



**HOUSE OF KEYS  
OFFICIAL REPORT**

**RECORTYS OIKOIL  
Y CHIARE AS FEED**

**PROCEEDINGS**

**DAALTYN**

**(HANSARD)**

**Douglas, Tuesday, 10th March 2009**

**Present:**

The Speaker (Hon. S C Rodan) (Garff);  
 The Chief Minister (The Hon. J A Brown) (Castletown);  
 Hon. D M Anderson (Glenfaba); Hon. A V Craine and Hon. A R Bell (Ramsey); Hon. W E Teare (Ayre);  
 Mr J D Q Cannan (Michael); Mr T Crookall (Peel); Mr P Karran, Hon. A J Earnshaw and Mr D J Quirk (Onchan);  
 Hon. G M Quayle (Middle); Mr R W Henderson and Mr J R Houghton (Douglas North);  
 Hon. D C Cretney and Mr W M Malarkey (Douglas South); Mr R P Braidwood and Mrs B J Cannell (Douglas East);  
 Mr C G Corkish MBE and Hon. J P Shimmin (Douglas West); Mr G D Cregeen (Malew and Santon);  
 Mr J P Watterson, Hon. P A Gawne and Mr Q B Gill (Rushen);  
 with Mr R Phillips, Secretary of the House.

**Business transacted**

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*The House adjourned at 11.32 a.m.*

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## House of Keys

*The House met at 10.00 a.m.*

[MR SPEAKER *in the Chair*]

### PRAYERS

*The Chaplain of the House*

### Leave of absence granted

**The Speaker:** Hon. Members, I have given temporary leave of absence to the Hon. Member for Onchan, Mr Earnshaw, who will be joining us later on this morning.

### Commonwealth Day Message from Her Majesty the Queen

**The Speaker:** Hon. Members, turning to our Order Paper and Item 1, I shall read a message from Her Majesty the Queen, Head of the Commonwealth:

'This year the Commonwealth commemorates its foundation sixty years ago. The London Declaration of 1949 was the start of a new era in which our member countries committed themselves to work together, in partnership and as equals, towards a shared future.

We can rightly celebrate the fact that the founding members' vision of the future has become a reality. The Commonwealth has evolved out of all recognition from its beginning. It has helped give birth to modern nations, and the eight original countries have become fifty-three. We are now home to nearly two billion people, a third of the world's population. Across continents and oceans, we have come to represent all the rich diversity of humankind.

Yet despite its size and scale, the Commonwealth to me has been sustained during all this change by the continuity of our mutual values and goals. Our beliefs in freedom, democracy and human rights; equality and equity; development and prosperity mean as much today as they did more than half a century ago.

These values come from a common responsibility exercised by our governments and peoples. It is this which makes the Commonwealth a family of nations and peoples, at ease with being together. As a result, I believe we are inspired to do our best to meet people's most pressing needs, and to develop a truly global perspective. That is why the modern Commonwealth has stood the test of time.

But as we reflect upon our long association, we should recognize the challenges that lie ahead. Nearly one billion people of today's Commonwealth are under 25 years of age. These are the people that this association must continue to serve in the future. It is they who can help shape the Commonwealth of today, and whose children will inherit the Commonwealth of tomorrow.

To help them make the best of their opportunities, our young men and women therefore need the opportunity to become active and responsible members of the communities in which they live. I am pleased that the Commonwealth recognizes this, and is determined to continue to put young people at its centre.

The call that brought the Commonwealth together in 1949 remains the same today. Then we joined together in a collective spirit – built on lasting principles, wisdom, energy and creativity – to meet the great tasks of our times. As the Commonwealth celebrates its sixtieth birthday, its governments, communities and we as individuals should welcome that achievement. Together, we should continue to work hard to deal with today's challenges so that the young people of today's

Commonwealth can realize their aspirations. In that way, we can look to the future with confidence.

ELIZABETH R  
9 March 2009'

## Questions for Oral Answer

### CHIEF MINISTER

#### Policy on bullying and harassment in the workplace Level of success

2.1. The Hon. Member for Onchan (Mr Karran) to ask the Chief Minister:

*Whether his policy on bullying and harassment in the workplace is working?*

**The Speaker:** Hon. Members, we now turn to Item 2 on the Order Paper: Questions for Oral Answer. I call on the Hon. Member for Onchan, Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, I ask the Question standing in my name.

**The Speaker:** I call on the Chief Minister, the Hon. Member for Castletown, Mr Brown.

**The Chief Minister (Mr Brown):** Mr Speaker, the Council of Ministers endorsed the Prevention of Bullying, Harassment and Victimisation policy in July 2006. Included in the policy is a reference to regular reviews. The first review was undertaken and reported to the Council of Ministers in December 2008. This review showed that in the period from 1st April 2007 to 31st March 2008, 28 formal complaints were received. Of these, two were withdrawn and seven were resolved after initial investigation; 19 formal investigations were investigated, four of which were continuing at the time of the review. Seven complaints out of the remaining 15 were upheld.

At the same time, but in a separate exercise, suggestions were invited to review the policy in light of the experience gained. These were incorporated into a revised draft policy which has now gone out to consultation. The consultation process will end on 20th March 2009.

Mr Speaker, in light of the above information, I would say that the policy on bullying and harassment has been a qualified success. However, the policy is a living policy which will change and improve in the light of experience and I expect it to become more successful as we progress.

Thank you, Mr Speaker.

**The Speaker:** Hon. Member, Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, could the Ard-shirveishagh just clarify: what is the procedure as far as our employees? Who do they get in touch with? Do they have to go directly to their union or how do they deal with this issue, in order to make sure that people outside, as well as inside, this Hon. House know what the procedures are?

### Leave of absence granted

### Commonwealth Day Message from Her Majesty the Queen

### Policy on bullying and harassment in the workplace – Level of success

**The Speaker:** The Chief Minister.

**The Chief Minister:** Mr Speaker, there is a document which is actually published called the Prevention of Bullying, Harassment and Victimisation at Work which is available to staff and is also, I think, published on the website. The procedures are set out there. There is an informal action, formal action, disciplinary and capability procedures, etc. So that sets out how an individual who feels they are being bullied would, in fact, make a complaint in relation to such actions. Therefore, that then would be taken through the procedures.

**The Speaker:** Hon. Member for Onchan, Mr Quirk.

**Mr Quirk:** Thank you, Mr Speaker.

Could I ask the Chief Minister, then, if any member of our employees were in the pretext of being bullied, would he encourage them to keep a diary or some record of events that take place? Could I ask the Chief Minister, would he endorse that?

**The Speaker:** Minister.

**The Chief Minister:** I am sure that individuals who believe they are affected by bullying would make a record of what it is that is happening. Also, I would have expected that officers who are dealing with it would clearly keep a written record of the situation and the discussion that took place, sir.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Ard-shirveishagh agree that it is important that, if individuals feel that they are in this situation, not to hide the situation, but actually speak out?

If there are people who are still concerned about the position that they feel that the issues have not been addressed, even allowing for the initiatives of the Council of Ministers, who do they make representation to?

**The Speaker:** Chief Minister.

**The Chief Minister:** Again, Mr Speaker, as far as I am aware, the individual would make representation to their line manager or if, in fact, the line manager was the problem, they would go above the line manager. I am sure and certainly the record of most of our public sector workers is, if they need the support of their union in this, they will certainly approach their union.

So, the procedure is set down. We have set that out in writing for the first time, so there is a clear procedure for individuals. As I say, we are out to consultation now, to see if we can improve on it after the experience of the first year or so, or a couple of years, and, quite clearly, if we can improve on it then that is something we are happy to do, sir.

## TREASURY

### FSC letter to FSA in May 2008 Copy to Members

2.2. The Hon. Member for Michael (Mr Cannan) to ask the Minister for the Treasury:

*If he will provide Members of Tynwald with a copy of a letter written by the Financial Supervision Commission to the Financial Services Authority (London) in May 2008 (the same letter the Chief Executive of the Financial Supervision Commission agreed to send to the House of Commons Treasury Select Committee)?*

**The Speaker:** Question 2. Hon. Member for Michael, Mr Cannan.

**Mr Cannan:** Sorry, Question 2? I beg your pardon. I am sorry, I thought you called me for a supplementary, Mr Speaker.

**The Speaker:** Question 2.

**Mr Cannan:** I ask the Question standing in my name, sir.

**The Speaker:** I call on the Minister for the Treasury, Hon. Member, Mr Bell.

**The Minister for the Treasury (Mr Bell):** Mr Speaker, the Answer to the Question is yes.

**Mr Cannan:** I am pleased that the Minister will provide Members with the letter. Can I ask him when he will provide that copy of the letter: this week or next week, sir?

**The Speaker:** Minister for Treasury.

**The Minister:** It will be in the next few days, Mr Speaker.

### Kaupthing Singer and Friedlander (Isle of Man) Ltd Scheme of Arrangement

2.3. The Hon. Member for Michael (Mr Cannan) to ask the Minister for the Treasury:

*(1) Whether the Council of Ministers needs Tynwald approval to be party to a Scheme of Arrangement in respect of Kaupthing Singer and Friedlander (Isle of Man) Limited; and*

*(2) whether the Council of Ministers needs Tynwald approval to use Reserve Funds as a loan to the Scheme of Arrangement pending payment by the licensed banks?*

**The Speaker:** In that case, Question 3. Hon. Member for Michael, again, Mr Cannan.

**Mr Cannan:** I ask the Question standing in my name, sir.

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

**The Minister for the Treasury (Mr Bell):** Mr Speaker, any scheme of arrangement, in order to be effective, must be approved by the court, in accordance with section 152

of the Companies Act 1931. That section envisages that a compromise or arrangement is made between a company and its creditors, or any class of them. The Council of Ministers will not be party to the Scheme and, therefore, will not require to obtain Tynwald approval, as suggested by the Hon. Member. It is likely, however, that the Treasury will be a party, in order that it can enforce its rights to recovery of the monies which are to be advanced by Treasury to support the funding of the Scheme. Treasury will be seeking the approval of Tynwald to such funding, as explained in part (2).

And the answer to part (2), Mr Speaker, is that it is envisaged that the Treasury will seek the approval of Tynwald to have recourse to the reserve funds, so that funds maybe provided by Tynwald to provide financial liquidity for the payments to be made pursuant to the Scheme of Arrangement, pending payment by those banks which would otherwise be committed to making payments by way of levy, pursuant to the Depositors' Compensation Scheme.

**The Speaker:** Mr Cannan.

**Mr Cannan:** One supplementary.

Is the Treasury Minister – and I digress slightly. I am pleased with the Answer he has already given. Is he confident that the Depositors' Action Group and the majority of the depositors actually want a scheme of arrangement rather than a liquidation?

And, secondly, do they have a vote on the subject?

**The Speaker:** Mr Bell.

**The Minister:** The Scheme of Arrangement, if it is approved by the court on 9th April, Mr Speaker, will need then to go on to a vote of all the depositors, so all depositors will have a vote in whether or not the Scheme goes ahead. At that point, Mr Speaker, we will know whether depositors support the Scheme or not.

But the Depositors' Action Group, it would appear, from being a fairly homogeneous group to begin with, are now seriously fragmented and a number, in particular, are pursuing a different agenda from what, I believe, is the majority view.

**The Speaker:** Hon. Member, Mr Watterson.

**Mr Watterson:** I would just like to give the Treasury Minister an opportunity to clarify that statement. Any scheme of arrangement, would he agree, is actually approved by both classes of creditors, not just depositors?

**The Speaker:** Mr Bell.

**The Minister:** I am sure the Hon. Member is right.

**Kaupthing Singer and Friedlander (Isle of Man) Ltd  
Beneficial owner and directors**

2.4. The Hon. Member for Michael (Mr Cannan) to ask the Minister for the Treasury:

*If agreement is reached for a Scheme of Arrangement for Kaupthing Singer and Friedlander (Isle of Man) Limited –*

(a) *who the beneficial owner of Kaupthing Singer and Friedlander (Isle of Man) Limited will be; and*  
(b) *who the directors will be?*

**The Speaker:** Question 3. Hon. Member for Michael, Mr Cannan.

**Mr Cannan:** I think we have just had Question 3, sir. It is Question 4?

**The Speaker:** Question 4. I beg your pardon. Question 4.

**Mr Cannan:** I ask the Question standing in my name.

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

**The Minister for the Treasury (Mr Bell):** Mr Speaker, the Scheme of Arrangement for Kaupthing Singer and Friedlander (Isle of Man) Ltd becomes effective in accordance with the procedures set out in section 152 of the Companies Act 1931.

(a) There will be no change in the beneficial ownership of the company.

(b) There will be no change in directors of the company, purely by reason only of the Scheme of Arrangement having become effective.

**Mr Cannan:** I thank the Minister for informing the House.

As the Treasury will be part of the Scheme of Arrangement, if not the Government – I fail to see the difference – are the Government satisfied going through the Scheme of Arrangement with the beneficial ownership remaining the same? And do they have confidence in the existing directors of the Bank to continue to bring to fruition this Scheme of Arrangement?

**The Speaker:** Minister to reply.

**The Minister:** Mr Speaker, I am answering the Question on the basis of what would be the legal position, should the Scheme of Arrangement go ahead, and I cannot comment beyond that.

**The Speaker:** Mr Watterson.

**Mr Watterson:** Is the Treasury Minister aware whether the directors of the company are still receiving remuneration for that role?

**The Speaker:** Minister.

**The Minister:** I am not, Mr Speaker.

**The Speaker:** Mr Cannan.

**Mr Cannan:** Further supplementary relative to the Scheme of Arrangement. Is the Minister now confident that he has the support of all the licensed banks to progress the Scheme of Arrangement?

**The Speaker:** Minister to reply.

**The Minister:** Discussions are continuing with the banks at the moment, Mr Speaker, and I am confident that the progress which has been made over the last week or two will ultimately evolve into the bankers' full support for the Scheme.

**Kaupthing Singer and Friedlander (Isle of Man) Ltd  
AlixPartners Ltd as Treasury advisers**

2.5. The Hon. Member for Michael (Mr Cannan) to ask the Minister for the Treasury:

*What fee has been negotiated with AlixPartners Limited to advise Treasury on all matters relating to the collapse of Kaupthing Singer and Friedlander (Isle of Man) Limited?*

**The Speaker:** Question 5. Hon. Member for Michael.

**Mr Cannan:** I ask the Question standing in my name, sir.

**The Speaker:** Minister for the Treasury, Mr Bell.

**The Minister for the Treasury (Mr Bell):** Mr Speaker, the agreement between the Treasury and AlixPartners Ltd is primarily in respect of their specialist expertise in the field of bank reconstruction. The engagement covered the initial diagnosis of the situation, following the provisional liquidation of KSF, which considered alternatives of potential restructuring and recovery of the bank. The latter phases of their engagement have been to assist in relation to the development to the Scheme of Arrangement and associated preparation of the documentation for the High Court proceedings.

The fee arrangements are structured on a time basis remuneration for actual hours spent on the assignment, together with associated expenses at cost.

**Mr Cannan:** Further: has the Treasury any idea of the likely amount of the costs, notwithstanding the answer already given? Will he give an indication of the costs in obtaining legal advice for this Scheme of Arrangement, first of all from local advocates, Gough & Co.; secondly, Herbert Smith, London solicitors; and, thirdly, obtaining the services of leading London Counsel, Gabriel Moss QC?

**The Speaker:** Minister.

**The Minister:** Mr Speaker, the Question relates to AlixPartners. I have not got that wider information.

**Mr Cannan:** Would the Treasury Minister like to advise Members of these additional costs that are likely to be incurred?

Secondly, will he advise who is going to pay these costs? Is it the taxpayer or is it to come out of the residual funds of the Kaupthing Singer and Friedlander Bank?

**The Speaker:** Minister.

**The Minister:** As the Hon. Member knows, Mr Speaker,

the costs in relation to trying to save this Bank are being borne by Treasury.

**The Speaker:** Hon. Member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Thank you, Mr Speaker.

Can the Hon. Treasury Minister advise the House this morning what the costs are to date of the engagement of AlixPartners Ltd?

**The Speaker:** Minister to reply.

**The Minister:** Yes, Mr Speaker, the total cost to the end of February is £532,211, including VAT.

**The Speaker:** Mr Cannan.

**Mr Cannan:** If the costs now being borne are half a million to the Treasury and further costs, which he is going to indicate, if the Scheme of Arrangement is not approved by the court or not approved by depositors in their vote, then would he confirm that these costs incurred will go by default to the taxpayer?

**The Speaker:** Mr Bell.

**The Minister:** I have already answered that question, Mr Speaker.

**Secret/non-disclosure payments  
Amounts authorised by Government Ministers/  
Chairmen**

2.6. The Hon. Member for Michael (Mr Cannan) to ask the Minister for the Treasury:

*How many secret/non-disclosure payments were authorised by Ministers and Chairmen of Statutory Boards during the following years –*

*(a) 2006-07;*

*(b) 2007-08; and*

*what is the total amount paid in each year?*

**The Speaker:** Question 6, Hon. Member for Michael.

**Mr Cannan:** Mr Speaker, I ask the Question standing in my name.

**The Speaker:** Minister for the Treasury, Mr Bell.

**The Minister for the Treasury (Mr Bell):** Mr Speaker, for the year 2006-07, two payments were made; and for the year 2007-08 two payments were made.

The total amount paid in each year was: for 2006-07, £26,480; and in 2007-08, £577.25.

**The Speaker:** Mr Cannan.

**Mr Cannan:** Do these payments relate to bonuses to senior civil servants, about which we cannot obtain information, or are they purely payments made in out-of-court settlement in respect of contracts?

**The Speaker:** Minister to reply.

**The Minister:** I do not have the detailed information, Mr Speaker, but I believe, certainly in part at least, it was the second.

**The Speaker:** Question 7... Mr Watterson.

**Mr Watterson:** Yes, I was trying to catch your eye for a supplementary, apologies.

Would the Treasury Minister define the criteria on which he selected those payments? Does it include all commercially confidential payments?

**The Speaker:** Minister to reply.

**The Minister:** No, they do not.

**The Speaker:** Mr Cannan.

**Mr Cannan:** Supplementary, sir. On what basis were the figures collated, sir?

**The Speaker:** Mr Bell.

**The Minister:** The basis, Mr Speaker, was on the question that the Hon. Member laid before this Hon. Court.

## AGRICULTURE, FISHERIES AND FORESTRY

### Knockaloe experimental farm Future plans

2.7. The Hon. Member for Douglas West (Mr Corkish) to ask the Minister for Agriculture, Fisheries and Forestry:

*If the Minister will make a statement on future plans for and use of the former Knockaloe experimental farm?*

**The Speaker:** Question 7. Hon. Member for Douglas West, Mr Corkish.

**Mr Corkish:** I beg leave to ask the Question standing in my name, Mr Speaker.

**The Speaker:** I call the Minister for Agriculture, Fisheries and Forestry, Mr Gawne.

**The Minister for Agriculture, Fisheries and Forestry (Mr Gawne):** Gura mie eu, Loayreyder.

The farm is currently being used extensively for demonstration purposes to help illustrate how farmers could change their businesses in line with the Department's strategy for a sustainable market-focused industry.

Examples of this work are: the switch to outsource to contractors to reduce overhead costs; trials being undertaken to show how cattle can be finished to better meet the market needs; an experiment to try to add distinctive flavours to commercially finishing lambs; and the imminent planting of a short-rotation willow coppice plot as part of sustainable fuel-crop initiative.

The Department's offices on the site will be vacated

as part of its relocation to the new St John's headquarters and, therefore, the future use of both the buildings and land is being actively explored, alongside existing initiatives to provide sites for the Royal Manx Show and a livestock mart.

The Department is aiming to bring forward a range of options later this year and would welcome the opportunity to present these ideas to Hon. Members in the coming months.

**The Speaker:** Mr Corkish.

**Mr Corkish:** I thank the Minister for his comprehensive reply, Mr Speaker.

Could I also seek a reassurance from the Minister that the Three Legs of Man, which is depicted in grass alongside the Knockaloe experimental farm, will be preserved for the nation, not only for the residents, but also it was a unique illustration of our national coat of arms for residents and visitors alike?

**Mr Henderson:** Hear, hear.

**The Speaker:** Mr Gawne, Minister to reply.

**The Minister:** Gura mie eu, Loayreyder.

Yes, indeed the Three Legs were again pegged out last year and fertiliser is yet again to be placed on those Three Legs to make sure that we have that vibrant green colour. Sadly, not the gold colour that perhaps they should be, but we are going for vibrant green, if that is okay!

**Mr Corkish:** Hear, hear.

**The Speaker:** Hon. Member for Malew and Santon, Mr Cregeen.

**Mr Cregeen:** Thank you, Mr Speaker.

Will the Minister confirm if he has considered using Knockaloe for allotments at all, so that people can grow their own vegetables, as some of the farmers now will be going into the Countryside Care Scheme?

**The Speaker:** Minister.

**The Minister:** Yes, indeed, we have had approaches from I think it was Peel and Patrick Commissioners, but it might have been German – I think it was Peel and Patrick – and certainly as part of the overall review of the use of Knockaloe, that is something that will be considered in the future.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that the fact is that, because agriculture is going to be effectively dying on its feet due to the Government's policy, as far as its effective set-aside... would this not be the opportunity to create the small business units, in order that we could end up with smaller viable units that could use Manx products and create added value to the Manx products, when other issues like the meat plant and the dairy may end up being unviable, because of the withdrawal of the subsidies, as far as production is concerned?

Would he look into this issue that was an issue when

I was a Member of the Department, as far as trying to see whether we could get small units that would actually create the market for agricultural products?

**The Speaker:** Minister for Agriculture.

**The Minister:** Gura mie eu, Loayreyder.

I have to disagree entirely with the opening comments, or perhaps question, of the Hon. Member for Onchan that, in some way, the Department's policy... of course, it is not just the Department's policy; it is Government policy and Tynwald's policy and as a result of Tynwald's policy, agriculture is in some way going to be at more risk. I think the complete opposite is the case, and I believe that, had the Hon. Member for Onchan been able to attend a variety of presentations that have taken place, and meetings with the farmers, he would have realised that the farming community supports the need for change as is to be delivered by the Department's overall strategy.

He also mentioned set-aside: we do not have set-aside in the Isle of Man – never have and never will have set-aside. So I think perhaps when he is throwing out these rather all-encompassing comments, he does need to ensure that there is some basis in fact.

However, going on to the other points that the Hon. Member for Onchan makes in relation to small businesses, yes indeed, that is part of the proposal or the thing that we are looking at, in relation to the use of the buildings that are there. It is one of a number of proposals that we had and certainly we would be very keen to hear from anybody. We have already heard from quite a number of small businesses, with regard to that sort of procedure.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that the emphasis of the Manx equivalent to set-aside is the fact that we have a situation where we are not now paying subsidy for production? The issues such as the likes of the meat plant's viability must come into question, as far as this issue, and the issue of the production of milk and dairy production, as far as the Island is concerned, having such a large site, as far as farmers getting money whether they produce stuff or not.

Does he not agree that he has a golden opportunity with the likes of Knockaloe, as far as creating small tangible units that can be used primarily for agricultural production facilities, so that Manx basic products can be used, so that, as the industry contracts even further because of the withdrawal of the production subsidies, there will be something there for those who want to stay within agriculture, where there will be markets for them?

Will he make sure that we do provide something on those lines in that area, allowing for the fact that, without that sort of subsidy as far as those units are concerned, they could not afford the commercial rents in order to set themselves up?

**The Speaker:** Minister.

**The Minister:** Gura mie eu.

This is way outside the scope of the Question. However, I am very happy to respond to the comments that the Hon. Member for Onchan has made, because I do believe that a lot of them are rubbish. (*Laughter*)

As far as the units are concerned, if he had listened to the first Answer I gave, I said yes. I said that *is* what we are going to do, that *is* what we are looking at. So I am not sure why he needs to ask the question again.

I also made clear the first time I answered his question that there is no Manx equivalent of set-aside. Set-aside is specifically where farmers are required not to do anything with their land. (*Interjection by Mr Karran*) That is part of a policy that says, 'You are not to do something with it.' We have not got an equivalent of that.

**Mr Karran:** You're playing on words, as usual.

**The Minister:** We are encouraging farmers to produce. If the Hon. Member recalls, back in April, there was a whole strategy put in place, or supported, by Tynwald and that strategy involves support for the meat plant, for the dairy, for the whole food chain, for farmers, involves giving advice and a whole range of marketing initiatives. These, together with the Countryside Care Scheme, make up the Department's strategy.

So I do believe that when the Hon. Member for Onchan makes these ridiculous comments, he ought to be able to justify them. I see no evidence whatsoever for him to be able to do so.

**The Speaker:** Hon. Member, Mr Houghton.

**Mr Houghton:** Thank you, Mr Speaker.

Mr Speaker, for Members' understanding of this matter, I wonder if the Minister would be good enough to arrange for a visitation to Knockaloe farm for Members of Tynwald, give us a presentation and a view round this invaluable site?

**The Speaker:** Minister to reply.

**The Minister:** Gura mie eu, Loayreyder.

Yes, I would be very pleased to do that and, indeed, it may well be that that could form part of the presentation that I suggested the Department would like to make when we are closer to having ideas as to what we want to do in the future out at Knockaloe.

**The Speaker:** Final supplementary, Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh inform this Hon. House how long he is intending to subsidise the meat plant and the milk? (*Interjections*) Vainstyr Loayreyder, the issue has been raised within the Question.

How long is it going to take, as far as the Countryside Scheme is concerned? How long are they going to be subsidised for?

Allowing for that fact, surely the Minister needs to realise that this is a golden opportunity for smaller units, in order to make sure that there is, long-term, some sort of market capacity for that agricultural industry that wants to produce food?

**The Speaker:** Mr Anderson.

**Mr Anderson:** This is nothing at all to do with the Question on the Order Paper.

**Mr Watterson:** Hear, hear.

**The Speaker:** Hon. Member, I have been extremely... I have given you a lot of latitude and we have embarked upon a debate on agriculture. Insofar as that latest supplementary relates to Knockaloe, the Minister may answer.  
Minister.

**The Minister:** Gura mie eu, Loayreyder.

I said yes the first time the Hon. Member asked this supplementary. I then reminded the Hon. Member the second time he asked his supplementary, yes, and I will say yes again. It is a good idea, Hon. Member for Onchan. It *is* a good idea and it *is* part of our consideration.

So I do not know what part of 'yes' you are not prepared to understand! (*Laughter*)

### Marine nature reserve proposals Permitting leisure fishing

2.8. The Hon. Member for Malew and Santon (Mr Cregeen) to ask the Minister for Agriculture, Fisheries and Forestry:

*Whether any proposed marine nature reserve will continue to permit leisure fishing in the area?*

**The Speaker:** We move on. Question 8, Hon. Member for Malew and Santon.

**Mr Cregeen:** Thank you, Mr Speaker.  
I beg leave to ask the Question standing in my name.

**The Speaker:** Again, Minister for Agriculture and Fisheries and Forestry, Mr Gawne.

**The Minister for Agriculture, Fisheries and Forestry (Mr Gawne):** Gura mie eu, Loayreyder.

As Hon. Members may be aware, my Department is at an early stage of consultation on a proposed marine nature reserve. Last October, my Department met with commercial fishermen and, in November, we brought together key marine stakeholders at a marine nature reserve workshop. In January and February, we went out to eight community venues around the Isle of Man to consult with a wide range of stakeholders.

Angling interests have been well represented at these meetings and we are making full use of all stakeholders' valuable local knowledge in taking this proposal forward. At this stage no site has been decided: we are, however, listening to all points of view and nothing is ruled in or out at this stage.

Once a specific area is identified, we will need to look at how best to protect the special interest of that chosen area. Often a zoning approach is best so that some areas are more highly protected whilst only a few activities are limited in other areas within the marine reserve. Closing an area for angling can be beneficial to angling in the adjacent area, leading to significant economic benefits. Over the next three years DAFF will be working with anglers, commercial fishermen and other users of the sea to come up with the most practical site to protect and the most effective approach to management.

A clear but perhaps not entirely helpful answer to the Hon. Member's Question is, therefore, maybe.

**The Speaker:** Mr Cregeen.

**Mr Cregeen:** Thank you, Mr Speaker.

Is the Minister aware that the leisure fishermen are concerned that they will be excluded from these areas and has he got any budget identified for policing such marine nature reserve?

**The Speaker:** Minister to reply.

**The Minister:** Gura mie eu, Loayreyder.

I am aware that not only the anglers, but also the whole of the commercial fishing industry are deeply concerned about these proposals and rightly so. Potentially, there could be quite a significant effect on all users of the sea in a particular area which is designated as a marine nature reserve. That is why we are working very, very closely with all the stakeholders, that is why we have had so many meetings already, that is why we have not come forward with any clear proposals at this stage because we wanted to make sure that all the stakeholders are actively involved in the process.

As far as a budget is concerned, one of the main reasons why we need to have stakeholder involvement and indeed stakeholder engagement is that the Department does not have a specific budget and has no intention of having a specific budget at this stage to police a marine nature reserve.

The marine nature reserve will work if we convince the stakeholders that it is the right thing to do. Therefore, we need to have the fishermen on board, we need to have the recreational anglers on board and that is certainly the intention of the Department over the coming three years.

**A Member:** Hear, hear.

**The Speaker:** Mr Cregeen.

**Mr Cregeen:** Thank you, Mr Speaker.

The Minister confirmed earlier that by closing off one area it would encourage fishing in another area. Is he still progressing with the cable reefs?

**The Speaker:** Minister.

**The Minister:** Gura mie eu, Loayreyder.

Yes, indeed, there are plans to introduce or to, basically, recycle old, I think it was British Telecom, cable. There have been discussions for some considerable time in the Department with cable recyclers to possibly create cable reefs in the Port Erin enclosed area. However, due to a variety of reasons outside of our own control, it has taken rather longer than we had hoped.

## TRANSPORT

### Road Transport Act 2001, schedule 2 DoT recommendations re removal

2.9. The Hon. Member for Douglas South (Mr Malarkey) to ask the Minister for Transport:

*Whether he intends to brief Members of Tynwald regarding the recommendations of the Department's*

*committee which has been looking into the consequences of the removal of schedule 2, of the Road Transport Act 2001, prior to bringing the recommendations to Tynwald Court?*

**The Speaker:** Question 9. Hon. Member for Douglas South, Mr Malarkey.

**Mr Malarkey:** Mr Speaker, I beg leave to ask the Question standing in my name, sir.

**The Speaker:** I call on the Minister for Transport, Hon. Member for Glenfaba, Mr Anderson.

**The Minister for Transport (Mr Anderson):** Thank you, Mr Speaker.

I am grateful for the Hon. Member's Question, which gives me the opportunity to advise Hon. Members that the motion on next week's Tynwald Order Paper will propose a further public consultation on the recommendations of the panel assembled to manage the consultation on the effects of the proposed revocation of schedule 2 of the Road Transport Act 2001.

I therefore do not consider it appropriate for a briefing to be held at this stage for Tynwald Members.

**The Speaker:** Mr Malarkey.

**Mr Malarkey:** Thank you, Mr Speaker.

I thank the Minister for his Answer. He will realise that the Question was laid down before we received our Tynwald papers and Order Papers. Not wanting to approach the debate that will probably happen next week, can he just give us some reassurance that the same Committee will be carrying on with the further discussions and they will be talking to the taxi trade?

**The Speaker:** Mr Anderson.

**The Minister:** The Committee has done its job and has brought forward a set of recommendations that are now coming before Tynwald Court and Hon. Members will be asked for the proposal to go out to consultation on those recommendations. Those recommendations will then come back to me as Minister for Transport. The life of the Committee has finished because the Committee has done its job. It has had the further consultation and has recommendations to come forward, so then it comes back to the Department for further consultation and, based on views on the consultation, the Department will come to a decision and bring it forward to Tynwald.

**The Speaker:** The Hon. Member for Douglas North, Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

Will the Minister agree with me that, quite often, items on the Tynwald Order Paper published are still subject to Tynwald Members' briefings frequently and would he not agree with me that one would still be welcomed by Hon. Members, and he still has time even for half an hour to brief Hon. Members on the subject, whether it is on the Order Paper or not?

Further to that, could he clarify why, on the same Tynwald

Order Paper following the consultation motion further down, there is an Order for Tynwald approval to remove schedule 2 in the first place, (**Mr Houghton:** Hear, hear.) which is contradictory to what his initial motion on the Order Paper is aiming to do?

Given the confusion, Vainstyr Loayreyder, would he not further agree that, in fact, a briefing for Tynwald Members is highly recommended under these unusual circumstances to avoid confusion and try and progress these things on a better, more informed approach?

**Mr Houghton:** Hear, hear.

**The Speaker:** Minister for Transport.

**The Minister:** Thank you, Mr Speaker.

I am grateful for the opportunity to clarify the situation with regard to the Item further down on the Order Paper. That is there in case the will of Tynwald is not to accept that the recommendations go out for further consultation, so therefore if Tynwald agrees to the former motion on the Order Paper, I will be withdrawing the revocation order, which was an adjourned motion.

In relation to the Hon. Member's request for a briefing to Tynwald Members, I do not believe this is the right time until we have had the presentation, until the views have come back from the industry itself.

**The Speaker:** Hon. Member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Thank you, Mr Speaker.

Will the Transport Minister be happy to confirm for Hon. Members today that, following the evaluation of the recommendations by the public, before he comes to a decision on what, in essence, the majority view is from the public that he at that point will make the findings known to Hon. Members before it goes back to Tynwald Court?

**The Speaker:** Mr Anderson.

**The Minister:** Yes, Mr Speaker, I will give the Hon. Member's views for consideration.

#### **Pelican crossings, Johnny Watterson's Lane Action against contractors**

2.10. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Transport:

*If he will take action against the contractors who have failed to commission the pelican crossings on Johnny Watterson's Lane, Douglas?*

**The Speaker:** We turn now to Question 10. Hon. Member for Douglas North, Mr Houghton.

**Mr Houghton:** Thank you, Mr Speaker. I beg leave to ask the Question standing in my name, sir.

**The Speaker:** Minister for Transport, Mr Anderson.

**The Minister for Transport (Mr Anderson):** Thank you, Mr Speaker.

The Department is unable to specify when these signals become operational. The provision of a traffic-signal-controlled pedestrian crossing is a planning condition associated with the residential housing development off Johnny Watterson's Lane. The Department of Transport cannot carry out any action against the contractors under this planning legislation. However, my Department can control the quality of workmanship and the duration of the road works on the public highway through the adoption agreements for the new works and the authorisation of a road opening licence.

In this instance, the works commenced on the date I have previously supplied to this House on 27th January in response to the Hon. Member's Question on this matter. Inspections carried out by my staff during the construction of the works identified that the road markings which were installed by Colas (Isle of Man) Ltd on behalf of Heritage Homes Ltd did not comply with the statutory requirements and were not in accordance with the approved drawings for the works.

The Department could not sanction the commissioning of the signals and the Department's electricians were instructed to bag the traffic signal heads until such time as these road markings were replaced with the legally prescribed correct road markings. The Department has received assurance that this work is being treated as a priority by both Heritage Homes and Colas (Isle of Man) Ltd and the Department's staff have been available to ensure these important facilities are commissioned as soon as these remedial works are completed.

My officers wrote to Heritage Homes Ltd to notify them of the Department's intention to complete the work on or before 13th March, 2009, to the correct standards to bring them into service and to recover any cost it incurs while this work is carried out. However, I am advised that the necessary work has now been completed this very morning and the lights will be switched on today. *(Laughter)*

**The Speaker:** Mr Houghton.

**Mr Houghton:** Thank you, Mr Speaker.

I thank the Hon. Minister for his comprehensive reply to this, but does he not realise that his Department has been taken for a ride on this matter and does he, further, not agree that all infrastructure, road infrastructure, such as pelican crossings and the like really should be installed by his Department, not another agency, so that mistakes and neglect, such as the Hon. Minister has pointed out this morning, would not happen?

**The Speaker:** Mr Anderson.

**The Minister:** Yes, Mr Speaker, I am well aware at the Hon. Member's and others' frustration in this area. It has been a long saga and, obviously, the developer chose another agency to do this work which unfortunately has taken three attempts to get it right, but at the end of the day, the individual developer has the ability to choose other agencies but they must come up to the standards that we require.

We did come to the situation where we gave them an ultimatum: if they did not complete the work to the correct specification by a certain date we would step in and do the work. However, as I have just mentioned to the Hon. Member,

this work has now been completed, but I would agree with the Hon. Member it has been a sad and sorry saga.

**Mr Houghton:** Hear, hear.

**The Speaker:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

Would the Shirveishagh acknowledge that, between myself and Mr Houghton, we have written to his Department on numerous occasions, not just with these traffic lights and their installation but the fact that the traffic islands themselves from these traffic lights that connect onto the service road at Johnny Watterson's Lane should, in fact, have traffic calming bumps so that it has two effects, one so that pedestrians can walk along the top of the traffic bumps to access the pavement but also to reduce the speed of traffic movements which is now travelling dangerously quickly down the Johnny Watterson's Lane (**Mr Houghton:** Hear, hear.) property access road? Would he give an assurance to look into that matter and research my letters?

**The Speaker:** Minister.

**The Minister:** The Hon. Member is well aware that we have met on site with both Hon. Members and looked into the problems that the Hon. Member sees in this area and I am quite prepared to do some more traffic counts in this area to see *(Interjection by Mr Houghton)* if the speed of traffic continues to be excessive.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loareyder, could the Shirveishagh inform this Hon. House, have there been any moves, as far as the likes of traffic lights, pelican crossings and the like, whether there is going to be some move towards getting them more involved with local government instead of national government, in order to give local authorities something to do as far as these issues are concerned?

Will his Department be looking at the possibility of such issues being transferred, as far as these sort of issues where local authorities, especially in the likes of the Douglas area where they have got a Town Council?

**The Speaker:** Minister, you may choose *(Laughter)* to say that supplementary is broadening out the Question on pelican crossings on Johnny Watterson's Lane. *(Interjection by Mr Karran)*

**The Minister:** I thank the Hon. Member for his question. However, there is no change in the Department's policy in relation to this area, Mr Speaker.

## TRADE AND INDUSTRY

### Town and Village Centre Regeneration Scheme First project

2.11. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Trade and Industry:

*When the first project will be rolled out under the auspices of the new Town and Village Regeneration Scheme?*

**The Speaker:** Right. Question 11. Hon. Member for Douglas North, Mr Henderson.

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

**The Speaker:** Minister for Trade and Industry, the Hon. Member for Douglas South, Mr Cretney.

**The Minister for Trade and Industry (Mr Cretney):** Thank you, Mr Speaker.

Since Tynwald approved the Town and Village Centre Regeneration Scheme in February, newly appointed project manager, Jonathan Crookall-Nixon, has been active in progressing the implementation of the Scheme. There are a number of tasks that have to be undertaken before we reach the stage where we can approve projects under the new scheme and Hon. Members may be assured that these are currently being attended to.

Firstly, where local initiatives are proposed and supported by Government and where it is clear that these are not things the local authorities should be carrying out, anyway, local regeneration committees will be set up to act as facilitators for suitable projects at local level. These committees will comprise local Members of the House of Keys, local authority members and representatives from the local Chamber of Commerce or other business organisations, being chaired by a Member of the Chief Minister's working group.

The first committees are now being established and it is expected that additional committees will follow. Once established, the local regeneration committees have to define the boundaries of what are to be the regeneration areas within their own towns and villages and to agree these areas with the Chief Minister's working group. At that point, we will be in a position to start accepting the first of what I am confident will be a steady stream of projects.

Hon. Members may be assured that, whilst work is under way to develop appropriate local structures, the project manager is busy with a variety of other tasks. These include meeting local authorities and advising them about the requirements of the new Scheme, raising awareness of the Scheme, as well as putting in place the necessary processes, procedures and accompanying documents and producing policy guidance material.

The timing of when the first project will be undertaken will depend on a number of factors. These include the formation of the particular local regeneration committee, the agreement between the committee and the Chief Minister's working group of the regeneration area, an application for a project being made to the committee, compliance with the guidelines to include local consultation, preparation of business plans and cost-benefit analysis for the larger schemes, and the proposed commencement date of the project.

Whilst I am not, therefore, able to answer the Hon. Member's Question with any certainty at this juncture, what I can say is that there has been a significant amount of interest in the Scheme, that I would expect to see the appropriate local structures put in place without too much delay, and that I would expect the first applications for grant assistance to be progressed within the next three to six months.

What I would say, finally, to anyone interested in progressing schemes in their locations – whether they be local authorities or business groups, individuals or Members of Tynwald – is that we would welcome your ideas, so please make contact with the Regeneration Officer in my Department, in the first instance, on 682369, or e-mail jonathan.crookall-nixon@dti.gov.im.

**The Speaker:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

I think now we can see why I put the Question in the first place, and that is, could the Minister give us assurances that he will keep his foot on the neck of this bureaucratic process, that he has just wound his way through with that lengthy Answer, to ensure that, indeed, we do meet the three-to-six-months deadline and that projects do not become lost in an ever-increasing spiral of bureaucratic nightmare?

**The Speaker:** Mr Cretney.

**The Minister:** Yes, I will certainly make sure that the Chief Minister... and I am sure the Chief Minister will make sure that we keep our foot on the pedal in terms of moving forward with this. This is very important work, (A Member: Hear, hear.) but at the same time it is also important that we do have proper government, as there are substantial taxpayers' funds being applied in this instance.

**The Speaker:** Mr Quirk.

**Mr Quirk:** Thank you, Mr Speaker.

Could I ask the Minister, would he ask the manager responsible for this if there are any guidance notes, and would he circulate those to Members to give some help to the smaller authorities?

Can I also seek an assurance from the Minister, regarding the meetings that will take place, if any minutes will be available for Members for open inspection, so all the minutes will then be public minutes? Also, that when meetings are called, all the representatives for the area are gathered together, instead of little groups?

**The Speaker:** Mr Cretney.

**The Minister:** I did in my original response, Mr Speaker, say that guidance notes are currently being prepared. They will be available in written form, and a website attachment is being prepared which will be accessed by the Department of Trade and Industry website, in order that interested parties may be properly informed about this matter. I am not sure what minutes the Hon. Member is referring to; perhaps he will come back to that in another supplementary. I am not exactly sure what minutes he is talking about.

In terms of all representatives, no, it will not be all representatives. For example, if we use an easy example, which is Douglas, the area which is principally being spoken about is the commercial centre of Douglas, and the representatives for that area are the Members for East Douglas. It would be a pointless exercise inviting the Members for North Douglas to attend such meetings.

**Mr Henderson:** Why not?

**Commonwealth Youth Games 2011  
Use of Town and Country Regeneration Fund**

2.12. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Trade and Industry:

*What action he will be taking with the Minister for Tourism to identify areas where different aspects of the 2011 Commonwealth Youth Games are to be held, which would benefit from the new Town and Country Regeneration Fund which he recently placed before Tynwald?*

**The Speaker:** Question 12, Mr Henderson. *(Interjections)*

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

I would ask the Minister, in reference to what he has just said, why wouldn't he be asking all Douglas Members for ideas into this process? We all access the capital, the same as everybody else, and have to field our constituents' enquiries on the same.

Secondly, Vainstyr Loayreyder, what I would say is... In fact, Vainstyr Loayreyder, could I beg to ask the Question in my name. *(Laughter)*

**The Speaker:** I wondered when you were getting to it.

**Mr Quirk:** Still got a chance!

**The Speaker:** Question 12. *(Laughter)*

**The Chief Minister:** Don't get excited!

**The Minister for Trade and Industry (Mr Cretney):** Thank you, Mr Speaker.

Without referring to my notes, if I could just start off by saying all Members will have the opportunity – in particular, if we are talking about a Douglas Scheme – to attend a public occasion in which members of the public, importantly... These are bottom-up processes we are talking about here. This is where we want the views of the public to be involved and to help inform us in taking matters forward. What I am saying, though, is when we get to the specific local regeneration committees, those will be around specific areas, and the Members for East Douglas will be the Members who represent that specific area, and that is why they will be in attendance.

I welcome the opportunity to discuss with all Ministers the relevance of the Scheme and potential opportunities **(A Member: Members.)** the Town and Village Centre Regeneration Scheme may afford. Indeed, I am enthusiastic, as I am sure all Hon. Members are – and I am sure that is quite apparent from this morning – about any initiative for improvement to our environment, infrastructure, sporting and leisure facilities. However, it has to be borne in mind that the Scheme is deliberately specific to the town and village centres and the regeneration of those areas. We are looking primarily to upgrade the commercial centres around the Island.

In order to be successful, we have had to focus our attention and limited resources on town and village centres, although it is understandable that this policy may disappoint those with a particular interest in our industrial areas and estates, or the more rural settlements, the coastline, parks,

countryside, and indeed our sporting and leisure facilities. This is a specific Scheme with specific objectives.

However, I can assure the Hon. Member for Douglas North that, in order to ensure no opportunity is lost in relation to the Commonwealth Youth Games, I propose to hold informal discussions with the Minister for Tourism and Leisure to identify any specific sites within our town and village commercial centres which could potentially receive support under the Scheme by way of their being included in the designated regeneration areas. **(A Member: Hear, hear.)**

Mr Speaker, whilst we necessarily have to marshal our resources to where there is the greatest need, it is to be hoped that the Commonwealth Youth Games will also benefit indirectly from the upgrading of our town and village centres as we prepare to showcase the Island to those athletes, journalists, media groups, visiting dignitaries and other interested parties who will come to the Island in 2011.

More generally, discussions will continue with all Departments as the Scheme is implemented and my Department will be more than pleased to provide guidance on specific ideas for schemes or projects.

Mr Speaker, I would also add that my Department hopes shortly to be in a position to provide some on-line information through the DTI website as to guidance and background information regarding the Scheme, which will also cover details of specific approved projects as they are brought forward. This should provide ideas and encouragement to others to come forward with proposals for regeneration of those areas in the town and village centres most in need.

**The Speaker:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

I thank the Shirveishagh for his Answer and commitment to work with the Minister for Tourism in relation to the Commonwealth Youth Games 2011, and specifically the town centres, but will the Minister agree with me that action is needed sooner rather than later, because of the elongated committee system he has just mentioned?

Will he give a commitment that we will see some improvements prior to the Games' commencement, so indeed the town's capital, which is hosting the predominance of the activities, will actually benefit from that and we will be able to showcase the Island's capital to its maximum effect?

Secondly, Vainstyr Loayreyder, will the Shirveishagh agree with me that there are now some high-visibility eyesores within the town centre, which must come under his remit, that require urgent attention, even if it is just some common sense approach that at worst camouflages things and at best actually does result in a regeneration project?

**The Speaker:** Minister to reply.

**The Minister:** I am happy to agree with both of those.

**The Speaker:** Mr Cregeen.

**Mr Cregeen:** Thank you, Mr Speaker.

Will the Minister confirm that Ronaldsway and Ballasalla will not be ruled out of this, as it will be the main gateway for people visiting the Commonwealth Youth Games?

**The Speaker:** Minister.

**The Minister:** I do not think anything can be ruled in or ruled out at the moment, but the Scheme is specific about the commercial centres of towns and villages. That is why... I do not want to be seen as just promoting Douglas, but Douglas is so important. This is a Scheme which will be rolled out around the Island at the various commercial centres.

**The Speaker:** Mr Quirk.

**Mr Quirk:** Thank you, Mr Speaker.

Could I ask the Minister, has he had any guidance notes or any instructions from Treasury regarding how to distribute the funds for this Town and Village Centre Regeneration Scheme? If he has, or has not, could he indicate to this House?

**The Speaker:** Mr Cretney.

**The Minister:** Mr Speaker, the Hon. Member, I think, was in Tynwald last month when this was approved, and the guidance was included in the Scheme.

**Mr Quirk:** I did not ask the question then.

**The Speaker:** Mrs Cannell.

**Mr Gill:** What about the guidance note? (*Interjection*)

**Mrs Cannell:** Thank you, Mr Speaker.  
Would the Minister –

**The Minister:** Of course, there is!

**Mr Quirk:** Provide them, then.

**The Speaker:** Mrs Cannell.

**Mrs Cannell:** Mr Speaker, would the Minister –

**The Minister:** You voted for it!

**The Speaker:** Order!  
Mrs Cannell.

**Mrs Cannell:** Would the Minister agree with me that, other than the 2011 Commonwealth Youth Games, in 2012 the United Kingdom is hosting the Olympic Games, and the Isle of Man could benefit from some positive spin-off with regard to possibly hosting a high-profile team who will be competing in those Games, so the more effort he puts into this initiative the better, because we could capitalise on the initiatives that he takes.

Finally, Mr Speaker, could I ask him, bearing in mind his previous position and length of time served on the Department of Tourism, that he will have many meetings with the Minister for Tourism, not only to help and encourage him but to perhaps remind him of the decisions taken by the Department previously, when it was in the helm of himself, with regard to preparation and what needed to be done to be prepared for these important Games, followed by the Olympics?

**The Speaker:** Mr Cretney.

**The Minister:** Thank you, Mr Speaker.

I am happy to have meetings with anybody at any time. I am happy to work with my colleague, the Minister for Tourism and Leisure, in relation to these important matters. During my period of tenure, we did once again have the opportunity to host the Island Games in 2001, after they had first been on the Island in 1985. We also had representation in the Commonwealth Games in Manchester, and at that time we did seek to see if we could have one of the teams competing in the Commonwealth Games to come over here to participate in pre-event training. Unfortunately, as it happens, that did not come to pass, but if that were to be possible, in terms of the 2012 Olympics, from perhaps one of the smaller nations, I think that is something that would be welcomed and would add profile to the Island.

I thank the Hon. Member for her comments.

**The Speaker:** We have reached the end of Questions for Oral Answer.  
Mr Henderson.

### Standing Order 3.5.1(2) suspended to allow continuation of Question Time

**Mr Henderson:** Vainstyr Loayreyder, I beg to move the suspension of Standing Order 3.5.1(2) to permit the remaining Questions for Oral Answer to be taken at this sitting, sir.

**The Speaker:** Mr Quirk.

**Mr Quirk:** I beg to second, sir.

**The Speaker:** Those in favour, say aye; against, no.  
The ayes have it. The ayes have it.

### Town and Village Centre Regeneration Scheme Targeting Douglas eyesores

2.13. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Trade and Industry:

*Whether he will be targeting some of the money in the new Town and Village Regeneration Scheme to rid Douglas of some of the eyesores which currently blight the Island's capital?*

**The Speaker:** We therefore turn to Question 13. Again, Mr Henderson.

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

**The Speaker:** Again, I call on the Minister for Trade and Industry, Mr Cretney.

**The Minister for Trade and Industry (Mr Cretney):**  
Thank you, Mr Speaker.

I am quite sure that some of the eyesores in Douglas, as referred to in the Question, are precisely the type of properties that will be the subject of projects to be put forward under the

Scheme. Indeed, not only those eyesores in Douglas, but in other town and village commercial centres across the Island. (**Mr Quirk:** Hear, hear.)

I would again make the point, however, that the Scheme is not put in place to duplicate the powers and responsibilities of local authorities, who have an important role in these matters. I would, however, remind the Hon. Member for Douglas North that the intention of the Scheme is to encourage community-led ideas for regeneration to be put forward rather than central Government to impose an agenda. This approach is in keeping with the previously mentioned Pride in the Community initiative, which is all about communities and businesses taking responsibility for their areas and identifying means of improvement and enhancement to create vibrant and attractive places to live and work. This is why there is provision for projects to be subject to local consultation and information dissemination to ensure that the funding is directed to those areas most in need and accepted by the communities and businesses as most suitable for change and improvement.

That said, Douglas is unique, and indeed fortunate, insofar as it can draw upon the expertise of the Douglas Development Partnership, which, working closely with some local representatives with their own expertise, has already spent a considerable amount of time and resources in identifying areas in need of change, to bring about the regeneration of the town centre and we are fortunate enough to see some of the benefits of these improvements already, even before the Scheme was put in place.

It is important to note, however, that some areas in need of improvement and regeneration may include these eyesores referred to, but may well exclude others that are outside of what will be designated the Douglas regeneration area or indeed any other regeneration area. This means separate action may be required in some cases which fall outside of the designated regeneration area.

If sites or buildings in the town and village commercial centres not covered by the largest proposals for improvement are considered to be in urgent need of attention, then specific projects can be prepared for consideration by the local regeneration committee. It is hoped that such improvements can be brought about by harnessing the tide of goodwill and enthusiasm already associated with the Scheme, rather than having to resort to more compulsory, draconian measures which are of last resort and seldom as successful as measures taken with the agreement and support of all interested parties.

As the Scheme is targeted at the regeneration of the commercial areas in our town and village centres, it is reasonable to expect that Douglas will attract a significant amount of funding. This is because Douglas is where investment and regeneration will in some cases be of greatest economic benefit to the Island as a whole and because a good proportion of the population live and work in Douglas. It goes without saying that we should be taking pride in the appearance and functionality of our capital, (**A Member:** Hear, hear.) and presenting an attractive and successful face to visitors and would-be investors. (**Mr Henderson and Mr Corkish:** Hear, hear.)

Mr Speaker, in short, I think the Hon. Member for North Douglas and everyone else with an interest can expect to see some of the eyesores that blight Douglas and elsewhere in the Island tackled under this Scheme.

**The Speaker:** Supplementary, Mr Karran.

**Mr Karran:** Could the Shirveishagh inform this House: will you be actually using existing legislation, as far as eyesores are concerned, talking about the question in Douglas? Would he not agree that, allowing for the initiative that is long overdue that we have seen recently, with the fact that now local authorities can get their costs back, which has taken about 15 years to get common sense to prevail, will he not think that the partnership needs to be that local authorities need to start serving orders on the owners of these properties, especially in his own constituency, when I look at the likes of Peel Road in particular, where orders need to be placed?

**The Speaker:** Mr Cretney.

**The Minister:** Yes, the likes of that specific point about properties which blight the environment, this is something I know that a number of councillors... indeed only last night, I spoke to a number of councillors who are concerned about these kinds of situations, and I think, in the past, there was a reluctance to take action, (*Interjection*) on the basis that it then may fall back on the ratepayers to subsidise such action, (**Mr Karran:** Absolutely.) particularly in larger developments.

So, yes, my understanding from discussions that we have had with the Minister for Local Government and the Environment is that the view of that Department is that the powers that exist for the local authorities are sufficient. If they are not, there has been a commitment to review those powers, to see if local authorities can be assisted in any way to take action against owners of properties which do cause detriment to the amenity of local areas.

**The Speaker:** Mr Quirk.

**Mr Quirk:** Thank you, Mr Speaker.

The Minister did indicate in the Question that he thought that Douglas should receive the lion's share of it. Has he got the figure in mind and could he tell this Hon. House, or does he have any views himself?

**The Speaker:** Mr Cretney.

**The Minister:** The Hon. Member misheard me. I did not at any time say that Douglas would be getting the lion's share. I have been at pains to say throughout that, whilst it is obvious that Douglas will be receiving –

**A Member:** The lion's share! (*Laughter*)

**The Minister:** – a substantial amount from this Scheme, the purpose of the Scheme is that it should assist town and village commercial centres throughout the Island. One only has to visit a number of the town and village commercial centres to see that there is a long overdue need for investment in a number of those around the Island and that is the purpose of the Scheme.

**The Speaker:** I am conscious –

**The Minister:** Sorry, Mr Speaker – in terms of an actual figure we cannot have a figure, because we do not have a scheme yet.

**The Speaker:** Be conscious, Hon. Members, we did have

a very full debate in Tynwald (**Several Members:** Hear, hear.) on this subject and we are in danger of re-running that debate.

Mrs Cannell.

**Mrs Cannell:** Thank you, Mr Speaker.

Would the Minister agree with me that, if we look back – and not too far back – in history, there was a very good working relationship between the local authority, together with the councillors and the MHKs for that area, who periodically – usually once a year – would go out and walk around that particular constituency, make a list of those areas that were eyesores within that constituency, and where the grot-spots were, and together help develop a formula and an action plan for addressing them?

Could I ask him that, perhaps, when he is in discussion with the local authority, particularly Douglas Corporation, he could suggest that that sort of method of approaching the problems is resurrected, and that all should be duplicated around the Island, as a very positive way of looking forward together?

**The Speaker:** Mr Cretney.

**The Minister:** Mr Speaker, in terms of working with local authorities in this specific example the Hon. Member refers to, in terms of Douglas Corporation, it was myself who took the initiative that the Members of the House of Keys and Members of the Legislative Council who represent, or formerly represented, Douglas constituencies should, on a... it is a twice-yearly basis now, meet with the local authority members, in order that we can jointly look at a number of issues and work together on them.

Such a meeting is upcoming and I am sure the points the Hon. Member has made will be discussed at that time, and I do hope she is able to join us.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, thanking the Shirveishagh for a sensible reply to my question, dealing with the issue as far as Douglas Town Council dealing with the eyesores in Douglas, can he assure this Hon. House that we will make sure that they do their duties under the law, especially since we have allowed common sense to prevail to actually serve orders (**A Member:** Hear, hear.) so that the money is spent well, as far as this good Scheme is concerned, in order that it does not end up duplicating the job of repairing a building that should have orders put on it?

Will he also look into the issue of seeing whether we can work with other agencies, like the community service orders that are provided through the criminal justice system, in order to see, where there is a lot of public painting needing to be done in an area, that we end up allowing that agency to use its ability in order to help in that scheme?

Finally, would he not agree with me that the real priority at the present time – with no disrespect to the people of Ramsey – is the fact that we need to see a lot more money spent in the north of the Island, in particular, as far as any urban regeneration is concerned?

**A Member:** Hear, hear.

**The Speaker:** Minister to reply.

**The Minister:** In relation to the first point, I can assure the Hon. Member that, from discussions I have had, together with my colleague, Mr Malarkey, only last night, with a number of councillors... There were seven councillors. We had conversations with a number of them at a meeting we had last night that there was no reluctance on the part of the town councillors to move forward with responsibilities they have, in terms of (*Interjection*) properties which are detrimental to the amenities. They are very keen to do so.

My understanding is that the powers that they are equipped with are ample in order to do that. If that is not the case, then my colleague, the Minister for Local Government, I am sure, is privy to such conversations and will assist if that is necessary.

The purpose of this initiative is not to replace the functions of local authorities. (**A Member:** Hear, hear.) Local authorities have specific functions and it would be quite silly if we were to duplicate those or just make money available for something which some local authorities might not necessarily want to put on the rates.

In terms of working with other bodies, yes, that is a good idea. That is the first time I have thought about that suggestion. It may well be that we can work with other bodies outside of those I have described already, in terms of (**Mr Quirk:** Business.) collectively making an impact in terms of improving the quality of life here in the Isle of Man.

#### **Town and Village Regeneration Fund Joint working with local authorities**

2.14. The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Trade and Industry:

*What actions he will take jointly with relevant local authorities when utilising funds from the Town and Village Regeneration Fund to maximise the effects of any regeneration initiatives?*

**The Speaker:** Question 14. Mr Henderson.

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

**The Speaker:** Minister for Trade and Industry.

**The Minister for Trade and Industry (Mr Cretney):** Yes, thank you, Mr Speaker.

As the Hon. Member for North Douglas will be aware, projects at local level are to be co-ordinated by the local regeneration committees, which will include members of local authorities and will be jointly responsible for ensuring proposed projects, recommended for approval by the Chief Minister's Steering Group, represent good value. This will be a helpful mechanism for ensuring the benefits of any regeneration initiatives are maximised, although there will be occasions whereby the benefits are not direct economic benefits to the areas, but will nevertheless contribute significantly to the environment or social wellbeing of the residents or business community.

On these occasions, we will be relying on professional judgement and opinion as to overall costs weighed against the sometimes intangible benefits to the residents or businesses

of a particular commercial area.

Communication with the local authorities and service and infrastructure providers will be as crucial to the success of the scheme as consultation with and provision of information to the local community, to ensure the scheme delivers the maximum value for money. When projects are recommended for approval by the local regeneration committee, they will, in the first instance, be forwarded to my Department with any recommendations. The Department will then be responsible for preparing a report which evaluates the proposed works.

Finally, the Chief Minister's Regeneration Steering Group will make its decision whether to approve the application after consideration of the report and recommendations of the local committee. It is also worth pointing out that there are a range of governance measures in place to ensure that the Department has the powers to control, withhold or require repayment or grant assistance.

If I can just take the opportunity, without taking too much of the Court's time again, (**Mrs Cannell:** House!) I feel that the Hon. Member for Onchan, Mr Quirk, did not pick up on the Scheme when it was passed through Tynwald in terms of the governance, in terms of the safeguards for public money, which are significant.

Firstly, assistance under the scheme is discretionary. Applicants must not be in debt to any Department, Statutory Board or local authority and must authorise the Department to make appropriate checks. Persons who are undischarged bankrupts who have executions outstanding against them are not eligible for this assistance. Grants for up to £10,000 may be agreed by the Department, larger projects are to be the subject of a report. No assistance exceeding £100,000 in total in respect of any one project may be made without the consent of the Treasury.

All grants will be subject to a DTI offer letter with terms and conditions, and the terms and conditions of an offer are to include the requirement that a recipient comply with Government tendering procedures, where a grant over £250,000 is offered. That is not all – there is a lot of background governance and accountability in this, rightly so.

I think we should be very pleased that, in the last year's Budget, the Treasury Minister was able to obtain these funds. It is something which has been spoken about for a long time and I look forward to working with others in here and outside to take such projects forward.

**A Member:** Hear, hear.

**The Speaker:** Mr Quirk.

**Mr Quirk:** Thank you, Mr Speaker.

Can I ask the Minister, then, just to seek an assurance from him, for clarification and for public record, that if a local authority has not provided accounts to the Department of Local Government in time, they will not be considered for any regeneration package? Can I seek that assurance from him today in this Court?

**The Speaker:** Mr Cretney.

**The Minister:** It is actually a House rather than a Court! (*Laughter*)

In terms of local authorities giving in their accounts, I am sure that the point the Hon. Member makes will be one

which is considered, and it would be detrimentally considered on the basis of a local authority not doing what it should be doing.

## HEALTH AND SOCIAL SECURITY

### Social Security benefit system review Purpose

2.15. The Hon. Member for Onchan (Mr Karran) to ask the Minister for Health and Social Security:

*What the purpose is of the proposed review of the Social Security benefit system; and whether this is primarily with a view to saving money?*

**The Speaker:** Question 15. Hon. Member for Onchan, Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, I ask the Question standing in my name.

**The Speaker:** I call on the Minister for Health and Social Security, Hon. Member for Ayre, Mr Teare.

**The Minister for Health and Social Security (Mr Teare):** Thank you, Mr Speaker.

I assume that the Hon. Member for Onchan is referring to the proposed reforms of Family Income Supplement and Income Support for lone parents, which were announced on 25th February this year.

As Hon. Members are aware, it is the Department's intention to change the conditions of entitlement to these benefits for certain groups, so that those who could, and I believe should, work extra hours have to do so, if they wish to receive income-related benefits.

At present, to be entitled to Family Income Supplement, a person has to work for at least 16 hours a week. In the case of couples, at least one member of the couple has to work for at least 16 hours a week. Furthermore, a lone parent, whose only or youngest child is aged less than 16, is not required to engage in any work-related activity in order to be entitled to Income Support.

I firmly believe that benefits rightly exist for those who need them, but that citizens should be expected to do what they reasonably can to mitigate their need for state support. This is also very much the view of the UK Government, which is currently progressing its own welfare reform programme. I feel that certain conditions of entitlement for Family Income Supplement and Income Support for lone parents are at odds with that philosophy and do not provide the necessary incentive for those who could do more to improve their position and that of their children.

Working even part time improves both mental and physical health. Being in employment instils a sense of pride and motivation, improves self esteem and promotes social inclusion, choice and independence. It builds cohesion and is the best route out of poverty. There is also emerging evidence that children of parents who work are more healthy and perform better at school than those of workless households. (*Interjection*) In contrast, unemployment has been shown to raise individuals' cholesterol levels, which in turn increases

the risk of cardiovascular diseases. (*Interjection*) There is also evidence from large population surveys that unemployed people have less healthy lifestyles. The prevalence of smoking and excessive drinking have been shown to be higher in those who are unemployed for lengthy periods of time. Moreover, worklessness is a waste, not in terms of the cost of providing benefits, but also in terms of human resource.

In 2007, the Department issued 861 new National Insurance numbers to foreign nationals, virtually all of which were for employment purposes, and in 2008 it issued a further 746, yet we have nearly 400 lone parents claiming Income Support and over 300 people claiming Family Income Support who work for less than 24 hours a week. I feel we should be making the most of our local labour pool, thus reducing the need for migrant labour and also mitigating the liabilities associated with inward migration, for example in health, education and social services.

Mr Speaker, turning specifically to the proposed reform of Family Income Supplement, as I said earlier, in order to be entitled to Family Income Supplement, a person needs only to work for 16 hours a week in order to be entitled to benefit, and that in a couple case, only one member of the couple is required to meet this condition. I believe that in the case of couples, unless exceptional circumstances exist, at least one member of the couple should have to work for at least 30 hours a week to be entitled to benefit. Furthermore, in the case of a lone parent whose eldest or only child has reached the age of 11 and is therefore attending secondary education, I believe that they should be required to work at least 24 hours a week.

I am also concerned that the present residential requirement for Family Income Supplement is too relaxed. Currently, a person who is not an Isle of Man worker is only required to have been resident in the Island throughout the six months prior to making their claim. At present, around 11 per cent of existing Family Income Supplement recipients are not Isle of Man workers. The anticipated cost of Family Income Supplement in the next financial year is £5.4 million, 11 per cent of which is approaching £600,000. I firmly believe that the residential requirement for Family Income Supplement should be tightened and allied to that for Income Support and income-based Jobseeker's Allowance, so that in future only Isle of Man workers should qualify. (**A Member:** Hear, hear.)

Mr Speaker, in answer to the second part of the Hon. Member's Question, yes, there would likely be savings in revenue expenditure if the proposed reforms are implemented. However, this has not been assessed, as this is not a money-saving exercise. It benefits their health and also it instils a level playing field in terms of the claimant. As Hon. Members are aware, the Department is currently consulting on its proposed reforms and the consultation period ends on 9th April, Mr Speaker.

**The Speaker:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.

Would the Health Minister agree with me that, of the several hundred people he refers to in his long Answer with regard to not working and being lone parents, many of those people are actually genuine cases of need and hardship and there are genuine reasons and legitimate reasons why they are in the position that they are in? Will he agree with that?

Further, Vainstyr Loayreyder, will he agree that not every

lone parent is a fag-smoking, drinking, drunkard, wasted layabout, and that, in fact, there are real, genuine people out there who need our help, for a variety of reasons, including mental-health reasons, and that they need our humanity and general support?

**A Member:** Hear, hear.

**The Speaker:** Minister to reply.

**The Minister:** I have said, sir, that this can help to improve health overall, and in the original Answer it did say where circumstances recognise where genuine need exists, and I feel that, certainly in that respect, our views are similar.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that, whilst many years ago we fought to get FIS down to 16 hours in order to help people get back into the workplace and at the time we did try to get that sort of issue so that parents whose children went to school, to have to go on that basis... Would he not agree that the danger with what he is saying is that, in reality, it is not going to happen the way that he says?

We are going to end up with a situation where we have not got the employment opportunities out there in the marketplace and we are going to end up with more strife and a lot of people have been on to me just recently, simply because of the shenanigans of his Department on this front. I have had more people in the last two or three weeks than I have had in the last six months, as far as benefit concerns over this issue. What is he doing to inform people that it is already happening? Not that the policy might be there: the trouble has already started now. I have had more people complaining and we have not even implemented what he is proposing.

**The Speaker:** Mr Teare.

**The Minister:** Thank you, Mr Speaker.

I would stress, once again, that this is a consultation exercise which closes on 9th April and, Hon. Members, I would certainly welcome your formal response to that consultation process. Also people who contacted you, with respect, if they could make their views known direct to the Department then, quite literally, we could hear it straight from the horse's mouth and that would be very welcome.

**The Speaker:** Mrs Cannell.

**Mrs Cannell:** Thank you, Mr Speaker.

Will the Health Minister provide the House with the evidence he referred to in his first reply to the original Question, in terms of evidence to the effect that children of working parents, where both parents work, are in fact faring better? Will he take it from me that I am inclined to disagree with him even before I see the evidence, but it would be interesting to see the evidence.

Can he further confirm, is he proposing that, if a choice is made by a couple or a single parent to stay home and nurture that child throughout their babyhood, their infancy, until they get into school, that in fact they will still be able to do

that, or is his thinking that they have to work to be able to do that and to make that choice? Is that what he is saying?

**The Speaker:** Mr Teare.

**The Minister:** Thank you for the opportunity of clarifying the issues.

What I did not say was that both parents would have to work. What I said was that one parent at least should have to work. There is certainly a strong correlation on the back of reports which have been assessed by the Director of Public Health that there is a strong correlation between working and the health of the population in general.

I did not say in my initial response that families where both parents went out to work were more healthy; I just said that where there was a work ethic and people were actively employed in the workplace, then evidence did suggest – and these are very large-scale surveys which have been undertaken – that the health of the family did benefit.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that it is about a balance, that this Hon. House wants to play fair with all sections of the community, but when he comes out with such prejudice that all single parents are virtually sick, booze-related individuals –

**A Member:** Shame!

**The Minister:** No, that is not it!

**Mr Karran:** – then this sort of attitude does not actually help us to get reality, as far as what is happening?

Would the Shirveishagh not also explain to this House, if this is not a cost-cutting exercise, why certain Members in this Hon. House are inundated with people complaining to us in a disproportionate amount over the last couple of weeks, as far as benefits are concerned, that normally takes about six months to do so?

Can the Shirveishagh also inform this Hon. House what other systems will be made available, not just allowing for any new implementation but the stricter criteria that seem to be operating within the Department, to make sure that legitimate people who are suffering at the present time and having cutbacks in benefits, will get the necessary information in order to do so.

**Mr Watterson:** No cutbacks! That is a shameful comment!

**Mr Karran:** It is the truth!

**The Speaker:** Mr Teare.

**The Minister:** I would respond –

**Mr Karran:** You might not like it, like your mate next door's –

**The Speaker:** Order!

**Mr Karran:** – farming nonsense.

**The Minister:** I would respectfully say to the Hon. Member that it is time for him to put up or shut up. (**A Member:** Hear, hear.) Bring the evidence, put it forward, let's have a look at it. There are no stricter criteria, there are no cutbacks. This is out to public consultation. He obviously has an issue with it. Let him contribute to that public consultation, not make wild accusations in this Hon. House.

**Several Members:** Hear, hear.

**The Speaker:** Hon. Member, Mr Bell.

**Mr Bell:** Thank you, Mr Speaker.

Would the Minister agree that, in the last Budget, only a matter of weeks ago, it was agreed that the uprate for Family Income Supplement, for Jobseeker's Allowance and Income Support, was based on last September's inflation rate of 6.5 per cent and that almost all other benefits are increasing by 5 per cent across the board, and there is absolutely not a grain of truth in the nonsense that has just been spoken that benefits are actually being cut back at this particular time?

**The Speaker:** Mr Teare, Minister.

**The Minister:** Thank you.

I am very pleased to agree with the Hon. Member for Ramsey, the Treasury Minister. I will be bringing the uprating order to another place next week to, in effect, reflect that, and I think that is a very positive step on the part of Government, that at these very difficult times we have been able to deliver that. The temptation would have been to say that inflation is now down to less than 1 per cent, we will uprate them by a much smaller amount. We have stood by our words and I think we have done the right thing.

**Mr Watterson:** Hear, hear.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that, yes, the initiatives that have come from the Budget are to be welcomed, but it is important then, if he believes that there has been no change of policy on a number of benefits, as far as the people outside this Hon. House, that they should get in touch with him, as far as this issue is concerned.

Would he not agree that he will have an open door as far as the issues of the increase in people who have been to my door over the fact of their criteria being reviewed, as far as their benefits are concerned, and that he will welcome that input from individuals and not chase them away, so that instead of people coming to me from around the Island, they come to the likes of him who is responsible for it?

**The Speaker:** Mr Teare.

**The Minister:** It would be interesting to know how many we are talking about here. There are wild allegations being made. There has been no change in policy. I would quite welcome him giving me the specific illustrations and then I can certainly have a look into them. But normally, when something happens, my phone is jumping off the hook and it has been strangely quiet in this respect.

**MANX ELECTRICITY AUTHORITY****Bord Gáis Éireann Agreement  
Statement**

2.16. The Hon. Member for Onchan ( Mr Karran) to ask the Chairman of the Manx Electricity Authority:

*If he will make a statement on the Bord Gáis Éireann Agreement?*

**The Speaker:** Question 16, Hon. Member for Onchan, Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, I ask the Question standing in my name.

**The Speaker:** I call on the Chairman of the Manx Electricity Authority, the Hon. Member for Rushen, Mr Gill.

**The Chairman of the Manx Electricity Authority (Mr Gill):** Mr Speaker, I would like to thank the Hon. Member for Onchan for the opportunity to provide an update on this key contract.

As all Members are aware, the MEA have agreed revised terms in our Agreement with BGE and these revised terms provide a significant benefit to the Authority and by extension, to the Isle of Man. Although we have agreed the new terms, the respective Boards have not yet formally signed the documents. Members will recall that the terms of the Agreement are retroactive to October 2007, so this delay in formalising the contract will not affect the benefits. I will, of course, Mr Speaker, advise all Members of this House and another place of the revised Agreement details when they are signed.

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, I thank the Caairliagh for the response of 9th March to my letter of 26th January, and I am glad that we are going to be told.

Can he give us some sort of timescale, as far as the Agreement being signed? Is there going to be any change, as far as the fact that Members will have clearer information as to what we are going to be signing up to, allowing for the fact that, over the term of that contract, we are talking about £200 million, or thereabouts, as far as money that will have to be found within that contract time, so that the people's representatives are actually able to know what they are agreeing to, and not just being treated like mushrooms?

**The Speaker:** Mr Gill.

**The Chairman:** Certainly, Vainstyr Loayreyder, as I undertook – and, indeed, have undertaken – Members have been briefed. Many Members of this House and many Members of the Legislative Council have visited the MEA to have a further briefing in more detail where the constraints of the law allow us to share the details of this contract, and certainly I hope that the Member for Onchan will have no further opportunity to accuse us, unfairly, of treating anybody like mushrooms. We will indeed advise Members, as far as we are ever able, at the most timely juncture, sir.

**The Speaker:** Hon. Members, that brings us to the end of Questions for Oral Answer.

There are three Questions for Written Answer. Replies have been distributed.

**Questions for Written Answer****CHIEF MINISTER****Civil Service Pension changes  
Tynwald Members with a pecuniary interest**

3.1. The Hon. Member for Rushen (Mr Watterson) to ask the Chief Minister:

*Which Tynwald Members have a pecuniary interest in any changes to the Civil Service Pension arrangements?*

**Answer:** As I have advised previously, under Data Protection and Human Rights legislation, Government cannot publish such personal information without the permission of the individual concerned. The information requested is therefore not available to me, without the individual consent of each Member.

I will be writing to each Member of Tynwald to ascertain if they are willing to confirm if they have a pecuniary interest in any proposed changes to the Civil Service Pension arrangements and whether they would be prepared to allow such personal information to be made public.

I would confirm that Tynwald Members, as applies to other individuals, are not obliged to release such personal information as it is protected information under the Data Protection Act 2002.

Once received, I will publish the responses from Hon. Members and request to Mr Speaker that the information is published in *Hansard*.

**TREASURY****Kaupthing Holdings (Isle of Man) Ltd; Singer and  
Friedlander International Ltd  
Continuing business; directors**

3.2. The Hon. Member for Michael (Mr Cannan) to ask the Minister for the Treasury:

*(a) Why the Financial Supervision Commission is permitting –*

*(i) Kaupthing Holdings (Isle of Man) Limited; and*

*(ii) Singer and Friedlander International Limited to continue to be able to carry out business; and*

*(b) who the current directors are of (i) and (ii)?*

**Answer:** (a)(i) Kaupthing Holdings (Isle of Man) Ltd does not undertake regulated activity. The locus of the Commission is therefore different when dealing with an unregulated business. In the meantime, this is a matter which

could come before the court at some future date, when it would then be a matter for the court to determine whether the company should be able to trade.

(ii) According to the records of Companies Registry, there is no Isle of Man company styled 'Singer and Friedlander International Ltd'. If reference is being made to Singer and Friedlander Investment Management (IOM) Ltd, this company holds an investment business licence granted by the Commission. It currently remains licensed in order to facilitate the transfer of business to another licensed entity and the run-down of the remainder of the business.

(b)(i) The directors of Kaupthing Holdings (Isle of Man) Ltd currently shown on the company file at Companies Registry are:

Mr G Adalsteinsson  
Mr J A Cashen  
Mr A A Doherty  
Mr D J Gelling  
Mr C R T Stanley

(ii) As mentioned above, according to the records of Companies Registry there is no Isle of Man company styled 'Singer and Friedlander International Ltd'. If reference is being made to Singer and Friedlander Investment Management (IOM) Ltd, its directors, as currently shown in the company file at Companies Registry, are:

Mr J A Cashen  
Mr D J Gelling

## LOCAL GOVERNMENT AND THE ENVIRONMENT

### Douglas Corporation; Onchan Commissioners; Ramsey Commissioners Interest rates charged

3.3. The Hon. Member for Douglas North (Mr Houghton) to ask the Minister for Local Government and the Environment:

*What the rate of interest charged was on each occasion interest rates changed and on which dates the interest rates were changed, in respect of:*

- (a) Douglas Corporation;  
(b) Onchan Commissioners; and  
(c) Ramsey Commissioners?

**Answer:** In 2004 the Department of Local Government and the Environment, the Treasury and local authorities worked together to secure a loan facility for local authorities at the Isle of Man Bank, at the favourable loan rate of base rate plus 0.2 per cent, secured by the Treasury AAA rating. The arrangement with the bank also allows the loans to be fixed for the full term of the borrowing, i.e. 30 years for new-

build housing, if the local authority chose to.

Borrowing for capital projects up to this date was by local authorities issuing bonds to investors, i.e. an investor would take out a Bond, be paid interest half-yearly, and the local authority would use the monies invested to finance their capital schemes. The average amount invested was between £500 and £5,000. To attract the monies required for a capital scheme the rate offered to investors would usually need to be above those offered by other financial institutions.

Local authorities still have the option to issue bonds today. However, the administrative burden of managing a large number of bonds, which involves 'Know your Client' checking and procedures, paying interest half-yearly, renewing borrowings every 3-5 years for the term of the loan, etc, together with the security of being able to fix the rate for 30 years with the Isle of Man Bank, has meant that all the local authorities have refinanced, or are in the process of refinancing, all their bonds.

In the years since the scheme was introduced, all local authorities have benefited from the new arrangement, as the lending rates offered have been lower than the interest rates that would have needed to have been offered to attract investors into bonds. They have also benefited, as taking out one loan at the Isle of Man Bank, has saved on the administration of hundreds of bonds to raise the same amount of capital.

In the current economic climate, with the UK heading into recession and the UK Government working to stimulate inter-bank lending, interest rates on loans are exceptionally low, so any local authority looking to borrow at present will benefit in the short term. However, the long-term fixed interest market rate does not fluctuate widely when the base rate moves, as those loan rates are determined looking forward for 30 years.

Detailed below are the loans taken out by the three local authorities, from September 2008, when the interest rates started to move downwards. The amounts are all fixed-term loans.

Local Authority	Amount Borrowed	Term of Loan	Fixed Interest Rate
Douglas Corporation	5,081,968	30 years	4.27%
Onchan Commissioners	1,100,000	28 years	4.25%
Ramsey Commissioners	2,500,000	29 years	5.15%

(loan taken out September 2008)

**The Speaker:** That concludes the business of the House today. I would just remind Members that there is a lunchtime presentation at 1.30 p.m.

The House will now stand adjourned until 10.30 a.m. on 17th March in Tynwald Court.

*The House adjourned at 11.32 a.m.*