officers who had been away and just returned. I found a person who was totally enthused, his eyes were shining with enthusiasm and he had really benefited from the course and he is in no doubt that it will benefit him and the Department which he helps to run. So in that regard, I think it is a worthwhile course and leadership is important.

There may well be instances where the Business School could be used to provide similar courses. In fact, one of the comments of this officer was that, for senior civil servants, this sort of leadership training is perhaps too late and maybe the generation below should be given leadership training. If the business school could pursue that for us, that may be a way forward.

Again, I believe the costs of the transport are not included in the costs of the course, they are an extra and I think the debate about what is desirable and what is essential is one for the future. At the time when these courses were provided, the economic situation was not as stringent as it is now.

The President: Mr Downie, Hon. Member.

Mr Downie: Yes, thank you Mr President.

I would just like to ask the Hon. Member: as he is probably aware, there is a National School of Government at Sunningdale Park in Ascot. This is where the majority of UK trainee civil servants at the upper scale go – people from the UK Treasury, VAT, all of the people that the Isle of Man Government Civil Service are likely to have to deal with or come in contact with.

Can he advise us how many people from the Isle of Man in the last few years have been attending courses at Sunningdale Park and gaining an opportunity to make contacts, develop relationships with the future Civil Service of the United Kingdom?

The President: Mr Butt.

Mr Butt: I thank you for that question, I actually do not know the answer to that.

In my previous comments, I note that there is a similar course to the one that these officers have been on in the UK, which actually costs more in effect than the course in America. We achieve the economies of scale by combining with Northern Ireland and Eire on that particular course. I am sure there are courses in the UK which will be valuable as well and I will pass your comments back to the Departments and to the Civil Service Commission.

The President: Mrs Christian, Hon. Member.

Mrs Christian: Thank you, Mr President.

Would the Hon. Member, having discussed the outcome of this course with one of the participants, reflect whether or not he was told, as I was, in a discussion with one of the participants that, having been on a course in the UK and this course, this one was infinitely superior?

The President: Mr Butt.

Mr Butt: Yes, I can confirm that, in my conversation with the officer, he informed me that two of the tutors who actually lectured to them were excellent and two of them had actually lectured Senator Obama, President Elect. That was the quality of the information that they were getting on this course. It is at the Harvard Centre. The experience of the people concerned who give them the course he thought were excellent, far better than they had received in any previous course in the UK which he has been on in the past. He was very enthused by the standard of the instruction he received and if he can convert that into action, now he is home, and the other officers as well, I think it will have been a worthwhile course.

The President: Mr Lowey.

Mr Lowey: Mr President, I thank my colleagues because they have taken some of the questions that I was going to pose.

It seems amazing to me, Mr President, that we have to go and ask the people who take part whether they were of any benefit to them. So can I pose the question – perhaps answer it too – who picks the personnel to go? Would it be the Government Secretary? Who judges whether it has been a success or not, who evaluates it? While I will agree it is difficult to evaluate it in pluses and minuses, I think there has to be an outcome to these trips. Who do they report to?

I too spoke to some of these people who went last year: one of them said to me it was not very... it was not of much benefit.

Could you perhaps explain to me why the Director of the Airport would need a leadership course in international affairs at this particular time?

Finally, Mr President, is it not a fact that some of the people who have gone will be retiring in two years' time and perhaps the leadership course is hardly of benefit to them or benefit to the Isle of Man, unless they have learnt a lot and will pass it on? Where is the record of... how do we know that that is being passed on?

The President: Mr Butt to reply.

Mr Butt: Thank you. As to who goes on the course, so far I think nearly all the chief executives of Departments

have been on the course and they are now moving down to the next level, which includes Mr Black from the Office of Fair Trading and the Director of the Airport. The plan was that they should continue to move down to a different lower level than the chief executive.

As to the evaluation of the course, I think that is a matter which, having spoken to the officer yesterday, I actually said, 'What happens next?' which I thought was a good question, which he agreed – that is the person who is full of enthusiasm – and they are hoping to get the COG, the Chief Officers' Group, to meet together to find ways forward and take up particular projects to use the experience and the information they have learnt –

Mr Lowey: They should be doing that anyway.

Mr Butt: There is a view they should do that, but at least they are going to do that, and I think the course has been good value for them.

As to why the Airport Director has been on the course, I think everybody who is in a position of responsibility needs some experience in leadership. I have had courses in leadership myself which I found very innovating, very invigorating and helped me with my work in a very positive way and I think the more people we can train in these aspects, the better it would be for the Civil Service and for Government.

The President: And the final question, I think, was retirement times from Mr Lowey.

Mr Butt: Retirement, yes. As I said before, my conversation did... the view was expressed that maybe this should be given to the group of people lower for the future, but currently all the chief executives have now been on this course.

The President: We have given it a good airing, Mr Callister.

Mr Callister: Thank you Mr President, just briefly.

If the Hon. Member answering on behalf of Government has this information, what were the additional costs of travel and accommodation?

Mr Butt: Yes, I am afraid I do not have that information.

The President: Mr Crowe.

Mr Crowe: Yes, thank you, Mr President.

The question I would ask is: the people who have been the recipients of this training at the Harvard Business School will have a pool of knowledge – how will the Civil Service Commission encourage this pool of knowledge now, to pass on that information lower down the line? There must be, shall we say, a debriefing of all these people as to what they have learnt, what they are going to do with the information, how they will be monitored in say a year's time, how has this experience benefited them and the Department. Having invested this money in the training, how will it be used in the future lower down the line?

The President: Mr Butt to reply.

Mr Butt: Thank you.

That is a question I have been asking as well, particularly in regard to the Corporate Leadership Group which has been in existence for nearly two years. My question has been what benefits have there been from that, and on the Commission itself, of which I am a member, we are asking that question constantly. There are plans and actions for further training and development in that regard.

In respect of these courses, as I say, the officers I believe of the COG who have been on the course, which is the vast majority, are meeting in the next week or two to discuss the matter with us, how they are going to use the experience they have gained.

Council of Ministers' Events Committee Public liability cover

1.2. The Hon. Member (Mr Lowey) to ask a representative of the Government:

if he would, through the Council of Ministers' Events Committee, undertake to take out in Government's name an insurance policy to cover public liability of voluntary activities that the Committee has approved?

The President: We will go on to Question 2. Again, I call on the Hon. Member, Mr Lowey.

Mr Lowey: Thank you, Mr President.

I beg leave to ask the Question standing in my name.

The President: Question 2, I understand, is answered by Mr Waft.

Mr Waft: Hon. Member, I can only assume that you are referring to the TT Festival and the Motorsport Arrangement Group, which deals purely with motorsport events on closed public roads in the Isle of Man.

All motorsport events require a permit issued by their own governing bodies, for example the Auto-Cycle Union, Motorsports Association. The permit certifies that the governing body has arranged public liability insurance and personal accident insurance for professional clubs, professionals and licence-holders or events which are under the permit or certificate of exemption of permit.

Therefore, there is no requirement for the Government to take out in the Government's name an insurance policy to cover the liability.

The President: Mr Lowey.

Mr Waft: I apologise for my voice, Mr President.

Mr Lowey: Well, at least you did not have to go to Harvard to get that, well done!

It is not just motorsports. Would the Hon. Member agree that it is the Government... This new Group that has been set up by the Council of Ministers is doing the very job that Departments of Government should be doing anyway, that is co-operating between themselves? Can he explain to me why we need a special committee with seconded senior civil servants in their own offices – new offices, not the existing

offices – to do the work that should be getting done by Departments as a matter of course?

The President: Now, I do not want to debate the setting up or not of a new committee. We have a question related to insurance but, nevertheless, Mr Waft can we try to keep it as brief as possible, please?

Mr Waft: Thank you, Mr President.

This Group, as probably Members will remember, was set up following the comments of the court officer with regard to the tragedies of the TT. This was thought necessary, to try and bring together all the Departments of Government who had a contribution to the set-up of the TT Races and any motorsports, especially including road closures under the Road Racing Act. The smaller organisations which I think sometimes are referred to do not have any part to play within this committee. It does not operate under particular legislation; it is just working with regard to those events which require road closures and safety measures. As I said, they try to co-ordinate the Government Departments, hence the need for chief executives to take part within the Group to oil the wheels, as it were, with regard to these events when they take place.

The President: Mr Turner.

Mr Turner: Thank you, Mr President.

Would the Hon. Member have circulated – I think it would be helpful – a list of members of the Group and which Departments they are seconded from?

The President: Mr Waft:

Mr Waft: Thank you, Mr President.

There are members from the... Chief Executives from the Department of Home Affairs, Department of Transport, Department of Tourism and Leisure. Any others have left me for the moment, but I will draw up all the people involved within this Group and circulate it to Members.

The President: Thank you. Mr Lowey.

Mr Lowey: Could the Member confirm that they do have their own headquarters in Onchan, as opposed to premises in the three named Departments which you have already given us today?

The President: Mr Waft.

Mr Waft: Probably the Hon. Member has more information than I have. There are facilities in Onchan which they use from time to time, I think.

The President: Mr Lowey.

Mr Lowey: Could I then come back to the question on the insurance policy, the public liability of voluntary activities: why is the Government so loth to give out a blanket, with all the insurances that they take out in Government's name for various activities? Why can it not be expanded to include those taking part in activities that further the interests of the Isle of Man?

The President: Mr Waft.

Mr Waft: I think Mr President, this particular question is to this particular Group which involves the motorsports and they are a specialised group with specialised needs every year, as the situation changes.

We have not been approached – at least, they have not been approached with regard to an overall blanket insurance policy. That needs to be put forward, if somebody requires that, but at the moment, it is done by their own public liability which covers all their idiosyncrasies which apply for that particular organisation.

The President: Mr Turner.

Mr Turner: Would the Member not agree with me that the requirement for insurance is actually written into the Road Races Act – it is a requirement, I think, for organisers to have that amount – I think the figure is £30 million per incident – and as it is a requirement of the Act, then it should not be necessary for a committee to make sure they have it; it is actually a function of the Department of Transport when issuing the road closure order?

The President: Mr Waft.

Mr Waft: Yes, I would agree with the Member. Public liability comes under the organisation which operates the event and that has to be fulfilled, a requirement, before road closure orders and the rest of it are agreed on.

The President: Mr Downie.

Mr Downie: Would the Hon. Member agree that the Auto-Cycle Union – perhaps the oldest governing body in motorcycle sport – does happen to have a liaison and a relationship with a company called 'Brit Insurance' who are registered at Lloyds and they do undertake the insurance for all of the ACU regulated events? Not only do they deal with the road racing, they deal with scrambling, motocross trials and a lot of other international events as well. Given that they are the governing body, they know the requirements, they know the risks, they have the track record, would he not agree that perhaps they are probably the best people to deal with that type of event and that sort of insurance?

The President: Mr Waft.

Mr Waft: I would agree with the Member that, as I said, they have specialised people who are looking after their particular situation. Mr Downie has inside knowledge of insurances and the motor racing on the Island in particular. I would agree with him that an overall body most certainly would probably have been more favourable, but that is down to the particular organisation involved I think.

The President: Mr Lowey.

Mr Lowey: My final query is, having read the inquest that brought this about, the report is quite clear: the report did not say there should be a committee set up to oversee it; it said it should have... if I remember rightly, it actually says that there should be the oversight of somebody who has a command structure, knowledge, i.e. a senior police officer to look into that particular effort. We have got in return a full blown committee that has now expanded into all motorsports,

which it seems to me to be not what was required, but is being used as the peg to hang the hat on.

But coming back, if it is alright for the ACU to take out an all-embracing cover note, I return to the point that the Isle of Man Government must be the biggest insurer – taker-outer – I have forgotten the exact words now, I am trying to get round to... As they are a huge investor in insurance, then it does seem to me almost on the side where they could not get cover for all voluntary participation in any event that is organised for the benefit of the Isle of Man, but including motorbikes and motorsport generally.

The President: Mr Waft.

Mr Waft: Thank you, Mr President.

I might have misled Members when I said it was a committee; actually it is a group of people who are facilitating the requirements asked of Government to look into this situation. They report in effect to the Gold Group or the Platinum Group eventually, if there is any occurrence which they are very concerned about.

With regard to the ACU and their all-embracing insurance, the Isle of Man Government, the possibility of them, there are a number of issues around Government which could be looked at from the Isle of Man Government as an insurer, but it has not really acted in that way. I think perhaps of all the local authority housing for instance, they are all insured under the local authorities, so if Government was to take over all the liabilities that it could do, there would be a tremendous task.

So I think to pick out an individual one which the Isle of Man Government might take a part in is not perhaps where to start.

The President: Mr Turner, I think you have sparked another supplementary, Mr Waft.

Mr Turner: I have one, yes. Thank you, Mr President, it is just a short supplementary.

The Hon. Member mentioned the Gold Group and the Platinum Group. Could he, in addition to the information I requested him to circulate, maybe circulate what these groups are and who is on them as well, because I certainly am not aware of the chain of command.

It would be helpful, I think, for Members to know what these groups are, who is on them and how the chain of command operates.

The President: Mr Waft.

Mr Waft: I can circulate that, Mr President.

TREASURY

Depositors' Compensation Regulations 2008 Participant banks

1.3. The Hon. Member (Mr Waft) to ask a Member of the Treasury:

(a) if he will list the banks to which the Depositors' Compensation Regulations 2008 applies;

(b) which of these banks are 'clearing banks'?

The President: Well, Hon. Members, we have reached the position of Question 3 on your Order Paper, Hon. Members. In relation to this, you will have, I think, on your desks, Hon. Members, a written response: in fact the Question asked for the list of banks to which the Depositors' Compensation Regulations 2008 applies and which are clearing banks. There is a lengthy list, Hon. Members, which you should have a copy of.

However, Hon. Members, whilst I acknowledge the fact that, because it was a long list of names, it was a sensible thing to do to put it in writing for you so that you have the complete list in front of you, nevertheless, Hon. Members, should Members wish to ask a supplementary in relation to that Question, I will permit it, Hon. Members.

Written Answer: (a) The following banks are participants in the Isle of Man's Depositors' Compensation Scheme:

AIB Bank (CI) Ltd
Alliance & Leicester International Ltd
Anglo Irish Bank Corporation (International) PLC
Bank of Ireland (IOM) Ltd
Bank of Scotland International Ltd (including their activities on the Isle of Man under the business name Halifax and Halifax International)
Bank of Scotland plc (including their activities on the Isle of Man under the business name Halifax)
Barclays Bank Plc
Barclays Private Bank & Trust (Isle of Man) Ltd
Barclays Private Clients International Limited
BNP Paribas Securities Services Custody Bank Limited
Bradford & Bingley International Ltd
Britannia International Ltd
Cayman National Bank & Trust Company (Isle of Man) Limited
Close Bank (Isle of Man) Ltd
Conister Trust Limited
Duncan Lawrie (IOM) Limited
Fairbairn Private Bank (IOM) Limited
Habib European Bank Ltd
HSBC Bank International Ltd
HSBC Bank Plc
Irish Nationwide (IOM) Ltd
Irish Permanent (IOM) Ltd
Isle of Man Bank Ltd
Kaupthing Singer & Friedlander (Isle of Man) Ltd
Lloyds TSB Offshore Ltd
Nationwide International Ltd
RBS Coutts Bank (Manx) Limited
Standard Bank Isle of Man Ltd
The Royal Bank of Scotland International Ltd (including their activities on the Isle of Man under the business name NatWest)
The Royal Bank of Scotland Plc
Zurich Bank International Ltd

The above list, which is published on the FSC's website, covers all banks that currently accept retail deposits in the Isle of Man.

(b) There is no single, precise definition of a clearing bank.

From the UK, the following banks have offices on the Isle of Man and are also members of the Cheque and Credit Clearing Company Ltd:

Alliance and Leicester
Bank of Scotland (HBOS)
Barclays
HSBC
Lloyds TSB
Nationwide
Royal Bank of Scotland

Bank of Ireland is a member of the Belfast Bankers' Clearing Committee.

From Ireland, Allied Irish Bank, Bank of Ireland, Anglo Irish and Irish Nationwide are members of the Irish Payment Services Organisation.

In South Africa, Standard Bank is a member of the Payments Association of South Africa.

There may of course be other clearing memberships of which we are unaware.

Remembrance Day silence

The President: At this juncture, as my clock is getting very close to 11 o'clock, Hon. Members, I think we will just take the necessary time out for an act of remembrance, here within the Legislative Council this morning. It is not, on every occasion, that Council has a formal sitting on the 11th of the 11th at 11 o'clock. It happens this morning that we do.

Whilst we acknowledge that, in other places, there will be memorial services taking place and recognition at the War Memorial, I think it is incumbent upon ourselves this morning so, Hon. Members, if we will stand for a brief period.

Members stood in silence.

The President: Thank you, Hon. Members.

Question 1.3 continued Supplementary questions

The President: Again, Hon. Members, as I indicated, the Answer to Mr Waft's Question to a Member of the Treasury has been responded to in writing. If any Member does wish to ask a further supplementary on that... Mr Downie, you may?

Mr Downie: We have not had the Question yet, Mr President.

The President: No.

Mr Downie: With your indulgence, I will read what was provided for me.

The President: Can I just make it plain that we will print in *Hansard* the lists which are before you, so that, in fact, you have it.

Can I pick it up then? Mr Waft, did you wish to...?

Mr Waft: Thank you, Mr President.

Given that Answer, I just wish I had asked it to be put in writing as well. I asked for this, Mr President, because we were given a list of those who were not depositors and we had not actually had a list of those who were within the Depositors' Compensation Scheme. This is certainly comprehensive, I think. I thank the Member for his indulgence in finding out and giving us a written list.

I would just request if Mr Attorney General might give a quick answer to the premise that charities have with regard to investments. I wonder if, given the situation, whether there are any thoughts with regard to how charities, when they do get moneys in for certain things, where they should be deposited. Has he any idea which would be the best...?

The President: We will just hold that for a minute, while Mr Downie... Mr Downie, do you wish to add anything?

Mr Downie: No, this is a question, really, that has come out of the blue.

The President: I think we can leave aside the question of charities and where they should deposit at this stage. Is there anything you wish to answer in response to the list? I think Mr Waft was simply thanking you for the list.

Mr Downie: Yes, I am grateful for that. It was much better to provide the Answer in this form so you could actually see who was involved in the Depositors' Protection Scheme. There is also a very good document that has been produced by the Financial Supervision Commission and, in section 2, there is a list of all the various participants.

Of course, some move in and out of the Scheme: I do not think we have the same number of banks here that we had, maybe, last year but there is a lot of information available to Hon. Members. If there are any further details they wish that I cannot provide today – because I am not sure what we are going to be asked – we are more than willing to provide that information for Members.

The President: As I understand it, Hon. Members, the list before you is the list as of today and that is the list that we will have printed in *Hansard*.

Mrs Christian.

Mrs Christian: Thank you, Mr President.

The information we have been given indicates that this list is published on the FSC's website. I looked for it one day. I did not have a lot of time but I could not find it. Now, whether I was not looking under the right heading, I do not know, but could I invite the Treasury to invite the FSC to publish the list from time to time.

I accept that they have published a large glossy document, but not everybody in the public has access, or wants to have the whole of that document. What the investor wants is a list of banks which are covered by the Scheme. If the FSC are not willing to do it, will the Hon. Member invite the Treasury to publish the list from time to time?

Mr Downie: Yes.

The President: Mr Downie.

Mr Downie: Just to take that point, I have no problem in taking that matter back to the Treasury, but in all of the information that I have had from the banks themselves, they quite clearly state whether or not they are part of the Depositors' Protection Scheme and that, to me, is quite a selling point for them. A lot of their products are based on the strength of that Scheme and the existence of the Scheme in the Isle of Man.

The President: Mrs Christian.

Mrs Christian: Mr President, would the Hon. Member accept that, whilst an individual bank may obviously sell their product on the basis that they are covered by the Scheme, if you are considering making an investment, you do not want to go around looking for all the banks and seeing what their literature reads? You want to have a list first and then decide which bank you might go to.

Mr Downie: Yes, I would accept that. I do not see any reason why the Financial Supervision Commission could not provide a list if it is requested. I am not sure whether they do or not. My understanding would be that if anybody walked into the FSC today and asked for a list of all the banks on the list, they would be provided with one.

The President: Mr Lowey.

Mr Lowey: Could I just ask, for clarity really, the list here includes Kaupthing Singer and Friedlander (Isle of Man) Ltd. Is that bank in existence?

Mr Downie: That bank is still in existence (*Interjections*) and we will know what is happening to it on 27th November.

Mr Lowey: Are we likely to get any compensation?

Mr Downie: I think the Hon. Member is on a fishing expedition at the moment. (*Laughter*)

Mr Lowey: Well, it does seem rather strange to me to have it on a list that we all know... (*Interjections*)

The President: I think we are all very well aware that it is on the list and it will be subject to the decision, I think, on 27th November.

Mr Callister.

Mr Callister: Yes, thank you, Mr President.

Just looking at some of these banks, clearly these are all Isle of Man banks as such but they are linked, in many cases, to UK banks. I would just be interested to know what percentage of deposits are retained on the Isle of Man, rather than passed back to the central banks. Is there an answer to that?

The President: I am not sure but Mr Downie, I doubt if you have that...

Mr Downie: I do not have that information, Mr President.

The President: Okay, Hon. Members... Mrs Christian.

Mrs Christian: May I ask another supplementary, please, Mr President?

The President: Yes.

Mrs Christian: Would the Hon. Member give consideration, when taking back this issue of publication – and I mean publication in the newspaper rather than just on a list available from the FSC – whether they could indicate clearly whether individual institutions on the list are covered separately under the Depositors' Compensation Scheme or whether any of them are grouped together because they are in common ownership?

The President: Mr Downie.

Mr Downie: Yes, I will raise that when I go back to the Treasury. I think it is a very valid point. There are for example, Bank of Scotland has, at least, four or five different subsidiaries which have different names but, at the end of the day, they are all part of that one affiliation. So I think the point that the Hon. Member makes is very good.

The President: Mr Waft.

Mr Waft: The question I asked to the Hon. Member which the Attorney General might advise, because he oversees the charities and what happens within the charities and given the present financial climate, there are large sums of money deposited through the charities I know within different banks on the Island. Is there any sort of guidance as to whether we should just involve ourselves in particular banks or not?

The President: I do not think there can ever be any guarantee. Mr Attorney, you may reply, sir.

The Attorney General: Mr President, the duties of an Attorney General are many and various, but I am afraid I would not hold myself out as an investment adviser! Certainly, all I can say, Mr President, is that under the current Depositors' Compensation Scheme, charities would be entitled to recover £20,000 under the Scheme.

The President: Mr Callister.

Mr Callister: Yes, one more, Mr President, thank you.

I have been looking at a number of websites of various banks and, on some of them, particularly I noted on Alliance and Leicester and Bradford and Bingley, they, under Securities, say that – Security of Deposits – they will be responsible to their depositors to 100 per cent. Precisely what that means, I cannot be certain, but does that 100 per cent outweigh the Compensation Scheme, should you get into that situation?

The President: You certainly do not get it twice. (*Laughter*) Mr Downie.

Mr Downie: That is an interesting question and of course, to broaden the answer a little bit, there has recently been legislation approved in the Irish Parliament where they are also offering a similar arrangement. But I would assume – I stand to be corrected – that our Depositors' Protection Scheme must kick in first and then, in the Irish case for instance, they will come in after that and assess the situation when our Depositors' Protection Scheme has come into being.

So, it is not as black and white as it may appear. However, I will endeavour to get some more information for the Hon. Member and get that forwarded to him.

LOCAL GOVERNMENT AND THE ENVIRONMENT

Clagh Vane and Crossag Farm Empty properties; timetable for development

1.4. The Hon. Member (Mr Lowey) to ask a Member of the Department of Local Government and the Environment:

- (a) *how many houses are lying empty in Clagh Vane awaiting demolition;*
- (b) *how long have they lain empty;*
- (c) *how much revenue would the Department have received if they had been occupied;*
- (d) *what timetable is now envisaged for the Crossag Farm development ?*

The President: Hon. Members, we move on to Question 4 and I call the Hon. Member, Mr Lowey.

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

The President: This time, I ask Mrs Christian to reply.

Mrs Christian: Thank you, Mr President.

With regard to part (a) of the Hon. Member's Question, there are five dwellings that are currently not tenanted and there are two more about to be vacated in the near future. The Department is developing proposals for new replacement dwellings on the Douglas Road frontage of Clagh Vane estate and the Treasury has recently approved a business case which has enabled the Department to begin to work up the proposals in detail.

These proposals include the demolition of the existing dwellings, which are now almost 60 years old, in poor condition, including their supporting infrastructure, and cannot economically be refurbished.

With regard to part (b) of the Hon. Member's Question, I can advise that two dwellings were vacated in February 2007, one dwelling in February 2008, two dwellings in April 2008, and the Department is continuing to liaise with the remaining tenants with a view to agreeing transfers to alternative dwellings as suitable homes become available.

In relation to part (c), I can advise that the income from the vacated dwellings would have been £15,712.24, including rates.

Finally, with regard to part (d) of the Hon. Member's Question, I regret I am unable to advise when the Department

might be in a position to commence development of much-needed homes on the Crossag Farm site. As Hon. Members are aware, the decision of the Council of Ministers not to grant planning approval to the Department's planning application in 2007 is the subject of a petition of dolence submitted by the proposed developer. I understand that pleadings in the petition will be heard in the courts on 3rd, 4th and 5th December.

So, the Department is not in a position to understand what actions are required to move this project forward until the courts have ruled on the outstanding petition and that the judgment of the court is received. We are hopeful that this will become clearer early in 2009 and then the Department will be in a position to update Hon. Members.

The President: Mr Lowey.

Mr Lowey: Would the Hon. Member not agree that four of the properties are in one block – two bungalows and the two houses – which are on the main road, which I do not need to tell the Hon. Member is the main road from the Airport and to see derelict properties lying boarded up is not the best welcome to the Isle of Man?

Would she also not agree that these houses should be demolished and buildings already put on them, because if and when we get the Crossag Road development, this is part of the area for decanting, so why can they not be demolished now? Though that particular block in particular... to let buildings lie empty for, at least, nine months – in some cases they are longer than that – is not a good advert for DoLGE or for the homeless people who are looking for houses.

The President: Mrs Christian.

Mrs Christian: I obviously can agree that they are on the main road from the Airport and it is undesirable to have empty houses boarded up on that approach. It is also undesirable to have empty houses.

However, the process of decanting people from the block of buildings – and there are 12 that are due to be demolished and rebuilt – takes some time. I accept that the vacation of the property in February 2000 means that that property has been vacant for a very long period of time. Perhaps the Department jumped the gun in anticipating that they might have had new properties to decant these people to on Crossag Farm but that, as we are aware, has gone by the board for the time being.

The Department has, as I say, produced a business case to go the Treasury for the development of the whole of that unit. I am not in a position to answer why they cannot redevelop one small element of it at this time. I am not quite sure whether it would be more speedy to do that than to get the whole thing tackled at once. The planning application is due, I think, to go for consideration in December for the whole of the area and the approval of Treasury has been given to the financial position for work to start in 2009-10.

Clearly at the moment, there is consideration being given to bringing forward certain parts of the Department's works. However, at the same time, there are other people living in the vicinity and it is the Department's wish to try and meet their needs before moving them out of their homes.

The President: Mr Lowey.

Mr Lowey: Would the Member in charge of answering the Question not agree – I pass these houses every day of my life at the end of my road, so I know them well – if we are waiting for the blocks to be completed, all 12 of them, we will be waiting...? We have been waiting now for two and a half years but when we agreed Crossag Farm, we realised that this was the area which we needed to start the operation of refurbishing the estate. So, we have been waiting for two and a half years. We have still not decanted the people out of all of those houses. So, two and half years have gone by.

We do have a large section of that on the main road which could, in my view at least, have been demolished if not rebuilt on, but at least, they could be demolished, and that is the urgency that I asked the Minister of the day two and half years ago to take up and to do it step by step instead of waiting for the whole lot to come empty. If we are waiting for the whole lot, we will be waiting for a long time and my point is that these houses are lying empty. They are an embarrassment to Government for the homeless. It is an embarrassment to visitors coming to the Island to see boarded up properties in an estate that is, as she rightly says, 50 to 60 years old.

The President: I think Mrs Christian acknowledged that. Mrs Christian.

Mrs Christian: Yes. Can I say that it was 2007 when the first house was vacated, so we are not quite two years since the decanting process started, but it is a long period, and I accept that.

The Hon. Member has indicated they could be demolished. I have not got an answer on why they have not been demolished. I do have an answer on why it would be difficult to rehouse them short-term. There are complications in using properties for short-term lets which add further to the requirement to rehouse those people, when you decant them, when the whole project starts, so the Department has avoided putting people into those houses short-term, because people, by and large, did not want to live there.

On the other hand, there are people there who still have to be decanted and do not want to move, so the Department has a very delicate balancing act to do. To move people when they get properties available – and we have not got any new build down there just at the moment – and secondly, when people are willing to move. So, they are doing their best to be good landlords, I think, in this context.

I have no answers to why the unit by the road has not been demolished, where the Member has indicated that it is empty.

Mr Lowey: There are four.

Mrs Christian: On the plan I saw, I thought there were some adjacent to them which were still occupied. However, I will take local knowledge into account here and say I will take this back to the Department to see whether they consider that there would be any merit in demolishing them, now that they are vacated.

The President: Hon. Member, Mr Waft.

Mr Waft: Thank you, Mr President.

I recently visited the house at Kemmyrk with regard to helping out the people who were living without shelter for

the night, I just wondered if this is replicated throughout the Island, when there are problems with regard to houses lying vacant for certain periods of time. Has she any figures with regard to the numbers on the Isle of Man generally?

The President: Just before you reply, I appreciate the voice problems, Mr Waft, but maybe for *Hansard*, would you try to speak up, please?

Mr Waft: I will.

The President: Mrs Christian.

Mrs Christian: I have no information about that, Mr President. I think, in addition, I am not sure that that project has yet got off the ground because they had not, the last information I had, sufficient people to man it.

The President: 13th November.

Mr Lowey: I read that too. Would the Member... Could I ask a supplementary through you, Mr President, on houses lying empty for a long time? Would she not agree that Port Erin have St Mary's Road lying empty for, again, in excess of 18 months to two years.

Mrs Christian: Mr President, I am not in the Housing Division. I have answered the Question as tabled as best I can. I am afraid I do not have the information which the Hon. Member seeks.

The President: I think it would probably be very easy to go around the Island. I am not proposing to do that this morning.

Waste facilities at Archallagan and Bride Plans and costs

1. 5. The Hon. Member (Mr Lowey) to ask a Member of the Department of Local Government and the Environment:

- (a) when will the plans for the waste facilities at Archallagan plantation be resolved, and where is the 'hold up';
- (b) how long will the Bride facilities be used;
- (c) what alternative plans have the Department if the present plans are shelved;
- (d) how much has the proposed move to Archallagan cost to date?

The President: We will go on, Mr Lowey, to Question 5, please.

Mr Lowey: Yes, thank you. Mr President, I beg leave to ask the Question standing in my name.

The President: Mr Butt, I understand, is answering this one again for the Department of Local Government.

Mr Butt: Yes, I am, sir. Thank you, Mr President.

In reply to part (a) of the Hon. Member's Question, the

planning application to build a fully-engineered landfill site at Archallagan was submitted by the Department in March 2007. As a Department application, it was required to be determined by an independent planning inspector.

Objectors to the application asked for an extension of time to submit their evidence and the planning application was finally heard by the inspector in January this year. In the time allowed for the submission of evidence by the objectors, two private companies, Colas and Cemex, submitted applications for landfills which were then co-joined with the Archallagan application and this delayed the inspector's decision further.

The inspector submitted his report to the Council of Ministers at the end of July for them to make a decision on all three applications. The decision has still not been made as a number of members of the Council state that they are conflicted so cannot be involved in determining the application, and this leaves the Council not quorate. It is hoped that a mechanism for determining the applications will be found shortly.

With regard to part (b) of the Question, planning permission to use the landfill facilities at Wright's Pit North expires on 31st December 2008. The Department held off putting in a planning application to extend the life of the site in the expectation that a determination on Archallagan would be made in the summer of this year. Later this month, the Department will be submitting a planning application for a further three years' landfilling at Wright's Pit North.

With regard to the third part of the Question, the Department is in discussions with the private sector, to see if any of them can provide a long-term landfill facility that can take all of the wide-range waste proposed for Archallagan. However, none will be available in the short term, but if successful, Archallagan will be ready in time for the summer of 2010.

With regard to the final part of the Question, costs of Archallagan, to date, are £374,230 which covers submission of the detailed planning application, providing detailed technical evidence for the inquiry and legal representation at the inquiry. It does not include the cost of officer time in all these areas.

Thank you, Mr President.

The President: Mr Lowey.

Mr Lowey: Thank you, Mr President.

Quite an amazing story. I thank the Hon. Member for the reply.

The hold-up there is, quite clearly, identified with the Council of Ministers. Would the Hon. Member not agree that, if they have submitted a report in July, and here we are in November, and we are still talking of how to resolve the problem of whether the Council can be quorate or not, it is totally unacceptable on a project that is vital to the Isle of Man?

I would suggest – would he not agree? – it is also vital for the people of Bride who have been given assurances after assurances, after assurances that they will not be used for tipping, and it is quite disgraceful that it has taken the Council of Ministers, even now, four months later not to have made a decision on this project.

The President: Mr Waft. Mr Butt, I mean. (*Laughter and*

interjections) I was working my way down the line!

Mr Butt: Yes, firstly I agree that this is a vital resource that we need in the Isle of Man, whether it is at Archallagan or anywhere else, and it is disappointing that the matter has not been resolved as yet.

The application was put in in March 2000, in the confident hope that, within a year, the matter would have been dealt with, even allowing for the objections and the planning applications. Had the timescale followed which we hoped, the site would have been built up by now and we would not have had to go back to Bride. I am sure the people of Bride and the Commissioners will be disappointed with this result.

I have no information as to the machinations of the Council of Ministers, but I hope they understand also that this is a matter which needs to be progressed as soon as possible.

The President: Mr Callister.

Mr Callister: Thank you, Mr President.

Could I ask the Member if the £374,230 that is quoted included also the cost of the *earlier* inquiry into Archallagan?

The President: Mr Butt.

Mr Butt: No, I understand that this is separate, sir.

Mr Callister: Do we know what that figure is to add to this figure?

Mr Butt: I do not have that to hand today, but I know that these costs are extra to the new planning application from March 2007.

The President: Mr Callister.

Mr Callister: In view of the information that has come to us this morning then, would you go back to the Department and suggest that this Archallagan scheme is withdrawn completely and the Department starts again?

The President: Mr Butt.

Mr Butt: I will provide the costs of the earlier application. I will get them circulated, Mr President.

As regards starting again, this has taken many years to get to where we are now. Obviously, there are a lot of people who are opposed to the Archallagan scheme, but one of the reasons why the Department wished to pursue that scheme is that the cost of that scheme will be a one-off cost which will then provide a facility for 30 plus years. When we go to the private sector, it will be much more expensive to actually send hazardous materials and bottom ash and other materials on a yearly basis to a company which will, no doubt, charge large fees, as they do at the moment for the bottom ash.

The President: Mr Crowe.

Mr Crowe: Just for clarification, please, you said that there were three applications, one from the Department and two by the private sector representatives and they were

co-joined – so the decision on all three is held over at the present time?

Mr Butt: Yes.

Mr Crowe: To separately determine the private sector one, separate from the Department's application – that is the question. Can they be separated or is it one decision for the three co-joined applications?

The President: Mr Butt.

Mr Butt: I understand that the inspector has co-joined the three applications from Cemex, Colas and the Archallagan Inquiry. He has made a decision on all three jointly and it is one decision which the Council of Ministers need to determine.

Mr Crowe: Thank you.

The President: Mrs Christian.

Mrs Christian: Mr President, would the Hon. Member indicate whether he has any timescale that the Council of Ministers are offering for a resolution to this problem of being inquorate and will it involve legislation? It is an unusual situation. Has he any indication of how the matter might be progressed?

The President: Mr Butt.

Mr Butt: Yes, Mr President.

I understand that the Council of Ministers are considering appointing acting Ministers in lieu of the Ministers who are conflicted to make the decision in Council. I am not sure how far that has progressed, but that is a consideration at the moment.

The President: And Mrs Christian's question regarding the practicalities or otherwise of the primary legislation?

Mr Butt: I have no knowledge of that at all, Mr President.

The President: Mr Callister.

Mr Callister: I just would ask, again, Mr President, it is clear that not sufficient members of the Council of Ministers are prepared to support the scheme.

Mrs Christian: That is not the case.

Mr Callister: Is that not how I understand it?

The President: No, I think the answer is... Let us just get this clear. Mr Butt will probably answer it, but I think the question was that they felt that they... Well, answer the point which Mr Callister is making.

Mr Butt: Yes, Mr President. I know that two members of the Council are conflicted by having a previous stated position; others are conflicted because of the positions which they occupy and feel they cannot take part in the decision.

The President: They have already made their position plain, in other words, in advance.

Mr Butt: Yes sir.

The President: Mr Callister.

Mr Callister: So in that case then, if that is the situation in the Council of Ministers, does the Department of Local Government not need to consider what the position may well be in the remainder of Tynwald when this scheme comes forward for approval? The obvious answer is to look elsewhere and abandon it.

Mr Butt: We have no idea – I have no idea – what the result of the inspector's decision is, so it could go either way and because we have no idea what that decision is and what the Council of Ministers may say, we are looking at alternatives at the moment with the private sector.

As I say, that will be much more expensive for the Isle of Man in the long term.

The President: Looking at those alternatives – the private – are those the two that are already co-joined though or are you looking outside of that as well?

Mr Butt: We are looking everywhere, sir: there are more than just those two.

The President: Okay. Mr Lowey.

Mr Lowey: Taking the point that the Hon. Member has said, the option of the Council of Ministers may be to appoint a Minister, would he not agree that everybody who has taken part in the debates on the Archallagan has declared an interest by voting one way or another and therefore it would be extremely difficult to get Ministers, acting Ministers who have not been contaminated by expressing a view one way or the other?

Would he not agree that it would be almost impossible to find people in Tynwald, unless they are brand new, that have not had any part? I am contaminated because I was one of the original people that actually supported the Archallagan Plantation having been in charge of waste.

The President: Mr Butt.

Mr Butt: You make a good point Mr Lowey. As far as I am aware, there has not been a vote in Tynwald on this matter in this session of this Tynwald and there are new Members in the Court since then.

The President: Okay Hon. Members, I think that brings our Questions to an end and it is the end of our Order Paper this morning.

Procedural

The President: In relation to the sitting on 2nd December, Hon. Members, there are the practicalities of a presentation from the legislative drafting team. As I understand it the Council session has been planned for the lunchtime on 9th

December, Hon. Members. It would appear as if in fact the Keys will not be formally sending us any particular legislation or much legislation for us to deal with on that morning. Hon. Members, would Council be content for the presentation from the legislative drafting team to take place on 2nd December at say 11.30 that morning? That would enable us to clear such business as we may have at 10.30, but if we plan it for 11.30 on 2nd December, would that satisfy Members? Are we agreed Hon. Members?

Members: Agreed.

The President: In that case Hon. Members, that concludes the business before the Council this morning. Thank you, Hon. Members.

The Council adjourned at 11.32 a.m.