



HOUSE OF KEYS OFFICIAL REPORT

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PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 5th November 2013

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Present:

The Speaker (Hon. S C Rodan) (Garff);
The Chief Minister (Hon. A R Bell) (Ramsey);
Hon. D M Anderson (Glenfaba); Mr L I Singer (Ramsey);
Hon. W E Teare (Ayre); Mr A L Cannan (Michael); Hon. T M Crookall (Peel);
Mr P Karran, Mr Z Hall and Mr D J Quirk (Onchan);
Mr R H Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North);
Hon. D C Cretney and Mrs K J Beecroft (Douglas South);
Hon. C R Robertshaw and Mrs B J Cannell (Douglas East);
Hon. J P Shimmin and Mr C C Thomas (Douglas West);
Mr R A Ronan (Castletown); Hon. G D Cregeen (Malew and Santon);
Hon. J P Watterson and Mr L D Skelly (Rushen);
with Mr R I S Phillips, Secretary of the House.

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House of Keys

The House met at 10.00 a.m.

[MR SPEAKER *in the Chair*]

The Speaker: Moghrey mie. Good morning, Hon. Members.

Members: Good morning, Mr Speaker.

5

The Speaker: The Chaplain will lead us in prayer.

PRAYERS

The Chaplain of the House of Keys

Leave of absence granted

The Speaker: Hon. Members, I have given leave of absence to the Hon. Member for Rushen, Mr Gawne, to allow him to speak at an Interpol conference in Nairobi.

10

Questions for Oral Answer

CHIEF MINISTER

1.1. Post office counters – DSC benefits payments

15

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

Whether he supports the Department of Social Care's plan to abolish the provision of pensions, allowances and other benefits at post office counters?

The Speaker: We turn to Item 1 on our Order Paper, Questions for Oral Answer. I call on the Hon. Member for Douglas North, Mr Houghton.

20

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

The Speaker: I call upon the Chief Minister, Mr Bell, to reply.

25 **The Chief Minister (Mr Bell):** Mr Speaker, on average over the last five years the Department of Social Care has paid the Post Office nearly £400,000 commission each year to process pensions, allowances and other benefits. This does not include the additional administration costs.

30 In line with the need to review all service provision under the Scope of Government, the Department is working with the Post Office to put together a business case to look at alternative methods for paying benefits. It is therefore premature, Mr Speaker, for me to comment on my support for, or otherwise, the continued payment of pensions, allowances and other benefits at post offices until this work is completed.

35 **The Speaker:** A supplementary question, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

40 In response to the Chief Minister's reply this morning, where he states that the Post Office has received over £400,000 per annum over the last five years, how does he balance that with the contra effect, if this business is lost to the Post Office, that the profits that are paid into the Treasury, currently at the level of some £2 million a year, would be affected? How does he balance out a negative against a negative, sir?

The Speaker: Chief Minister.

45 **The Chief Minister:** These details obviously will be part of the considerations which are taking place at the moment, Mr Speaker; and as I say, no decision has yet been made.

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

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

Can I ask the Chief Minister when was he made aware of the discussions regarding this particular move; and was it discussed, or has it been discussed, at Council?

The Speaker: Chief Minister.

55 **The Chief Minister:** I was aware a few weeks ago, Mr Speaker. I do not have the dates ready to hand.

The Speaker: Hon. Member for Michael, Mr Cannan.

60 **Mr Cannan:** Thank you.

Can I ask the Chief Minister, Mr Speaker, whether he is aware of an economic impact study and assessment having been carried out; and if not, will he ensure that one is carried out before any decision is made on this issue?

65 **A Member:** Hear, hear.

The Speaker: Chief Minister.

70 **The Chief Minister:** There are two decisions here, I think, Mr Speaker, which will need to be agreed on at some point. One is the actual immediate issue of the ceasing of paying these benefits through post offices, but alongside that we do need a long-term strategy as to the future of local sub-post offices all across the Island, and I think these two go hand in hand.

75 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

In support of what the Chief Minister has just said about a long-term strategy for the post offices, does he not agree with me – and even in his own constituency – that the post office is the centre of all retail functions in all towns and villages on this Isle of Man, and through that there is at least £1.5 million in cash distributed via post offices each week that falls into the hands of retail outlets?

Does he not realise that if the post offices are so critically damaged by any change in policy – that he may or may not support – that will have a knock-on effect also on the retail outlets of the Isle of Man and completely kill all the social fabric that once was? Does he not agree with that?

The Speaker: Chief Minister.

The Chief Minister: Mr Speaker, I said in my Answer there is a review going on on the various aspects of work here. This level of language at this stage is not appropriate, I do not think, until we have some better idea as to what the implications of these proposals may be.

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

Mr Karran: Vainstyr Loayreyder, does the Ard-shirveishagh not agree that many people outside this Hon. House will be looking upon the fact of the divorce from reality of his Minister for Social Care on the understanding of why we need a post office counter service, particularly with the sector of the community that is not part of the banking sector, or whatever? Does he not think that this highlights the concern that many have that his Government is divorced from the reality of a large section of the community?

Mr Houghton: Hear, hear.

The Speaker: Chief Minister.

The Chief Minister: I think the divorce from reality, Mr Speaker, lies with the Hon. Member himself. He perhaps has forgotten that the Isle of Man Government has lost a third of its income and that we are exploring every possible way to streamline the delivery of public services to reduce the overall size of the deficit and get Government back into balance again.

The Hon. Member knows full well that these workstreams have been going on for some time now. This is just one more aspect of the review of the scope of Government and reviews of an improved way to provide this service to the public.

I am very well aware of how important the post offices generally are to the community and the role that they play in assisting certainly one section of the pensioner community. These will all be taken into account while these discussions take place, and ultimately a decision will be made.

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

Mrs Cannell: Thank you, Mr Speaker.

Does the Chief Minister not consider then that it has been foolish for the Department to publish anything about proposals of this nature prior to a proper impact assessment? (**A Member:** Hear, hear.)

The Chief Minister has talked this morning about a business case and a review, but will he give us the assurance today that there will be a proper, full, comprehensive impact assessment – because for every change that you make of this significance there will be a knock-on effect right across the community which could have dire consequences for the future?

130 Whilst he is looking at that, will he also bear in mind that the demographic for the Island is that we have a growing ageing population, so we will, in fact, in years to come, have more and more pensioners, many of whom rely on the post office to get their pension and do not have bank accounts?

Two Members: Hear, hear.

135 **The Speaker:** Chief Minister.

The Chief Minister: The vast majority of pensioners receiving benefits at the present, Mr Speaker, receive them directly into their bank account. As the demographic wave continues to work through with the generation who have been used to having all their business done through bank accounts, that proportion will increase and, commensurately, the number of people wanting their pensions and other benefits paid in cash at the post office will, in all likelihood, reduce.

145 **The Speaker:** Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

Could I ask the Chief Minister, regarding the Business Change Group, would he give Members a presentation?

150 Also, could I ask, regarding this particular issue with the Post Office and the Department of Social Care, what sort of priority is he giving it?

The Speaker: The first part has certainly been broadened out, but Chief Minister...

155 **The Chief Minister:** Mr Speaker, I have answered these questions. There is work in progress at the moment between the Department of Social Care and the Post Office to provide a direction as to whether this proposal may work or not. Following that, there will be a widespread review of the role of sub-post offices right across the Island; and in due course, if a decision is made to alter that in any way, Members will be involved in it.

160 **The Speaker:** I call on Mr Karran, and then a final supplementary from Mr Houghton.

165 **Mr Karran:** Vainstyr Loayreyder, would the Ard-shirveishagh not agree that the fact is that it is the inconsistency? It is only the outbursts of abuse from the Hon. Member... but it is the inconsistency of the priorities of the issue of... This is a very important part of the social fabric of a section of the community that feels divorced from this Government.

170 Would he not agree that the issue of cuts we are all supportive of was totally supported, as a Minister for Education... and did some of the only cuts that have actually happened in this administration; but would he not agree that the fact is that people are concerned at the lack of balance as far as the priorities as far as cuts are concerned, especially when he sees his own executive Government increase threefold as far as the costs are concerned, when other Departments' ... *[Inaudible]* service is not being touched?

175 **The Speaker:** Hon. Member, it is not a debate. You have put your question. Chief Minister.

The Chief Minister: It is disheartening, Mr Speaker, to listen to this nonsense every Tuesday morning. When the Hon. Member talks about abuse, I have not abused him this morning: I have simply answered his questions. If the abuse is on this floor at all, he needs to look at his own contribution, I think, before he starts raising this. **(A Member:** Hear, hear.)

180 Mr Speaker, I have made it very clear that this is a relatively narrow discussion which is taking
place between Social Care and the Post Office to investigate whether there is a more effective
way of delivering this service to the people who claim benefit and the pensioner community.
This is all this is. It is not an exercise in a wholesale cutting of services to the public, as the Hon.
Member has tried to scaremonger. That is *not* the intent behind this; it is to try and improve the
185 efficiency of the service.

When that discussion is finished and when the review of the future of the sub-post offices is
considered – as I have said *once again*, Mr Speaker – Members will be considered.

The Speaker: Finally, Mr Houghton.

190

Mr Houghton: Thank you, Mr Speaker.

Would the Chief Minister not agree with me that you do not really need to have an impact
assessment on this matter to realise the collateral damage you will do to post offices and
associated retail outlets near those post offices throughout every village and town of the Isle of
195 Man?

Also, would the Chief Minister agree that this is not just a matter of people collecting their
pensions? It affects Child Benefit, attendance allowances, widows' pensions, Income Support,
Incapacity Benefit, Industrial Injuries Benefit and Jobseeker's Allowance, in addition to pensions?
Does he agree with that?

200 Finally, Mr Speaker, may I ask if the Chief Minister would make time to meet a senior official
of the National Federation of SubPostmasters, who is on the Isle of Man today for two days – if
he could fit in some time to meet that officer, sir?

The Speaker: Chief Minister.

205

The Chief Minister: Mr Speaker, I do not know how many times I have got to answer this
question: I am fully aware of the social role that the post office plays on the Island; it is very
important to all communities and I have, in the past, been a strong supporter of them.
Nevertheless, we have an opportunity at the moment to discuss, between Social Care and the
210 Post Office, an alternative measure to deliver the same service to that wide range of benefit
recipients that the Hon. Member refers to. That may or may not materialise as fact at the end,
but we have a duty to investigate these opportunities, as we do with many others.

I do find it disheartening though, Mr Speaker, that Members on the one hand are demanding
that Government speed up the implementation of the Scope of Government – that we downsize
215 Government as quickly as we possibly can; we are going too slow – and yet at every single
hurdle, whenever a proposal is even considered, let alone formally put forward, there there is
strong opposition to it.

The Hon. Chairman, Mr Speaker, is schizophrenic when it comes to the Scope of Government.
We have to get our act together and agree what the best way forward is for the Island.

220 I would hope that Members would recognise that the exercise carried out at the moment in
relation to the sub-post offices is done in good faith with the aim of improving the service to the
public and possibly saving money in the process.

Mr Houghton: Mr Speaker, he did not answer the final part of my question. Would he be
225 willing to meet this official from the National Federation of SubPostmasters?

The Speaker: Chief Minister.

The Chief Minister: At this time it is too late, Mr Speaker.

230

**1.2. Economic health and performance –
Indicators used by Government**

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

What indicators his Government uses of economic health and performance other than Gross Domestic Product (GDP) and Gross National Income (GNI); and if he will make a statement?

The Speaker: Question 2, Hon. Member for Onchan, Mr Hall.

Mr Hall: Thank you, Mr Speaker.

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

235

The Speaker: Chief Minister to reply.

The Chief Minister (Mr Bell): Mr Speaker, there are a number of indicators used, other than GDP and GNI, to assess economic health and performance. These include the latest national income measures; employment, unemployment and Work Permit statistics; personal earnings and income data; corporate profitability and tax data; population statistics; the number of VAT-registered companies; property prices; and inflation measures.

240

Statistics on key indicators – such as banking deposit levels, funds under management and administration and funds held by the insurance sector, company formation activity, planning applications, ship and aircraft registration, e-gaming licensing and revenues, and on/off-Island passenger figures – are also assessed.

245

Close contact is also maintained with companies in the manufacturing, finance, professional and business sectors to assess the financial performance of these sectors.

The Speaker: Mr Hall, a supplementary.

250

Mr Hall: Yes, thank you, Mr Speaker, and the Chief Minister for his reply.

Firstly, would the Chief Minister not agree with me and share my view that GDP and GNI figures are largely a flawed measure of economic performance, in the real world at least, and are broadly a poor indicator of prosperity?

255

I say that for... the main reason is that the GDP... GNI fails to capture the economic wellbeing of most of its citizens, and I think that is a very big shortcoming and concern indeed. Real incomes are being squeezed, households are still carrying sizeable debts, benefits are being cut, total pay is generally below the rate of the pace of inflation, and that has been the case for a number of years.

260

The Speaker: Hon. Member –

Mr Hall: I am carrying on, Mr Speaker.

265

The Speaker: Hon. Member, you are making a speech. Would you please put your supplementary question?

Mr Hall: I will, Mr Speaker.

270

Those are some examples, but does the Chief Minister not agree that all of those important aspects are not captured in GDP, and does it not concern him?

The Speaker: Chief Minister.

275 **The Chief Minister:** Those figures are not included in GDP. GDP assessment is an internationally agreed formula, Mr Speaker, which does not include the elements described by the Hon. Member. But clearly we have to have access to those figures too to have a broader feel for how the community is developing, as opposed to just the economy itself.

280 **The Speaker:** Hon. Member for Castletown, Mr Ronan.

Mr Ronan: Thank you, Mr Speaker.

In the light of the Question from the Member for Onchan, would the Chief Minister not agree that the Isle of Man is weak on data and national statistics information?

285

The Speaker: Chief Minister.

290 **The Chief Minister:** Mr Speaker, I do share the Hon. Member's concern with that and I have asked for the role of the Economic Adviser to be revised and his remit perhaps broadened a bit further to enable a lot of these stats to be captured so we have a much better feel for how the Island generally is performing.

The Speaker: Mr Hall, a supplementary.

295 **Mr Hall:** Thank you, Mr Speaker.

My final supplementary: is the Chief Minister aware that the London School of Economics Growth Commission – a highly respected institution – has argued, made the case, that GDP should be supplemented with a broader indicator of economic wellbeing, and that is, ideally, tracking the median household incomes to reflect what people receive out of the national income, and that represents the middle of the income distribution?

300

Will he take this on board, moving forwards – look into the issue, along with the Treasury – so the GDP and GNI figures can be supplemented in this way, which I think would be an extremely useful indicator?

305 **The Speaker:** Chief Minister.

The Chief Minister: There are clear defining lines for how GDP is measured, Mr Speaker, and we follow those at the moment; but other indices clearly would be beneficial and we will look at that.

TREASURY

1.3. Depositors' Compensation Scheme – Review

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for the Treasury:

What form, scope and reporting requirement any review of the Depositors' Compensation Scheme has?

310 **The Speaker:** Question 3. Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

I beg to ask the Question standing in my name.

The Speaker: I call on the Minister for the Treasury, Mr Teare, to reply.

315

The Minister for the Treasury (Mr Teare): Thank you, Mr Speaker.

Hon. Members, a complete review of the Depositors' Compensation Scheme was carried by the Treasury in 2009-10 in conjunction with the Financial Supervision Commission, the Isle of Man Bankers' Association, participants from across the financial services industry and the general public.

320

The new Depositors' Compensation Scheme Regulations were approved by Tynwald Court in October 2010. As the Hon. Member will be aware, the shape and structure of the UK banking industry is in a state of flux following the report of the Independent Commission on Banking. It would be premature to undertake a review of the Depositors' Compensation Scheme until we gain clarity regarding the UK banking reform.

325

Thank you, Mr Speaker.

The Speaker: Mr Thomas.

330

Mr Thomas: Thank you, Mr Speaker, and thanks to the Minister for his reply.

Can the Minister advise whether it will be possible to incorporate new types of financial institution into the Depositors' Compensation Scheme – for instance, a credit union – even though there is not a review ongoing? I believe the possibility and the need for establishing one in the Island is already being studied. If not, could a review be started?

335

The Speaker: Treasury Minister.

The Minister: As I said in my earlier reply, sir... I did say that we are not going to review the Depositors' Compensation Scheme at the moment. It would be premature, in my opinion.

340

The Hon. Member may raise the subject of credit unions, but we have to remember that people who place money on deposit with credit unions are not depositors; they are shareholders – a completely different thing.

The Speaker: Mr Houghton.

345

Mr Houghton: Thank you, Mr Speaker.

Can the Treasury Minister advise, in respect of the KSF bank collapse and the Treasury outgo that was made at the time in the initial stages, has that money now been remitted, sir?

350

The Speaker: Treasury Minister.

The Minister: The Kaupthing Singer & Friedlander resolution was extremely successful and we expect that there will be, if not a full recovery, a virtual full recovery. I am waiting for final details, but it is very positive and I think it does go to show too the effectiveness of the financial regulation in the Isle of Man and the actions that the FSC have undertaken.

355

The Speaker: Mr Karran.

360

Mr Karran: Vainstyr Loayreyder, could the Shirveishagh Tashtee inform this Hon. House about the issue of the negative effect as far as not addressing this important issue that the Hon. Member for West Douglas is bringing about? It will have a severe effect on actually attracting new banks to the Island, and the banks that are here potentially will leave if we do not address a more sustainable way as far as depositors' compensation.

365

Would he not also agree, on the issue credit unions, that it is very sad – as the former Minister for Education who raised this issue with him about the issue of credit unions – that

there seems to be no priority as far as the inclusive society that we were supposed to be promoting... *[Inaudible]*

370 **The Speaker:** Hon. Member, I am not going to allow a great divergence in the scope of this Question.
Treasury Minister to reply.

The Minister: Thank you.
I do not believe that this is going to have a negative effect on the banking industry. What I
375 can say, sir, is that we need to deal with the whole issue once it emerges – not deal with it piecemeal as it is emerging.

The comment he made about credit unions: I have already said in another place that I have asked the FSC to bring forward legislation to deal with some of the issues in the what can now be regarded as out-of-date legislation that governs the establishment of credit unions in the Isle
380 of Man.

The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh Tashtee not agree that, whilst
385 appreciating the problems that he has as far as the Depositors' Compensation Scheme is concerned, the fact is that any banks that have now been nationalised are consolidating their position so that their exposure to the depositors' compensation hanging over the banking licences puts more pressure on the ones that are still operating from the Island, and the issue that has been raised here should be seen as a priority if we are to keep a banking industry on the
390 Island?

Further, in his reply to the issue of credit unions, would he not agree that we have missed an opportunity by not seeing this as a priority, by refusing to deal with this issue until it has become a public issue outside this Hon. House by a number of people in the general public?

395 **The Speaker:** Minister.

The Minister: Could I just take the last point first, sir – I did not see it a priority for credit unions? I actually asked the FSC to have a look at this *before* the general consensus of public opinion started to move in favour of credit unions, so that is work in progress and it *was* in
400 progress before this move forward.

He says that if we do not act in connection with the Depositors' Compensation Scheme it is going to put more pressure on fewer players. Might I just respectfully remind the Hon. Member that contributions are determined by size of deposits, not by the number of players?

1.4. Media Development Fund – Entity responsible for residual balance

The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for the Treasury:

Which entity is responsible for managing the residual balance of the Media Development Fund and for collecting and accounting for any income arising thereon?

405 **The Speaker:** Question 4. Hon. Member for Douglas South, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.
I ask the Question standing in my name.

The Speaker: Minister for the Treasury, Mr Teare.

410 **The Minister for the Treasury (Mr Teare):** Thank you, Mr Speaker.

The entity responsible for managing the balance of the Media Development Fund and for accounting for income thereon is Pinewood Film Advisors Ltd.

The Speaker: Mrs Beecroft, supplementary.

415

Mrs Beecroft: Thank you, Mr Speaker.

Could the Treasury Minister clarify then his Answer to a Question in Tynwald last month when he says 'the initial £25 million Media Development Fund allocation'? Surely it was £25 million in cash plus £8 million in old films, making a balance of £33 million that was transferred to them for management.

420

The Speaker: Minister.

The Minister: I am pleased to clarify that: £25 million cash was not paid over to Pinewood Film Advisors Ltd. What we did say was that they could invest up to £25 million, and that fund has been hypothecated, or earmarked, within Government reserves for that. So there is a firm control there. No money has been paid over, there has been nothing sitting on Pinewood Film Advisors' balance sheet; it is on Government's balance sheet.

425

The £8 million: that is, in effect, investments which were made prior to entering into that agreement and they have now been given the responsibility – as is exactly the same for the other approximately 100 films which were produced by the Isle of Man over the last 15 or so years – for actually generating funds from, in effect, a back catalogue.

430

The Speaker: Mrs Beecroft.

435

Mrs Beecroft: Thank you, Mr Speaker.

Could I just ask the Treasury Minister to clarify again whether the initial £25 million Media Development Fund allocation, as stated in October, should actually be £33 million, because there was £25 million that is under Government control, or was under Government control, and it is drawn down from that, but there is still this £8 million; so surely it is £33 million, regardless of where the assets actually sit.

440

The Speaker: Mr Teare.

445

The Minister: I am at a loss how to explain this. Obviously I have been totally unsuccessful.

The £25 million: I think we have agreed that that actually is the investment that Pinewood now manage for us.

The £8 million: that was films which were in the post-production stage after the signature of the Pinewood agreement, but they have not been distributed; they had been prepared for distribution. So that is where... the value of those films is approximately £8 million and that is what Pinewood have now been entrusted to recoup and to pay back to the Treasury.

450

The Speaker: Hon. Member for Michael.

455

Mr Cannan: Thank you, Mr Speaker.

Can I just ask the Treasury Minister, for clarification purposes then – given that the Fund was commenced last year and I think three or so films have been made – what the actual residual balance of the Fund is, approximately, today?

460 **The Speaker:** Minister.

The Minister: There have actually been six films made since we entered into the agreement, but that is beside the point – not three, as the Hon. Member has mentioned.

465 The actual figures to date: we have invested, I think – and I need to check this again – approximately £8 million and there is £17 million still sitting in cash to invest.

The Speaker: Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

470 Would the Treasury Minister oblige Members then by circulating a breakdown of how that £8 million is actually made up – which films it is made up of – and could he confirm where there has been any write-down of those films to date?

475 **The Minister:** That, sir, is confidential information because if I put that into the public domain it is going to make it more difficult for Pinewood Film Advisors to actually market the films, because it is giving away what the films have cost. Really, we would be shooting ourselves in both feet.

The Speaker: Mr Karran.

480 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh Tashtee not agree that his replies as far as an issue of £8 million, and the reply that we got from the Ard-shirveishagh about the issues of hard economic times... Here is £8 million that you do not want to account for. Is this just a matter of a policy that seems to be... that it does not matter when it is amongst friends as far as these issues are concerned, and would he not agree that the fact is that he should be accounting for this amount of money that the Hon. Member for South Douglas is...? If we are in such hard times, let's have the consistency throughout society.

The Speaker: Mr Teare.

490 **The Minister:** With respect to the Hon. Member, I *am* consistent. I did say that I expected, during this current financial year, that we would recover approximately £1.5 million off that £8 million. I am pleased to confirm that our recoupment rate is running ahead of that and we have actually recovered virtually the £1.5 million in cash... *[Inaudible]* now. There are negotiations underway which will lead to a recovery of approximately £6 million.

495 I would just like to remind the Hon. Member for South Douglas of something she said in another place on Tuesday, 16th April. She said, I quote:

'... this transfer of £8 million back to General Reserves is nothing more than a pipe dream...'

That's some dream and some reality!

500 **The Speaker:** The last supplementary, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

I am very pleased to hear that it is more than a pipe dream – I am glad of that assurance; but could the Treasury Minister, if he is not prepared to give a breakdown of the £8 million, just confirm which films make up that £8 million, without giving the individual amounts?

505 Could he further confirm that, in the accounting going forward, the income from the films that were made *prior* to Pinewood taking over is going to be accounted for separately to the income from the films *since* they took over – because it would be very unfair on Pinewood if the two were to get mixed up?

510 **The Minister:** I take the Hon. Member's point: there should not be any intermingling of funds, and I did say in another place in March that there would be separate accounts for this and it would be shown in the Government's Light Blue Book, which is published normally in June each year so the detailed information will be there at that time.

515 As far as the individual films which have been produced, I am quite happy to give the titles out to Hon. Members and I will ensure that is done.

1.5. Pinewood Film Advisors Ltd – Management fees

The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for the Treasury:

*Pursuant to Written Question 40 in the October sitting of Tynwald –
How much in management fees were paid to Pinewood Film Advisors Ltd to 30th September 2013; and whether there is any accrued sum due to Pinewood Film Advisors Ltd at 30th September 2013?*

The Speaker: Question 5. Mrs Beecroft, please.

Mrs Beecroft: Thank you, Mr Speaker.
I ask the Question standing in my name.

520

The Speaker: Treasury Minister.

The Minister for the Treasury (Mr Teare): Mr Speaker, I would refer the Hon. Member to the document entitled 'Strategy for the Future of the Isle of Man Film Industry', which was presented to Tynwald in June 2012. This document clearly sets out the fees payable to Pinewood Film Advisors over a five-year term.

525 I would also refer the Hon. Member to a previous Answer provided to Tynwald in March this year where the annual management fee payable of £365,000 was confirmed.

530 I also confirmed that the fee was fixed in answer to a further Question by the Hon. Member during the April 2013 sitting of Tynwald.

Thank you, sir.

The Speaker: Mrs Beecroft.

535 **Mrs Beecroft:** Thank you, Mr Speaker.

Could the Treasury Minister just confirm whether they are getting management fees on the £25 million, or the £25 million plus the £8 million?

The Speaker: Minister.

540

The Minister: The management fee relates to the £25 million – that is the £365,000 – and that does not apply to the recoupment that they are currently making on the £8 million.

The Speaker: A further supplementary.

545

Mrs Beecroft: Thank you, Mr Speaker.

Could the Treasury Minister clarify then what recompense they are getting for looking after the money that they are recouping from the £8 million? They must surely be getting something for that.

550 **The Minister:** Yes, they are. This is quite clearly laid out in the initial strategy document which we took to another place in June, and it would count for library commission, which is 7½%, and that is very competitive. In the industry, as a benchmark, the library fees are between 15% and 20%, so it is very competitive.

I would just like to say at this point, sir, the investment in Pinewood has been very successful and, over the last six months, it has been the most successful investment in the Isle of Man Government's investment portfolio. **(A Member:** Hear, hear.) It has topped 20%.

The Speaker: Final supplementary, Mrs Beecroft.

560 **Mrs Beecroft:** Thank you, Mr Speaker.

Would the Treasury Minister not agree that an investment is actually classed as successful when you make a profit; and would he not further agree that it could be quite difficult to sell the Pinewood shares, given that they are not traded as a normal plc? What is his definition of 'successful' – because you have not actually made a profit yet?

565

The Speaker: Minister.

The Minister: My definition of success is we have valued it – it has been independently valued – and so why shouldn't I regard it as a success?

570 I think, really, that we have moved forward. We have moved forward in partnership with an iconic brand – a brand which is expanding rapidly all over the world – and I feel positive that this has helped the Isle of Man to diversify its economy.

If I could just go back and highlight the emphasis which her party put on the economy at the last election in their manifesto: one single page out of eight. Where does that say their priorities lie?

575 We prioritise and we will work to diversify, broaden and strengthen the economy to make sure that we generate the revenue that we all need.

ECONOMIC DEVELOPMENT

1.6. Lord Street bus station site – Payments to Askett Hawk

The Hon. Member for Onchan (Mr Karran) to ask the Minister for Economic Development:

If he will estimate the costs to public funds of Government support for the project to develop Lord Street bus station by Askett Hawk Developments (IOM) Ltd, broken down by (a) staff costs; (b) subvention to Askett Hawk; (c) travel and related costs; and (d) other costs?

580 **The Speaker:** Question 6. Hon. Member for Onchan, Mr Karran.

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

The Speaker: Minister for Economic Development, Mr Shimmin, to reply.

585 **The Minister for Economic Development (Mr Shimmin):** Thank you, Mr Speaker.

As highlighted in the Answer given in this Hon. Court by the then Minister of the former Department of Tourism and Leisure on 26th May 2009, there was a working group, chaired by him and supported by the Minister of the former Department of Local Government and

590 Environment. This group comprised senior officers and advisers, and while there are minutes of such meetings, there are no detailed records of the time spent on the project by the officers involved.

In 2010, after the Government restructure, responsibility for the site passed from the Department of Tourism and Leisure to the Department of Infrastructure. The Department of Infrastructure estimates that, since it took ownership of the site, its Head of Asset Management has spent 30 days on the project; its Director of Properties and Estates, four days; and its Chief Executive, two days. As far as my own Department is concerned, staff have spent little, if any, time on this project since the formation of the Department in 2010.

600 Part (b) of the Question concerns subventions to the developer of the site, Askett Hawk. I can say with certainty that my Department has not made any payment to Askett Hawk; nor have I been able to find any identification of any payments made to the company by any other Department.

605 In dealing with parts (c) and (d) together, concerning travel and other costs, there were two external parties contracted by the Departments involved to provide advice on the project – those being Drivers Jonas and Cains advocates. The total fees paid to Drivers Jonas over the period 2004-05 to 2010-11 were £183,666. The total fees paid to Cains amounted to £108,240. The moneys were paid by the former Department of Tourism and Leisure, with the majority being reimbursed through Treasury's Marketing Initiatives Scheme and, after the restructure of Government in 2010, by the Department of Infrastructure.

610 Mr Speaker, these costs are, to the best of my knowledge, correct, although it has been difficult for my Department to collate the information due to their extremely limited involvement in the project. If there are any other costs, my Department is certainly unaware of them.

615 **The Speaker:** Mr Karran, a supplementary.

Mr Karran: I thank the Shirveishagh for his reply.

620 So, allowing for the fact that the taxpayer, at March 2011, was into this project by £270,000 and it has now gone up to just under £300,000, does the Minister feel confident that, the way that we deal with giving these pieces of land out, with our track record, we can have confidence in the future that, when parting with state assets, we will have much more success than we have had as far as this particular project is concerned?

The Speaker: Minister to reply.

625 **The Minister:** It is very interesting, Mr Speaker, because the Hon. Member who has just resumed his seat and many other Members talk about size and scale of Government and talk about reducing the number of officers working for Government; and then, when we come into schemes like this, where there is no direct expertise on the books of the Staff of Government, we have to go externally.

630 Indeed, the nearly £300,000 spent on this project, which effectively came to no development, has been in no small part because, firstly, we did not have the skills within Government; secondly, if we were trying to do it in-house people would argue against the expertise available; and thirdly, we required expert legal advice in a project of this nature to ensure the Members of Tynwald and the public would be satisfied we were protecting the asset. So, when we are trying to develop and invest in our properties on the Isle of Man, there is an associated cost.

640 Have we done this one well? No: it has taken over 25 years and we still have a car park in one of the prime sites in Douglas. Am I more confident that the future will be better? I have to remain optimistic, but there will always be an association of level of costs to protect the taxpayer's interests.

The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, could the Shirveishagh not agree that we all support the principle about 70% of the construction activity is on the taxpayer and we do need to look at
645 new ways of getting spending outside the public purse?

Have lessons been learned, so any future projects, as far as handling state property over is concerned... that we have learned from the mistakes of the past in order to make sure that we will not have those problems in the future, in order to try and stop this circle that we seem to have as far as when it comes to these deals?
650

The Speaker: Minister.

The Minister: Mr Speaker, if we are ever going to do anything, there is a level of risk. The amount of cost for this project was designed deliberately to try and de-risk it because of the
655 Hon. Member and others who are concerned that we are giving away assets of Government.

The legal advice we were taking actually proved to be successful, inasmuch as the small amount of money and cost to the Department of Infrastructure was actually to remove ourselves from that scheme. The legal advice that we had received... the overly bureaucratic memoranda of understanding and the process of going through and getting Tynwald approval,
660 along with all the safeguards and the caveats – all of those cost time, money and effort, and actually were a disincentive to making the development take place.

If we are going to learn anything from this it will be the case that, on occasions, to do something we have to accept a level of risk. If we want to de-risk all of that, then we will continue to spend large amounts of money and end up exactly back at the starting point, as we
665 have done on this project.

The reality is that for any developer to take a risk with Government it gets increasingly more difficult the more time we spend, as a parliament, discussing their affairs on the floor of Tynwald, as per some of the Questions later this morning, sir.

The Speaker: A final supplementary, Mr Karran.
670

Mr Karran: Vainstyr Loayreyder, thanking the Shirveishagh for a most sensible reply, would he not agree that £300,000 with a prime location in the middle of Douglas, in the middle of an economic boom, and we cannot get it right...? Does he not fear that lessons have not been
675 learned in order to make sure that, when we come along with other proposals, maybe we should look at a more open tender procedure and a more transparent system to deal with such assets?

The Minister: I am sorry, Mr Speaker, this is rewriting history. The open process to arrive at Askett Hawk was a fully open process and tendering. The major problem was that the world hit
680 then the worst level of recession there has been in history – not just since the... [*Inaudible*] in question, but the worst recession in history. Therefore, the combination of those factors meant that this scheme was always going to have an uphill challenge, particularly with the important safeguards that we want to put in place.

I do not think the Hon. Member and myself are on opposite sides – we want things to happen, but there is, with that, a price tag to protect the public's interests. At the moment, the economy of the Isle of Man is strong, the economy in the UK is growing, and there are a number of parties who are interested in possible development in that area.
685

However, I must say that when we come to make a decision it will not give everyone in this House as much as they would like. We have to accept that, for a development to take place...
690 they are going to have to come forward with things which they believe are economically viable, and therefore some of the aspirations of Hon. Members may not be fully realised.

The Speaker: Mrs Cannell, I will give you the final supplementary.

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

In order to be helpful to the Minister and the Council of Ministers, rather than wait for a developer to become interested in a particular site owned by Government and then going into the protracted talks and Tynwald approval etc – which I agree is very off-putting for anybody wanting to make an investment here – would it not be better and more prudent to have a proactive approach in terms of Government identifying what it has and what it would like to utilise it for, and taking that as a policy debate to Tynwald so that you actually get Tynwald’s policy endorsement to utilise certain pieces of land in a particular way? That way, it will give your Department of Economic Development the licence to go out, target the business, bring it back to the Isle of Man and make it happen.

705

A Member: Hear, hear.

A Member: Well done.

710 **The Speaker:** Minister.

The Minister: Thank you, Mr Speaker.

Again, not too far away from the Hon. Member for East Douglas: we have a committee that is looking at this with regard to understanding what we are wishing to have in those areas of Douglas to try and have a viable visionary future going forward. That committee is looking at something very much along the lines the Hon. Member is talk about.

We already have a clear understanding, I believe, that there is a desire for leisure activities to take place in that central location in the heart of Douglas. So, over the years, although the Hon. Member for Onchan talks about ‘Have we learned lessons?’, we have certainly evolved a closer understanding of what we want in that area. I take on board the comments from the Member, Mrs Cannell, and we will see how we come forward with a package, because by far the best way forward would be to get a united front of saying ‘We want this development’, but then to allow a developer to get on and do this, because this is core to developers – it is not something Government has the skills and expertise in delivering.

SOCIAL CARE

1.7. Housing (Miscellaneous Provisions) Act 2011 (Appointed Day) (No. 2) Order 2013; Purpose and subsequent use – Clarification by Minister for Social Care

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

How he reconciles his Written Answer of 15th October in Tynwald (Q. 56) and his statement at (b) in his Answer with subsequent correspondence issued by him to local authorities?

725 **The Speaker:** Question 7. Mr Houghton.

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

730 **The Speaker:** The Minister for Social Care, Mr Robertshaw.

The Minister for Social Care (Mr Robertshaw): Thank you, Mr Speaker.

In my briefing note to Members and my response to the Hon. Member for Douglas to his Question of 15th October –

‘What the purpose is of bringing forward the (Appointed Day) (No. 2) Order 2013; and to what effect the Department intends to use the Act within the next twelve months?’

– I explained the general provisions of the Housing (Miscellaneous Provisions) Act 2011 captured by the Appointed Day (No. 2) Order 2013 and the reason for the delay in their implementation, namely the finalisation by DEFA of the regulations in respect of the control of flats and houses in multiple occupancy (HMO).

735 I explained that schedule 3 of the Act also contains provisions to capture formally in legislation the resolution of 20th October 1999, which lays out the binding Tynwald conditions for the payment of housing deficiency funding to local authorities. Modern legislative drafting conventions means that the legislation does not repeat each Tynwald condition of the 1999 resolution word for word as it presents the conditions as appropriate legal clauses that capture the content and overall intent.

740 For example, the 1999 Tynwald resolution states that:

‘...Tynwald approves the following conditions... to be complied with by each local authority...
(b) the authority shall implement such all-Island policy for the provision of housing as is determined by the department after consultation with all local authorities concerned;
(c) the authority shall operate such uniform basis for acceptance onto its housing list and for allocation of its housing as is determined by the department after consultation with all local authorities concerned;’

In the legislation, this becomes:

“1A. (1) The Department may adopt an all-Island policy for the allocation of housing by the Department and local authorities.
(2) Before adopting such a policy the Department shall consult all the local authorities that would be affected by it.
(3) Such a policy shall not come into operation unless it has been approved by Tynwald.
(4) Once such a policy has been adopted local authorities shall comply with it.”’

I think that Hon. Members would agree that whilst the legislative clauses may not read word for word as the Tynwald resolution clauses referred to, they do not contain any additional provisions.

745 As Hon. Members will be aware, housing deficiency funding is already subject to the provisions of the 1999 Tynwald resolution; therefore local authorities must have, by default, accepted these conditions by accessing deficiency funding over the last 13 years. The legislation therefore will not have any impact in this respect as it simply formalises the conditions already applied by Tynwald.

750 For the avoidance of any doubt that these terms are intended to be one and the same, the legislation backdates these provisions to the 1999 Tynwald resolution.

Thank you, Mr Speaker.

The Speaker: Mr Houghton, a supplementary question.

755

Mr Houghton: Thank you, Mr Speaker.

In the Minister’s written reply, a section of that point (b) of Question 56 on that day stated:

‘To confirm the only difference in wording between the resolution and Schedule 3, section 6(3) of the Act is that the Act uses the words “may adopt” instead of “shall implement”.’

In his letter to the local authority the day after that Written Answer... On 16th October, a section of a letter to local authorities stated:

‘The legislation does not repeat each Tynwald condition of the 1999 resolution word for word as it combines the conditions to provide appropriate legal clauses that capture the content and overall intent.’

760 Mr Speaker, there is a deficiency between each of those statements that the Minister has made. What appropriate legal clauses is he discussing, and what is the intent? Can he elaborate what the intent is of the Department in this matter?

The Speaker: Minister.

765

The Minister: Thank you, Mr Speaker.

I hoped I had captured the position of the Department, and in fact the legal aspects, in my Answer, effectively trying to indicate that there is no difference between the 1999 resolution of Tynwald and subsequent legislation and we tried to describe that effectively, in legal terms, where the Department 'may' is effectively 'shall'.

770

I would draw attention to the fact that, on 1st February 2011, when the clauses stage was going through, the Hon. Member for North Douglas in fact voted in favour.

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

775

Mr Quirk: Thank you, Mr Speaker.

Can I ask the Minister, regarding houses in multiple occupation, what is his reasoning for excluding charities from his consultation and his Department's policy?

780

The Speaker: No, I cannot accept this question. It is out of the scope of the original Question. Mrs Cannell, Hon. Member.

Mrs Cannell: Thank you, Mr Speaker.

785

How can the Minister stand up in the House of Keys this morning and say to us that 'may' is in effect 'shall', when 'may' inserted in legislation... the terminology is that the Department *may* use that power or it may *not* use that power. The word 'shall' is completely different and it means that the Department *shall*; in other words, it is *has* to do it to do whatever is being provided in the legislation.

Does the Minister not understand his own legislation that he is bringing forward here?

790

The Speaker: Minister.

The Minister: The Hon. Member for East Douglas is getting a little bit excited. *(Laughter)*

795

Mrs Cannell: It's not surprising with your interpretation, Minister.

The Speaker: Minister, you have the floor.

The Minister: It makes my point, Mr Speaker, I think.

800

Modern legislative drafting conventions mean that legislation does not repeat each Tynwald condition in the 1999 resolution word for word, as it presents the conditions as appropriate legal clauses. It captures the content and overall intent. I am happy to explain that in greater detail to the Hon. Member outside of the House if she is confused, *(Interjection)* but I am completely content –

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Mrs Cannell: I am not confused... *[Inaudible]*

The Minister: – that the position, in legal terms – and we have taken advice on this – is effectively more than satisfactory.

810

**1.8.-10. Parkinson Ltd –
Retention money; payments to suppliers and subcontractors**

The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Social Care:

1.8. How much in retention money was returned early to Parkinson Ltd; and when?

1.9. Whether any of the returned retention money to Parkinson Ltd was used to pay any funds owed to any Government Department?

1.10. Whether adequate checks have been made by his Department to ensure that Parkinson Ltd have paid suppliers and subcontractors on time under the terms of the signed contract?

The Speaker: We turn now to Question 8. Hon. Member for Douglas South, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

I ask the Question standing in my name.

815

The Speaker: I have allowed the Minister, in reply to Question 8, to consolidate his Answer with those of Questions 9 and 10. I will, of course, give the Hon. Member adequate opportunity for supplementary questions.

Minister.

820

The Minister for Social Care (Mr Robertshaw): Thank you, Mr Speaker.

Mr Karran: Point of order, Vainstyr Loayreyder.

I hope that you have consulted with the Hon. Member (**Mrs Beecroft:** No.) beforehand on this. Hasn't the Member got a right to that position?

825

The Speaker: I have made this decision because the Questions are so closely related, and I have said that I will give the questioner full opportunity for supplementary questions.

830

Mr Quirk: On the House.

A Member: Agreed.

The Speaker: Minister.

835

The Minister: Mr Speaker, thank you very much for that.

I would refer the Hon. Member to my response to Questions about this project at last week's sitting of this Hon. House. I would reiterate that the Department considered the risk to completion stage of further defects arising and concluded that there should still remain adequate protection through the balance of retention moneys held and by the provision of the performance guarantee bond for the project, and this was supported by Treasury.

840

I believe that last week I tried to brief Hon. Members as fully and frankly as possible about the history and contractor arrangements of the Janet's Corner project and regret to see the matter appearing on the Order Paper again.

845

Hon. Members are well aware that we have significant and special privilege in our dealings here, so it is imperative, when we are addressing matters relating to named individuals, that we conduct ourselves with great care and a sense of responsibility. This must also apply to our conduct when dealing with a named company.

850

I accept that the Hon. Member for South Douglas, in her Question today, is – in the main, at least – dealing with matters concerning a company when it was under its previous ownership; but when combined with those Questions raised last week, which were contemporary in their

nature, finds us dealing with Questions relating to a company now under new ownership in the form of a respected local family business, I am accordingly deeply concerned that however unintentional it may be – and I am sure it is – we have the potential in our conduct here to

855 undermine the wellbeing of this company.

You will recall from my comments last week that I commended the principal of the company for his determined and considerable efforts to bring the Janet's Corner project to a successful conclusion, and I continue to wish him well in that regard.

860 Nonetheless, Mr Speaker, I remain fully aware of my duties to answer Questions before me and I will be happy to do so in a more appropriate arena. I do, therefore, invite the Hon. Member for South Douglas to my departmental office, where I am confident that my officers and I will be able to fully assuage the concern she has expressed, or at least indicated today in the nature of her Questions.

865 **Mr Houghton:** Where she will get a dressing down.

The Speaker: Mrs Beecroft, a supplementary question.

Mrs Beecroft: Thank you, Mr Speaker.

870 Given the nature of what the Minister has just informed us, about the change of ownership, if he would confirm the date of that change then I will happily come to his Department and ask the remainder of my questions, because I do not want to bring any sort of embarrassment or awkwardness to an individual outside this House.

875 **The Minister:** Mr Speaker, I am grateful to the Hon. Member for South Douglas.

I hope I am correct in saying that I believe – and I am open to correction here and I will be happy to advise the House accordingly – that the change of ownership happened, as I understand it, in May of this year.

880 I would welcome the opportunity to go through all of the issues that the Hon. Member has raised with my officers in full detail, and I am sure that I can satisfy her accordingly.

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

Mr Quirk: Thank you, Mr Speaker.

885 In light of that, can the Minister then tell me who the new owner of this particular company is? Who are the main directors and who are the shareholders?

Mr Houghton: Still the Sefton Group.

890 **The Speaker:** Minister.

The Minister: There was a background noise there that it is still the Sefton Group: it is not. It is privately owned by a family on the Isle of Man –

895 **A Member:** Who is it?

The Minister: – of high repute, and I would like to leave it at that, Mr Speaker.

The Speaker: Mr Quirk, a supplementary.

900

Mr Quirk: Thank you, Mr Speaker.

The Minister is avoiding the issue: who is the owner of the company?

905 Isle of Man Government is dealing with this particular company now. There are concerns from the construction industry and I feel it is right and proper for the Minister – wouldn't he agree with me – to name who the person is, or the company.

The Speaker: Minister.

910 **The Minister:** Mr Speaker, the hon. questioner is not helping the situation at all by his inference, which I find quite unacceptable.

He is more than welcome to come to my office and go through this whole matter outside of the public arena. I am happy to do that and I invite him so to do.

915 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that, in another life, when he was in the private sector... the real core of the issue is once again the fact that we have a project that was originally given as a way of cushioning the problems of a particular firm, and would he not agree that that is the bottom line of this issue as far as this development is concerned –

Mr Shimmin: Is that an allegation?

925 **Mr Karran:** – and does he not think it undermines... *[Inaudible]* –

The Minister: Mr Speaker, there is no evidence whatsoever –

930 **The Speaker:** Before I invite the Minister to respond, can I ask Members to acknowledge the Standing Order about reflection on the conduct of individuals, and that applies as well to commercial interests.

The Minister has probably answered as fully as he is in a position to do so this morning; but, Minister, if you wish to add...

935 **The Minister:** Mr Speaker, perhaps the Hon. Member will join us down at my Department's offices and get the facts of the matter, rather than throwing these forms of allegations around, which are most unhelpful.

The Speaker: Mr Quirk.

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

Can the Minister not confirm that the company is actually Blackburn Construction Services? And could I ask the Minister, while he is in a mood for giving us responses, what is the indebtedness to subcontractors for Parkinson Ltd and what is the indebtedness to the new particular person who has taken over at this present time? *(Interjection by Mr Shimmin)*

945 **The Speaker:** No, I am afraid I have to rule that out of order.

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

950 **The Speaker:** I note the clock has now reached 11 o'clock. Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

I beg to move:

That Standing Order 3.5.1(2) be suspended to enable the remaining Questions for Oral Answer to be taken as this sitting.

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

955 Division called; 16 votes required.

Electronic voting resulted as follows:

FOR

Mr Quirk
Mr Hall
Mr Karran
Mr Ronan
Mr Singer
Mr Quayle
Mr Cannan
Mr Cregeen
Mr Houghton
Mr Henderson
Mrs Beecroft
Mrs Cannel
Mr Thomas
Mr Cretney
Mr Skelly
The Speaker

AGAINST

Mr Crookall
Mr Anderson
Mr Bell
Mr Teare
Mr Robertshaw
Mr Shimmin
Mr Watterson

The Speaker: With 16 for and 7 against, the motion carries.

**1.11. Household income and fuel costs –
DSC understanding**

The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Social Care:

*Pursuant to Question 3 in the House of Keys on 14th February 2012 –
Whether his Department has a proper understanding of household income and the
relationship of that to fuel cost?*

The Speaker: We turn to Question 11. Hon. Member for Douglas South, Mrs Beecroft.

960 **Mrs Beecroft:** Thank you, Mr Speaker.

I ask the Question in my name.

The Speaker: Minister for Social Care to reply.

965 **The Minister for Social Care (Mr Robertshaw):** Thank you, Mr Speaker.

As I stated in this Hon. House on 14th February 2012, the analysis of the Island's household incomes is a prelude to a deeper and more focused study. My Department and the Treasury are working with a team of consultants to conduct a root-and-branch review of our Social Security and National Insurance regimes. This will help us to determine, amongst other things, how to target limited resources to those in genuine need. Means testing, as opposed to universality, is

970

undoubtedly the best approach; and therefore, moving forward, we will necessarily have regard to household incomes when assessing entitlements.

As part of this incredibly important review, I hope to engage with all sectors of the Island's community. The results of the review and the recommendations which come out of it will, of course, be brought to Tynwald for debate.

Whilst the review should rightly have regard to the cost of living in the Island, I would not wish it to be side-tracked by focusing exclusively on one particular element of household expenditure or another.

As I also stated on 14th February 2012, I am supportive of the need to encourage the continued insulation of homes to reduce fuel costs and carbon emissions. To this end, new social housing units on the Island meet or even exceed the thermal efficiency standard defined in the latest building regulations; the thermal efficiency of older social housing units has been significantly improved with the Cosy Homes initiative; my Department gives financial help to owner-occupiers to improve the energy efficiency of their homes through the House Improvement and Energy Conservation Scheme; and the Bright Ideas initiative provides energy-saving ideas.

Thank you, Mr Speaker.

The Speaker: Mrs Beecroft, a supplementary.

Mrs Beecroft: Thank you, Mr Speaker.

I am a little bit confused as to where exactly we are up to, or whether the Minister was just quoting everything from over 18 months ago when he said he was trying to get a proper understanding of household income. I am just wondering where exactly he is up to.

It is a long time ago and we do need something to be measuring it by... whether the fuel poverty definition, as used in the UK, is the crude tool that he suggested – and I quite agree, we actually do need a tool... we are going into another winter without anything.

The Speaker: Yes, what is your question, Mrs Beecroft?

Mrs Beecroft: My question is where is he up to now with it?

The Speaker: Where is he up to.
Minister to reply.

The Minister: Mr Speaker, we are in the middle of a complex and very important piece of work, because as we try to move away from universality in benefits to a more targeted approach there is a deal of work needed to be done, and is being done, to get it right.

I share the Hon. Member for South Douglas' frustration that we are not able to bring it out today or the next day, but what we are doing is work which will influence our benefits system and the wellbeing of our more vulnerable members of society for *many* years to come, so I would beg some degree of patience, if that is possible.

The Speaker: Hon. Member, Mr Thomas.

Mr Thomas: Thank you very much, Mr Speaker.

Although household income, earnings and price levels are being measured, it was confirmed recently that the most recent comparative study of the cost of living in the Island was published in 1994.

Does the Minister share my concern that the Government might be perceived as acting without due skill, care and diligence when it does things like set non-contributory benefit and

pension rights – and even the minimum wage level, though not in your Department, Minister – missing this type of information?

1025 **The Speaker:** Minister to reply.

The Minister: I am supportive of the trend of his comments, if not necessarily the specific detail, because he shares the same concerns as the Member for South Douglas and us all.

1030 I think the Chief Minister expressed a view earlier this morning, in answer to a Question, when he was talking about the importance of the quality of data, and obviously that is part of what we are doing, so I think we are all at one on this one, Mr Speaker.

The Speaker: Mrs Beecroft.

1035 **Mrs Beecroft:** Thank you, Mr Speaker.

1040 I have tried to be patient, but it has been 20 months since we got that first initial Answer, and it sounds *very* similar to what we were told then; so could I ask Minister what priorities he is giving this, what sort of timescale can we expect? And, given that the Prime Minister in the UK is recommending their citizens to either put on another jumper or change provider of fuel – we have not got the option of changing provider; we have only got the option of putting on another jumper – what is he recommending our citizens do this winter?

The Speaker: Reply, sir.

1045 **The Minister:** Mr Speaker, I am sorry that we cannot do such a profound piece of work quickly: if we try to rush our fences or respond to a particular element prematurely, that will not help us.

1050 As I think I have indicated in a number of arenas now in recent weeks, there will be a major debate in the public arena in the early part of next year which will look at a whole range of areas – the sustainability of the National Health Service; our ability, going forward, to continue to pay pensions – and also the work ourselves, the Treasury and our consultants are doing is also looking at the sustainability of our benefits system.

1055 So that is what we are actually doing at the moment, and out of that will come answers which will, I believe – and *should*; goodness me – target our vulnerable better than the UK is doing; because, in my view, they are running all over the place with their political initiatives, just for the sake of a short news piece. What we are trying to do here is much more fundamental and, as I have said before, will concern our citizens for years and years to come.

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

1060 **Mrs Cannell:** Thank you, Mr Speaker.

1065 Does the Minister not consider that he is, in fact, juggling with far too many issues of great importance here, (**A Member:** Hear, hear.) and that there is every likelihood that he is not going to be able to come up trumps with one of these issues, let alone the... [*Inaudible*] that he is jiggling; and in the meantime, people – and particularly the vulnerable, to whom he has referred – are suffering, and are about to suffer again another harsh winter?

1070 Can he explain to the House how he is engaging with all of the householders and why it is taking him 20 months to complete that engagement in order to get a better understanding – which is what the questioner is asking: has the Department got a proper understanding of household income? That is all the Minister is being asked to produce today; not theorise about what he would like to do for the future with all the balls he has got in the air and juggling as he is.

1075 **Mr Quirk:** And the end of the world.

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

1080 I do not think there is very much I can do or say which will in any way create a sense of confidence in me on the part of my fellow Member for Douglas East, so I do not think I will try very hard. *(Interjection and laughter)*

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

1085 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that, by not having a benchmark as far fuel poverty is concerned, the issue is that he and his colleagues can ignore the issue *(Interjection)* because there is no issue as far as that is concerned? *(Interjection)*

1090 Would he not agree that, whilst appreciating the problems that he has got, the fact is that we would be quick enough to make a benchmark when it comes to other sections of the community, maybe much more affluent and much more perhaps... *[Inaudible]*

Would he not agree that this should be a priority and that heat is a fundamental requirement, like housing, for life?

The Speaker: Minister to reply.

1095 **The Minister:** I object to the idea that we are ignoring fuel poverty. **(Mr Crookall:** Hear, hear.) There is food poverty, there is rent poverty; there is a whole range of issues. Why should we pick out one? We have to target all of them and deal with them in a totality, and that will take time. That is not quick initiatives and sexy sound-bites; it is the hard task ahead to get this right, and we *will* take the time to do it properly.

1100

Mr Quirk: It's been a long journey... *[Inaudible]*

The Speaker: A final supplementary, Mrs Beecroft.

1105

Mrs Beecroft: Thank you, Mr Speaker.

1110 Would the Minister not agree though that, as he said, it is going to take time? It is two years since my initial Question before it is actually going out to the public, and goodness knows how long it is going to be before we actually get the results of that and get some sort of implementation of whatever the results are.

Would he not agree that there is benefit to having some sort of benchmarking in the interim, so at least you have got something that you can follow and look at a trend and see what is happening?

1115 **The Speaker:** Reply, sir.

The Minister: Mr Speaker, I am sorry, I am disinclined to just focus on one particular concern; my concerns range across the whole range of issues that we face.

COMMUNITY, CULTURE AND LEISURE

**1.12. Bus ticketing system –
Procurement**

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Community, Culture and Leisure:

Whether procurement for the new bus ticketing system has been completed to the Treasury's satisfaction; and, if not, what issues remain?

1120

The Speaker: Question 12. Hon. Member for Douglas West, Mr Thomas. You are not putting Question 12?

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

1125

The Speaker: Question 12. I call on the Minister for Community, Culture and Leisure.

The Minister for Community, Culture and Leisure (Mr Cregeen): Thank you, Mr Speaker.

1130

The Department is currently working with Procurement Services to complete the procurement process to the Treasury's satisfaction. We are currently awaiting the completion of a draft legal contract that is being produced in conjunction with the Attorney General's Chamber, and technical assurances to finalise the complex business requirements are being sought from a variety of providers.

1135

During the procurement process the Department has become aware that other areas across Government are seeking to adopt smartcard technology; therefore, we are ensuring that, as far as practical, the system is compatible with the broader corporate use as technology continues to develop. Although this has created a delay in the original timetable, it is considered to be beneficial to Government's wider requirements.

1140

The proposed timeframe for the completion of our specification is estimated to be in the next three weeks, with completion of the procurement process estimated to be January 2014.

The Speaker: Mr Thomas, a supplementary.

Mr Thomas: Thank you, Mr Speaker, and thank you to the Minister for his reply.

1145

The Minister and his officers should be congratulated on the very precise corporate objective and associated key performance indicators they have, compared to some of the others, but we are months on and the new ticketing system – which was sold to us in another place as being necessary to allow the bus operator to obtain better data for better buses as well as reducing the fraudulent use of free bus passes – seems some distance away.

1150

The Speaker: Put your question, Hon. Member.

Mr Thomas: My first specific question is do I understand correctly that the technical specifications for output are not yet agreed; and if so, is it clear that the original technical specification was drawn up restrictively to favour one particular system or supplier?

1155

The Speaker: Mr Cregeen, Minister.

The Minister: Thank you, Mr Speaker.

1160

Through the technical specification... it has been broad. There has been clarification that has been made. The Department has tried to learn from the previous system that was purchased,

which came under criticism from the Public Accounts Committee, so we are trying to learn from the errors that were made before and we are trying to... *[Inaudible]*

1165 **The Speaker:** Mr Thomas, a further supplementary.

Mr Thomas: Thank you, Mr Speaker.

1170 Has the call for expressions of interest been recommenced – do I understand that correctly? – or can the Minister advise us whether the original pre-qualifying questionnaires are just being followed up?

The Speaker: Minister.

1175 **The Minister:** We already have a number of providers who have expressed an interest and we are just finalising the process. The specification and requirements by those providers are being weighed up as well.

1.13. Wet age-related macular degeneration – DoH procedure

The Hon. Member for Ramsey (Mr Singer) to ask the Minister for Health:

1180 *What the Department's procedure is for a person who is suspected of having wet age-related macular degeneration (AMD)?*

The Speaker: Question 13. Hon. Member for Ramsey, Mr Singer, please.

Mr Singer: Thank you, Mr Speaker.

1185 I beg leave to ask the Question standing in my name.

The Speaker: The Minister for Health, Mr Anderson, to reply.

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

1190 The current procedure is that patients who present to their optician and are suspected of having wet age-related macular degeneration – wet ARMD – dependent upon the urgency as perceived by the optician, are referred to the Accident and Emergency department or their general practitioner. The general practitioner may fax the patient referral to the ophthalmologist or may telephone the on-call ophthalmologist.

1195 The patient is reviewed by the ophthalmologist in the clinic. If the ophthalmologist considers that the patient is suffering from wet ARMD, the patient is referred to the UK for treatment, usually to the Aintree Elective Care Centre. The patient then travels to the UK for consultation and the necessary treatment.

1200 We do not, at present, have an optician referral directly to an ARMD clinic with the ophthalmologist on Island because of the capacity constraints with the service. It is something we would like to provide in the near future and we are looking at how this can be achieved within our resources and without greatly affecting the waiting times in the clinics.

The Speaker: Mr Singer, a supplementary.

1205 **Mr Singer:** I thank the Minister for his Answer.

1210 The Minister will be aware, no doubt, of the 2009 recommendations of the Royal College of Ophthalmologists in regard to the speed of treatment required to minimise the danger of loss of sight. Why does his Department not feel they can comply with this essential timescale; and why cannot the optician directly refer the person to the specialist on the Island within a week, as is part of the recommendation?

The Speaker: Reply, sir.

1215 **The Minister:** The Department is looking, as I said in the final part of my original Answer, at trying to achieve, within our resources, improving the situation. However, we do not envisage direct referrals from opticians because hospitals have a high number of false positives that may result. This means that patients will have, in some cases, to travel to the UK unnecessarily.

1220 We have an example where the Highlands and Islands have a similar situation, where they have this referral system; however, out of five patients going, only one or two require treatment. Therefore there is a lot of added expense in actually transferring these people to another centre in the UK, so we are trying to learn from their experience. We are trying to improve our system, as the Hon. Member will be aware from being in the Department.

The Speaker: Mr Singer.

1225

Mr Singer: Thank you.

The Royal College of Ophthalmologists recommends that people with *suspected* wet AMD should be referred to a retinal specialist immediately and seen within a week, and if treatment is needed it should be given within a week for the first appointment with a specialist.

1230 The Minister seems to be rejecting this recommendation, these guidelines. How can the Minister have such a policy when it is actually causing people... or permitting people to become blind because of the delay, which from the first identification can be up to eight weeks before that person gets the first treatment across?

1235 **The Speaker:** Minister.

The Minister: Mr Speaker, the Hon. Member is well aware that there is a capacity problem and that we are trying to resolve that by trying to relocate this service on Island as soon as possible, which will actually help patients with a more timely intervention. I hope to be in a position to say more about this in the near future.

1240

The Speaker: Mr Singer.

Mr Singer: Thank you, Mr Speaker.

1245 Does the Minister remember saying two years ago, in response to a Question from the Speaker:

'We are currently reviewing the costs, along with the risks and benefits of providing this service on-Island. I hope to be able to update Members on any proposed developments within the next few months.'

– 16th November 2011.

1250 Further to that, what action has been taken on the recommendations to his Department in the report – and I was there and saw the draft 12 months ago in his Department – on on-Island treatment, especially as the majority of patients, as we know, are in their 70s to 80s, many cannot travel to Liverpool, and those with wet ARMD in both eyes have to go fortnightly to have a treatment? What has happened to that report and why has he not acted on that report, which I understand gave options for treating patients with wet ARMD on Island and that would happen within the guidelines?

The Speaker: Minister.

1255

The Minister: Yes. We are making significant progress in this area, Mr Speaker. We now have trained the staff to provide this service on Island. We are now trying to arrange a suitable location to deliver the service on Island. Obviously, when you do that, you actually have to create capacity, and as the Hon. Member is well aware, we are at bursting point in many places providing our services. So we have to recognise that there is a knock-on effect on other services, and that is what is being examined at the moment.

1260

The Speaker: Hon. Member, Mr Karran.

1265

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that there have been proposals put forward to his Department that would resolve that issue?

1270

Would he also not agree that it is a false economy, as far as the Health Service is concerned, allowing for the fact that macular degeneration is the leading cause of sight loss and the reason for more than half the blind and partially sighted people in the community; and would he not agree that this leads to a loss of independence, isolation and depression, which has not just an effect on his Department but also on the Department of Social Care?

1275

Allowing for the fact of his Department's refusal to address the issue of a maximum of seven to eight weeks only, does he not agree that the fact is that it is a total false economy the way that his Department is acting on this important point?

The Speaker: The Minister to reply.

1280

The Minister: I refute what the Hon. Member says. We *are* addressing the issue. I have told Hon. Members that we are addressing the issue. We have trained clinicians to deliver the service on Island and I have tried to explained to Hon. Members we are trying to create capacity within the system to do that now. I am hopeful that things will move forward in the next few weeks in this area.

1285

The Speaker: Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

1290

Could the Minister just clarify, in cases where an optician suspects somebody of having this condition, what benefit is it to that person to be referred to their GP first? Is this not just delaying what really is some something that should be treated with urgency if it is going to be effective?

The Speaker: I think you did answer that, Minister.

1295

The Minister: Yes, I did answer that, sir.

Mr Speaker, they can be referred to A&E if the opticians think it is that urgent.

The Speaker: Mr Singer.

1300

Mr Singer: Surely, in relation to the last question, it is just an extra step, referring to A&E, and it is a further delay. The optician, who is an expert... should he or she not be able to send that person directly to the ophthalmic surgeon here to confirm whether or not it is wet ARMD, and the recommendations are therefore... then within a week they should be treated. That could be done if it is on Island. It cannot be done at the moment.

1305 The Minister is once again saying, 'Well, we are coming up very shortly with a conclusion.' He said that in November 2011. Can we really believe that the answer is in the pipeline? I do not believe that for one moment.

The Speaker: Minister to reply.

1310 **A Member:** Shame!

The Minister: The Hon. Member does not believe I am a man of my word. I have already demonstrated to this House (**A Member:** Hear, hear.) and other places that I have delivered what I said I would deliver.

1315 Sometimes we have trouble with delivering things within the timescale Hon. Members would like us to do that. Unfortunately it is a fact of life. You have to consider that we have capacity problems in this area. We have already trained clinicians to deliver the service on the Island and we are very close to coming to a solution to it.

1320 So, far from being complacent about this, I have told Hon. Members this is one of my top priorities. I do not want to see elderly patients travelling off Island regularly for this procedure, and to that effect we are bringing a solution forward. I hope when we do that in the next few weeks Hon. Members will recognise the difficulty the Health Service has had to actually implement that. It is not a quick fix, Hon. Members.

1325 **The Speaker:** Final supplementary, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree then... He says that in the next few weeks we will see some action on this front, allowing for the fact that this has been going on for the last few years. Will the Shirveishagh not agree that there was a proposal offered, I believe, of private money, a private initiative as far as this issue is concerned, allowing for the fact that that contributes 50% of the blindness in society from this condition?

1330 Would he also not agree that the simple request from the Hon. Members for Ramsey and South Douglas about opticians having direct access to refer people is a sensible way forward, allowing for the fact that, unless you are very pushy, sometimes you can wait a week to get a doctor's appointment?

The Speaker: Minister to reply.

1340 **The Minister:** In relation to that last part of the question, I have already told Hon. Members they can be referred directly to A&E; they can decide if it is that urgent or not.

We do have to recognise that we need a sustainable solution, and that is what we are working on; not a short-term fix, but something that sits in the system and will be effective.

Hopefully, Hon. Members will recognise the hard work that has gone into providing a sustainable solution, which hopefully you will hear about very shortly.

1.14. Orthopaedic treatment – Calculation of waiting time

1345 The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Health:

How the waiting time for orthopaedic treatment is calculated?

The Speaker: Question 14. Hon. Member, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.
I ask the Question in my name.

1350

The Speaker: Minister for Health, Mr Anderson, please.

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

1355 The way in which the Department measures the waiting times for orthopaedic treatment is calculated by reviewing and auditing the time that each patient has waited to be seen in out-patient clinics. This is based upon a monthly audit of patients seen in out-patients. Thus, the time quoted is the average length of time that the patients seen in the given month have actually waited to be seen in the clinic.

1360 It is important to realise that this figure includes patients classified as routine, soon and urgent. The higher the proportion of non-routine patient that is classified as soon or urgent that are seen, the less accurate the measure becomes at reflecting the prospective waiting time for a newly and routinely referred patient. In those specialities that are under pressure, including orthopaedics, the proportion of patients in their clinic who are categorised as urgent or soon is higher than other specialities and this lengthens the waiting time for routine patients.

1365 The figure quoted to patients on the length of time it is anticipated they will wait is an average and will inevitably vary from individual patients, depending on the clinical priority of that patient, the nature of the condition and the consultant to whom they are being referred.

1370 The Department has developed a new modelling technique to provide prospective rather than retrospective waiting time information, which should provide a more accurate estimate for each individual patient. This technique is being trialled at the present time, and once we have confidence in the model and its ability to provide patients with the information they require, it might be used more routinely.

The Speaker: Mrs Beecroft, a supplementary.

1375

Mrs Beecroft: Thank you, Mr Speaker.

Could the Minister clarify, when he says that it is the figures from out-patient clinics, whether this actually includes A&E?

1380

The Speaker: Minister.

The Minister: I am not sure of that information for the Hon. Member. I will get it for her.

The Speaker: Mr Karran.

1385

1390 **Mr Karran:** Vainstyr Loayreyder, does the Shirveishagh son Slaynt, the Minister for Health, not agree that, if it does include that, it is a big gerrymandering of the reality as far as the figures of people on the waiting lists long term, as far as this issue is concerned, and shows the true waiting costs as far as people waiting much longer than the reality that is being portrayed by his Department for...? [*Inaudible*]

The Speaker: Reply, sir.

1395 **The Minister:** I will refer the Hon. Member to my last answer: I will get that information, and then, if that information bears out what the Hon. Members think, they can ask me Questions on that.

The Speaker: Final supplementary, Mrs Beecroft.

1400 **Mrs Beecroft:** Thank you, Mr Speaker.

If the Minister does find out that it does include A&E figures, it will obviously be a distortion of the true waiting figures; so *if* it does, is he prepared to separate them? Is he able to separate them at this moment in time, or will he separate them going forward, so we have a proper accurate waiting time for orthopaedics?

1405 **The Speaker:** Minister.

The Minister: When I give the information to Hon. Members I will hopefully be able to explain if it is simple to separate them out. As I gave in my original Answer, I think, it is quite a complex area. I have not got the confidence to give that answer here today, but hopefully that will be in the information that I circulate.

1410

OFFICE OF FAIR TRADING

1.15. Payday loans – OFT findings and actions to be taken

The Hon. Member for Douglas North (Mr Henderson) to ask the Chairman of the Office of Fair Trading:

If he will make a statement on the main findings of his office's payday loans report and what action he will take?

The Speaker: Question 15. Hon. Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.
1415 Ta mee shirrey kied yn eysht y chur ta fo my ennym. I beg to ask the Question in my name.

The Speaker: I call upon the Chairman of the Office of Fair Trading, Mr Quirk.

The Chairman of the Office of Fair Trading (Mr Quirk): Thank you, Mr Speaker.
1420 I hope that Hon. Members have had an opportunity to read the OFT report, and I can summarise the conclusions as follows.

There is no evidence of a significant concern for the actual local consumer who chooses to utilise payday loans. Local payday lenders are far more compliant with the UK standards of responsibility for lending than their UK counterparts.

1425 There is no evidence to support the need to upgrade regulations for local moneylenders. The Manx consumer who has chosen to access the UK markets and is currently exposed to the same level of bad practices as the UK consumer... provided that the UK authorities, through the reference to the Competition Commission, resolve the current difficulties, the ability to access UK online markets offer accounts... consumer choice and competition in the marketplace.

1430 Whilst it has been suggested that there should be an interest cap on recovery of credit debts through the Manx courts, the OFT is satisfied that section 11 of the Moneylenders Act 1991 offers significant protection to extraordinary transactions.

The Speaker: Mr Henderson.

1435 **Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.
I thank the Caairliagh for his positive response and would only ask, as a supplementary, if his Office will be keeping the situation under review from time to time.

1440 **The Speaker:** Reply, sir.

The Chairman: Yes, Mr Speaker, I can give that assurance that the board itself – it is not just myself; it is the board itself – is keen to keep an eye on this particular matter.

1445 **The Speaker:** Mr Karran.

Mr Karran: Can the Caairliagh inform this Hon. House was the Debt Counselling Service – which is one of the positives as far as the Office of Fair Trading is concerned – fully informed as far as the issue is concerned?

1450 Would he not agree that his report has little knowledge, or has obtained little knowledge, of individuals who are not using the local market but are going directly with the TV advertising, as far as the UK is concerned; and does he not feel that his department... there is none so blind as those that don't want to look as far as the real problem that we have as far as debt and the exorbitant price of interest on a vulnerable section of the community?

1455 **The Speaker:** Chairman.

The Chairman: Thank you, Mr Speaker.

1460 Can I just ask the Hon. Member for Onchan that... we asked for evidence to come forward. There was no evidence that came there, but I can say the Debt Counselling Service that is offered by the OFT is, I believe, second to none on the Island, and I would encourage anybody who has any difficulty with debt counselling – credit cards, mortgages, any issues – to come forward to the Office of Fair Trading. It is independent. I am not aware of the persons who have come through the door, and that is the way –

1465 **A Member:** It should be.

The Chairman: – we are playing it. The officers deal with the cases on a one-to-one basis and the confidentiality is there.

1470 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Caairliagh just tell us has the Debt Counselling Service had real input into this report, or is this a report that has been put together on what they have seen in the UK as far as the problem as far as exorbitant costs as far as... [*Inaudible*] is concerned?

1475 Would he not agree it does concern me that when people make representations to me and I tell them that the Debt Counselling Service is an excellent service – and I agree with the Chairman that we want to encourage people – it does concern me when he says that no-one has been in touch.

1480 **The Speaker:** Chairman.

The Chairman: Sorry, Mr Speaker, I did not say *nobody* has been in touch; I did say that the levels of responses to the consultation exercise were low.

1485 **The Speaker:** Final supplementary.

Mr Karran: Vainstyr Loayreyder, in the report... Would the Caairliagh not agree it was very nice and it makes a change that the things that one raises, that one has identified... but it gives

1490 the impression that no-one has been in touch, by his report, by the statement he has made concerning this Hon. Member?

Can he assure this Hon. House that the issue... that the Debt Counselling Service, his officers, have been in the vanguard of this report, because they are the ones on the front line, because I find it very disturbing that *he* is not getting any complaints about the problems of debts –

1495

The Speaker: You have made your point, Hon. Member.
Chairman to reply.

The Chairman: Thank you, Mr Speaker.

1500

This particular person as a he, yes; but he is also Chairman of the OFT, and I can assure you the officers are a small team, they are very efficient and very effective. Once again, I would even ask the Member – even the Member, Mr Karran – that if he does have concerns, to tell those persons to make contact.

1505

Mr Karran: Vainstyr Loayreyder, I have already done that.

1.16. Cold calling – Legislation to protect the public

The Hon. Member for Middle (Mr Quayle) to ask the Chairman of the Office of Fair Trading:

When he will introduce legislation to protect the public from cold calling in respect of property maintenance?

The Speaker: Hon. Member, I am moving to Question 16.
Hon. Member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker.

1510

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

The Speaker: Again, Chairman of the Office of Fair Trading, Mr Quirk.

The Chairman of the Office of Fair Trading (Mr Quirk): Thank you, Mr Speaker.

1515

In June of this year, the Council of Ministers approved that the OFT request the inclusion of a Bill on the Government legislative programme.

The Bill is wider focused than property maintenance and will cover all types of cold calling. Drafting instructions have been issued to the Attorney General's Chambers and my officers have met with the allocated drafter to discuss the requirements.

1520

Hon. Members will be aware that there is currently a lot of pressure on drafting resources, but I am hopeful that we will be in a position to put the Bill to the branches in October.

The Speaker: Mr Quayle, a supplementary.

1525

Mr Quayle: Thank you, Mr Speaker.

I think the Chairman just said October – do I take that as October 2014, as we are in November? If he can clarify that point for me, but my main thrust is will the Chairman look at ways of doing something about a small number of offending builders who regularly rip off the public (**A Member:** Hear, hear.) and give the vast majority of hardworking builders a bad name?

1530 I became aware of a father-and-son team ripping off people 16 years ago and I find out that they have recently taken one of my constituents for thousands of pounds and left a trail of misery across the Island spanning the last 20 years. How can this be allowed to happen when, to quote the Chairman in a previous answer, he has a very efficient and effective team?

1535 **The Speaker:** Chairman to reply.

The Chairman: Thank you, Mr Speaker.

1540 Yes, it will be – the target date is October 2014, but I am confident that with a fair wind and the Attorney General's support, we can push it further forward and I am pressing – or the board is pressing – for that to happen a lot sooner.

1545 If I can say, regarding local contractors and local individuals who take members... or people who have difficulty with builders on the Island... Can I say to those persons out there, through this Hon. House, here today, that I wish people would look at the person who is dealing with the job and see if they have got a good track record – maybe ring up the Employers' Federation, which is an organisation that has some credibility on the Island. And if I could say, Mr Speaker, you need to ask your friends and family too, to see if they have used this individual. If you have not used that individual and he has a bad name, you should not be using him.

1550 **The Speaker:** Mr Quayle.

Mr Quayle: Thank you, Mr Speaker.

1555 If only life were that simple. (**Several Members:** Hear, hear.) Is the Chairman aware that the team that I have mentioned in an earlier supplementary have put the Isle of Man federation on their van and they have put 'Master Craftsmen Association' on their van, when they clearly were not members of either; and they change their name every few months to avoid the bad reputation?

1560 This is why we need legislation, to go after these individuals who perpetrate these serious frauds against vulnerable members of society, and why I am asking him to look at measures to put these people – a very small number... to get them stopped.

The Speaker: Mr Quirk.

The Chairman: Thank you, Mr Speaker.

1565 Yes, I quite agree with the Hon. Member for Middle. There are a number of individuals who do change their company status. We do chase them, and actually, if they have misrepresentation on their business headed paper, their vehicles, or misrepresentation... they are taken to task, sir.

1570 But once again, if I could say, Mr Speaker, (*Laughter*) if Members do have any concerns regarding individuals, please phone the number.

The Speaker: Mr Karran.

1575 **Mr Karran:** Vainstyr Loayreyder, would the Caairliagh not agree that... the Hon. Member for Middle has told you of one particular case, and I think I have a suspicion that I know the individual concerned. Does he not agree that the fact is that jam tomorrow, as far as the issue of bringing in some legislative power, is not acceptable; and does he not agree that it is alright saying it in here, but where is the campaign by the Office of Fair Trading – allowing for the fact that I think they get something like £900,000 a year to run the Office – on trying to highlight the dangers of these rogue people until the legislation actually appears in this Chamber?

1580 **The Speaker:** Mr Quirk.

The Chairman: Thank you, Mr Speaker.

1585 I am sorry, maybe Mr Karran does not listen to Manx Radio (*Interjection by Mr Karran*) – and other radio stations as well, before I get into trouble on that. There are many publicity campaigns regarding the recall of equipment, electrical items, cowboy builders. How many times have you heard it on the radio (**A Member:** Hundreds.) about cowboy builders? (*Interjection*)

Maybe if Mr Karran has (**A Member:** Rubbish.) particular cases, (*Interjection*) he can bring them forward, please.

1590 **The Speaker:** Order!

A Member: You were the Chairman at the time.

The Speaker: Order!

1595 Mr Quirk, you have the floor.

Mr Quirk: I have finished.

The Speaker: You have finished.

1600 Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

The Chairman: They don't want to listen.

1605

Mr Henderson: They certainly don't, Caairliagh. (*Interjection*) There is deliberate manipulation and misrepresentation being put out now, Vainstyr Loayreyder. (*Interjection*)

1610 I want to ask the Chairman to clarify once and for all, and if he may write to Hon. Members, if necessary... Can he confirm that, on a regular basis over the years, the Office of Fair Trading does conduct public awareness programmes against cowboy builders; and, if there are specific hot spots, that it is very vociferous in what it does?

Could he further confirm that, in fact, arrests have taken place of individuals who have contravened the law, even at the Sea Terminal when they have tried to skip off the island?

1615 The final point is that sometimes, even with all of that going on, members of the public who require a job to be done are quite happy sometimes, the odd few, to take a cash-in-hand job because the person banging on the door says they can do it tomorrow – and that is the worst thing, if he could confirm, that you can possibly do.

The Speaker: Mr Quirk.

1620

The Chairman: Happy to confirm, yes, sir; and yes, Mr Speaker, on those issues.

Can I also say if somebody is giving you something which is really too good, you should not even be thinking twice before you take that offer.

1625 **A Member:** Hear, hear.

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

The eight Questions for Written Answer replies have been circulated.

Questions for Written Answer

TREASURY

2.1. Revenue, capital and reserves – Deficit/surplus

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for the Treasury:

1630

What the deficit or surplus was in revenue, capital and reserves and in total in each financial year since 1996 based on the method which was used to calculate the deficit across revenue, capital and reserves in 2013-14 as £91 million?

Answer: Restating large amounts of information for a 17-year period was not possible in the time available. The word ‘restating’ has been used because all of the information concerned is already available in the detailed Government Accounts (Light Blue Book).

1635

A summary of the last seven years is shown in the attached Table 2.1A for the years to 2012-13 the figures are actual; while for 2013-14 budgeted figures are used, and assume for example 100% delivery of the capital programme, and spending as budgeted from all of the internal reserve funds. The out-turn for 2013-14 will be different from that presented in this Answer and I will provide the House with an update once actual figures are available.

Table 2.1A showing balances of Revenue, Capital and Reserves 2006-07 to 2013-14

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
£m	2006-7	2007-8	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue (Surplus)/Deficit	(78)	(55)	(26)	3	(10)	(23)	37	31
Capital Deficit (ignoring repayment of external debt)	0	(12)	(3)	44	39	49	24	28
Pension Reserve (Surplus)/Deficit	(4)	(5)	0	3	4	4	13	17
Other Reserves (Surplus)/Deficit (ignoring revenue deficit, transfers to capital fund and pensions)	(47)	(23)	(13)	19	12	(1)	15	15
Overall (Surplus)/Deficit as per Budget 2013 Statement	(129)	(95)	(42)	69	44	30	89	91
(Surplus) or Deficit on National Insurance Fund	(63)	(62)	(8)	(24)	(39)	(24)	(12)	(3)
Realised (Gains) or Losses on other Invested funds	(37)	(15)	27	(35)	(14)	(23)	(24)	0
Repayment of MEA Debt	0	0	35	0	0	0	0	35
Total (Surplus)/Deficit including items above	(229)	(171)	12	10	(9)	(18)	53	123

1640

INFRASTRUCTURE

2.2. Planning applications for proposed developments – Evidence of Islandwide benefit

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Infrastructure:

For which planning applications since February 2012 evidence has been offered to demonstrate that a proposed development would secure sustainable, long-term economic growth of Islandwide benefit, which meets the wider objectives of sustainable development by weighing market and other economic matters alongside environmental and social costs and benefits; who offered this evidence in each case; and whether this evidence was accepted and with what result?

Answer: Since the start of February 2012, 2,833 planning applications have been determined. In making these decisions, each application has been determined on its individual merits in accordance with Section 10(4) of the Town and Country Planning Act 1999.

Section 10(4) of the Town and Country Planning Act 1999 requires that:

'The Department shall have regard to –

(a) the provisions of the development plan, so far as material to the application,

(b) any relevant statement of planning policy under section 3;

(c) such other considerations as may be specified for the purpose of this subsection in a development order, so far as material to the application; and

(d) all other material considerations.'

1645

As such, in considering all planning applications, account is taken of all information that is submitted by the applicant, plus representations made by other parties. The determination takes into account all relevant material planning considerations including economic, social and environmental matters as appropriate.

1650

The Department of Economic Development have made written submissions on 20 planning applications, which have been determined since February 2012. These submissions have been considered alongside all other representations made on those planning application plus the Planning Officer's assessment made within the context of Section 10(4) of the Act. The 20 planning applications have been determined as follows:

1655

- 12 were approved;
- 4 were refused
- (2 were subsequently approved after a planning appeal and another is currently awaiting the outcome of a planning appeal);
- 2 were withdrawn; and
- 2 have still to be determined.

1660

2.3. Draft Planning Policy Statement on Planning and the Economy – Date for completion

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Infrastructure:

When the Draft Planning Policy Statement on Planning and the Economy will be finalised?

Answer: Officers within the Planning and Building Control Division of my Department are currently working closely with colleagues in the Department of Economic Development to ensure that planning can continue to support the economy.

1665

In light of the analysis of the responses to the 2012 consultation on the Draft Planning Policy Statement and experience in determining planning applications, the Department is currently working with a view to finalising the Planning Policy Statement on Planning and the Economy by the end of 2013 and then laying it before Tynwald.

2.4. Cambrian Place – Douglas Borough Council car park scheme

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Infrastructure:

What consents, approvals and permissions Douglas Borough Council has received or sought from Government in respect of its proposed Cambrian Place car park scheme; and how

Government's Financial Regulations and Procedure Notes For Management of Construction Projects have been applied in each case?

1670 **Answer:** Douglas Borough Council has submitted two petitions for approval to the Department of Infrastructure regarding the acquisition of land at Cambrian Place, Douglas and also for funding to cover the costs of the proposed development of the site.

The two petitions have been submitted to the Department under the Local Government Act 1985 which requires an authority to seek Department approval for any rate-borne petition schemes and for the acquisition and disposal of land.

1675 The first petition is for the acquisition of land in the sum of £2,500,000 under section 25 of the Act. The second petition made under section 51 of the Act is regarding borrowing powers for the sum of £12,072,000, which includes the purchase of land at Cambrian Place and the development of the site to provide a public library, offices, public conveniences and a multi-storey car park. The petitions were submitted to the Department in October 2012 and as required under the Local Government Act were advertised by the authority in the local press in an advertisement dated 1st November 2012.

1680 Local authorities are required to use the Petition Procedures issued by the Local Government Unit of the former Department of Local Government and the Environment in November 2000. These procedures detail the information that is required to be included in a submission and the process that is undertaken by the Department in determining a petition.

1685 As part of the petitioning process, the Department is required to seek concurrence from Treasury if it is the intention of the local authority to utilise the Local Authority Borrowing Scheme. Concurrence was sought from Treasury in December 2012; however this was not granted. Dialogue is ongoing between the authority, the Department of Infrastructure and Treasury regarding the petitions.

1690 The Department has also sought advice from the Government Valuer with regard to the petition for acquisition of the land at Cambrian Place. Where land sales or purchases are being proposed by an authority, the Department will seek a valuation from the Government Valuer who will assess whether the price being obtained is fair and reasonable under current market conditions. The Government Valuer applies Government's Financial Regulations to his decision making process and in this instance he has applied Financial Directive FD29. Under Government Financial Directive FD29, valuations for the acquisition of land and buildings should be at market value and the market value of this land would be determined by the interaction of the area of land and price to be adopted for any permitted development as determined by comparable land transactions, reflecting the current state of the property market.

1695 The nature of the Council's development proposals do not fit readily with Isle of Man Government's Procedure Notes For Management of Construction Projects; however when alternative means of procurement are proposed it is important for local authorities to consult the Department and seek advice in accordance with the aforementioned petition procedures.

1705

2.5 Douglas Borough Council structure – Date for submission of proposals for changes

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Infrastructure:

By when Douglas Borough Council would have to submit a scheme to the Department to alter (i) the number of its members; or (ii) the wards if the new scheme were to have effect for use in the 2016 local authority elections?

1710 **Answer:** Douglas Borough Council ('the Council') would need to submit the scheme to the Department no later than April 2015. This is because the relevant legislation (set out in section 9 of the Local Government Act 1985) involves a number of legislative processes. The process initially requires the Council to make the scheme (following its formal approval by Council), then to advertise the scheme (by a public notice) and finally to submit the scheme to the Department of Infrastructure for consideration. The Department then has to hold a public inquiry (using an independent person utilising the powers of the Inquiries (Evidence) Act 2003). A report would then be produced for consideration by the Department. If the report recommended approval of the scheme and the Department agreed, the Department would then refer an Order to Tynwald which would, subject to Tynwald approval, give effect to the scheme.

1715 If the above process is taken into consideration then a scheme would need to be submitted to the Department by the Council at least 12 months before the date of the next local authority general elections scheduled for April 2016. However, as outlined previously, there are a number of procedures that the Council would need to carry out before the scheme was submitted to the Department and these steps would also need to be factored into that timetable.

1720

2.6. Minibuses – Number of registered operators

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Infrastructure:

How many registered passenger vehicle operators have or could run minibuses similar to those which are being trialled by Bus Vannin?

1725 **Answer:** Only one registered operator has previously run minibuses, similar to those which are being trialled by Bus Vannin on a regular service licence. Any of the 223 registered operators (that are not Government Departments, funeral directors or courtesy operators, such as hotels) could potentially run a similar regular service using minibuses. They would have to apply to the Road Transport Licensing Committee (RTLTC) for a regular service licence and some would have to apply to operate a minibus, but that could be part of the same application. Any application to run such a similar service would require the approval of the RTLTC.

HEALTH

2.7. Hospital waiting lists – Current waiting times

The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Health:

What the current waiting times are in weeks, broken down by speciality and consultant; and in respect of each speciality, how many people have been waiting over 52 weeks from when the referral was received by the hospital from the GP?

Answer:

Audit of Average Times Waited (in weeks) for New Outpatient Appointments

Calculated using patients who attended an appointment between October 2012 and September 2013.

HOUSE OF KEYS, TUESDAY, 5th NOVEMBER 2013

Specialty	Consultant	Average Wait Time (weeks)		
		Routine	Soon	Urgent
Breast Surgery	BELLO	6	4	2
Breast Surgery Total		6	4	2
Cardiology	TIBITANZL	16	8	4
Cardiology Total		16	8	4
Dermatology	ASHTON	146	31	6
	HEPBURN	158	39	12
Dermatology Total		158	34	9
Diabetic Med	KHAN	36	8	22
Diabetic Med Total		36	8	22
Endocrinology	KHAN	89	18	22
Endocrinology Total		89	18	22
ENT	HOGG	18	8	3
ENT Total		18	8	3
Fertility	MORONEY	19	19	0
Fertility Total		19	19	0
Gastroenterology	ASHDOWN	14	7	5
Gastroenterology Total		14	7	5
General Medicine	KRISHNAN	24	17	8
	PESHIN	5	5	4
	THOMAS	7	6	1
General Medicine Total		8	12	3
General Surgery	ISKANDER	28	8	5
	MADON	2	0	0
	STOCK	17	8	7
	TEBALA	15	7	7
General Surgery Total		22	8	6
Gynaecology	DIVERS	4	3	2
	FAYLE	5	4	2
	GHOSH	6	4	2
	MORONEY	5	3	2
	PAI	5	4	3
Gynaecology Total		5	4	2
Nephrology	TODD	13	10	7
Nephrology Total		13	10	7
Neurology	BURNESS	16	9	8
	PIETKIEWICZ	17	9	14
Neurology Total		17	9	11
Obstetrics	DIVERS	8	8	4
	FAYLE	8	22	7
	GHOSH	7	9	8
	MORONEY	7	4	4
Obstetrics Total		7	10	5
Ophthalmology	CHOHAN	25	16	7
	KHAN	31	15	10
Ophthalmology Total		27	16	8
Oral Surgery	DOHVOMA	9	18	2
	GODFREY	15	16	3
Oral Surgery Total		12	17	2
Orthodontics	YOUNG	56	19	15
Orthodontics Total		56	19	15
Paediatric Neurology	KUMAR	13	7	0

HOUSE OF KEYS, TUESDAY, 5th NOVEMBER 2013

Paediatric Neurology Total		13	7	0
Paediatric Ophthalmology	KHAN	16	12	3
Paediatric Ophthalmology Total		16	12	3
Paediatric Orthopaedic	COSGROVE	15	8	10
	CRERAND	19	12	11
Paediatric Orthopaedic Total		17	11	11
Paediatrics	COSGROVE	29	12	8
	JOSEPH	12	5	1
	KURIEN	5	3	2
	SHAUQ	8	1	12
	THIAGARAJAN	6	5	3
	VAN DER MERWE	4	3	3
Paediatrics Total		7	6	4
Pain Management	DASHFIELD	65	44	20
Pain Management Total		65	44	20
Plastic Surgery	HANCOCK	156	25	10
Plastic Surgery Total		156	25	10
Resp Physiology	JONES	69	10	21
Resp Physiology Total		69	10	21
Respiratory Medicine	JONES	5	3	2
Respiratory Medicine Total		5	3	2
Rest Dentistry	QUALTROUGH	8	17	7
Rest Dentistry Total		8	17	7
Rheumatology	MOOTS	32	2	1
	PESHIN	28	59	7
Rheumatology Total		28	50	7
Thoracic Surgery	PAGE	2	0	1
Thoracic Surgery Total		2	0	1
Trauma & Orthopaedics	BARKER	52	18	12
	CRERAND	44	14	8
	HUTCHINSON	64	16	3
	WRIGHT	51	17	4
Trauma & Orthopaedics Total		54	17	5
Urogynae	DIVERS	8	0	9
Urogynae Total		8	0	9
Urology	UPSELL	10	7	5
Urology Total		10	7	5
Grand Total		24	14	5

Please Note:

Some specialties may show that the wait for 'Soon' and 'Urgent' appointments is longer than for a 'Routine' appointment. This is because the consultant will have reprioritised a patient from 'Routine'. This does not affect the original date of referral but changes the priority and thus the patient remains with their original waiting time, plus their new waiting time for an 'Urgent' or 'Soon' appointment.

In addition, there are occasions when an 'Urgent' patient either cancels their appointment or 'Does Not Attend'. That inevitably means that the appointment has to be re-booked, and this adversely affects the average waiting times.

Actual Average Waiting Times (in weeks) for Elective Inpatient and Day Case Admissions

Calculated using patients who were admitted from the waiting list between October 2012 and September 2013.

Waiting Time is the time between the decision to admit (by the consultant) and the actual admission date.

HOUSE OF KEYS, TUESDAY, 5th NOVEMBER 2013

Specialty	Consultant	Average Wait
Breast Surgery	BELLO	7
Breast Surgery Total		7
Cardiology	TIBITANZL	7
Cardiology Total		7
Colorectal Surgery	ISKANDER	9
	SHUTT	9
	TEBALA	17
Colorectal Surgery Total		12
Diabetic Med	KHAN	2
Diabetic Med Total		2
ENT	HOGG	33
ENT Total		33
General Medicine	ASHDOWN	9
	JONES	1
	KHAN	1
	KRISHNAN	1
	PESHIN	0
General Medicine Total		9
General Surgery	BELLO	2
	ISKANDER	8
	SHUTT	5
	TEBALA	10
General Surgery Total		8
Gynaecology	DIVERS	6
	FAYLE	2
	GHOSH	8
	MORONEY	5
Gynaecology Total		5
Ophthalmology	CHOHAN	16
	KHAN	14
Ophthalmology Total		15
Oral Surgery	GODFREY	15
Oral Surgery Total		15
Paediatric ENT	HOGG	25
Paediatric ENT Total		25
Paediatric General Surgery	ISKANDER	5
	TEBALA	7
Paediatric General Surgery Total		6
Paediatric Ophthalmology	CHOHAN	9
	KHAN	15
Paediatric Ophthalmology Total		10
Paediatric Oral Surgery	GODFREY	8
Paediatric Oral Surgery Total		8
Paediatric Urology	UPSDALL	15
Paediatric Urology Total		15
Paediatrics	COSGROVE	28
Paediatrics Total		28
Pain Management	DASHFIELD	12
Pain Management Total		12

HOUSE OF KEYS, TUESDAY, 5th NOVEMBER 2013

Plastic Surgery	HANCOCK	5
Plastic Surgery Total		5
Resp Physiology	JONES	0
Resp Physiology Total		0
Trauma & Orthopaedics	BARKER	29
	CRERAND	32
	HUTCHINSON	19
	WRIGHT	21
Trauma & Orthopaedics Total		26
Upper GI Surgery	ISKANDER	15
	SHUTT	7
	TEBALA	9
Upper GI Surgery Total		10
Urology	UPSELL	14
Urology Total		14
Vascular Surgery	SHUTT	6
Vascular Surgery Total		6
Grand Total		14

New Patients Waiting 12 months and over (Noble's and Ramsey) as at end September 2013

	Outpatients
<u>Surgical Division</u>	
General Surgery	0
Urology	1
Breast Surgery	0
Colorectal Surgery	0
Upper GI Surgery	0
ENT	0
Plastic Surgery	118
Pain Management	189
Ophthalmology	145
Paediatric Ophthalmology	0
Orthoptist	2
Oral Surgery	1
Restorative Dentistry	0
Orthodontics	23
Thoracic Surgery	0
Orthopaedic Surgery	306
Paediatric Orthopaedic	2
Total Surgical	787
<u>Women / Children's Division</u>	
Paediatrics	0
Paediatric Neurology	0
Obstetrics	0
Gynaecology	0
Fertility	0

Urogynae	0
Colposcopy	0
Total Women/Children's	0
Medical / Elderly Division	
General Medicine	40
Endocrinology	169
Diabetic Medicine	14
Cardiology	2
Gastroenterology	2
Dermatology	734
Respiratory Medicine	0
Respiratory Physiology (Sleep)	22
Nephrology	0
Neurology	0
Rheumatology	133
Total Medical	1116
Grand Total	1903

**2.8. Cataract operations –
Number performed in last five years**

The Hon. Member for Douglas South (Mrs Beecroft) to ask the Minister for Health:

How many cataract operations were performed as (a) NHS operations and (b) private operations in each of the last five years?

1730

Answer:

2009	778 NHS	120 Private
2010	628 NHS	129 Private
2011	703 NHS	117 Private
2012	621 NHS	97 Private
2013 to September	575 NHS	81 Private
Total	3305	544

Order of the Day

3. BILL FOR SECOND READING

3.1. Limited Liability Companies (Amendment) Bill 2013 – Second Reading approved

The Speaker: Item 3, Bill for Second Reading. We turn to the Limited Liability Companies (Amendment) Bill 2013.

I call on the mover, Mr Teare.

1735 **Mr Teare:** Thank you, Mr Speaker.

This Bill is the Limited Liability Companies (Amendment) Bill 2013. The limited liability company originated in the USA. Each state within the USA has enacted its own version of the legislation, which is substantially similar in nature with some regional variations.

1740 The concept of the limited liability company, the LLC, was introduced into the legislation of the Isle of Man with the Limited Liability Companies Act 1996. At the time that the Isle of Man's Act was brought into operation, the default position in respect of USA LLCs was that they were required to have two members. In the intervening period, all of the states have amended their legislation to allow for the creation of single member limited liability companies. The Bill proposes to amend the Limited Liability Companies Act 1996 to permit LLCs to be formed with
1745 either a single member or, as now, with two or more members.

An amendment to the Income Tax Act 1970 will ensure that the tax treatment of LLCs remains clear. The amendment will confirm that a single member LLC is subject to the same tax treatment as any other LLC. Profits and distributions are taxable in the hands of the member. The LLC itself is not taxed. The Income Tax Act 1970 considers LLCs to be transparent for tax
1750 purposes.

In the USA, some classes of assets, that are either located or registered in the USA, are regulated by the US State and Federal Authority. As a general rule, the US authorities require these types of assets to be owned by US citizens. It is common practice for these classes of US assets to be held in single member LLCs that are disregarded entities for tax purposes. A single
1755 member LLC that does not make the election to be treated as a corporation is treated as a disregarded entity. This achieves tax treatment consistent with that of the Isle of Man. It is the member that is taxed and not the LLC.

The amendments proposed in this Bill should enable a US citizen to satisfy the US authorities that the US asset held in a Manx LLC is indeed owned by a US citizen.

1760 Mr Speaker and Hon. Members, this Bill, if enacted, will amend and update the Isle of Man's legislation to bring it into line with that of the USA, by providing for, and also recognising, single member limited liability companies.

Mr Speaker, I beg to move the Second Reading of the Limited Liability Companies (Amendment) Bill 2013.

1765 **The Speaker:** Mr Quayle.

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

1770 **The Speaker:** Hon. Member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, could the Shirveishagh just say, as far as these companies are concerned... Obviously, we take it from the Second Reading debate that it is about a market that is potentially in the USA, but is it a potential facility for other nationalities, other than the
1775 USA?

I have no concerns about allowing a Second Reading, but I am just interested to know... for the Member to be a bit more detailed, as far as the Second Reading is concerned, on the rationale for this Bill.

1780 **The Speaker:** Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

Can the Minister confirm my understanding that a second Income Tax Bill this year or next year will be needed to implement what results from this Bill, if it goes through; and that, if so, perhaps that situation could have been avoided by the transformation of the order of the
1785 coming to this House of these two Bills?

The Speaker: I call on the mover to reply. Mr Teare.

Mr Teare: Thank you very much, sir.

1790 In response to the Hon. Member for Onchan, Mr Karran, this will apply to other nationalities as well. This is to, in effect, deal with the competitive issue that has arisen and to recognise now that the original legislation, and the background in which it was framed and moved, has now changed; so we need to respond to a changing marketplace. That is the rationale behind it; and yes, it would help our marketing elsewhere in the world as well.

1795 The Hon. Member for West Douglas, Mr Thomas, asked whether this would need to be included within a Second Reading of the Income Tax Bill. No, it would not; because, as I did say in my preliminary comments moving the Second Reading of this Bill, it also includes within this an amendment to the Income Tax Act. So, overall, this Bill will deal with the issue.

1800 I would stress once again that a single member LLC will be transparent for tax purposes. So, in other words, the advantage to the owner of the company is that they retain their limited liability, but from a tax point of view it is regarded as being transparent.

The Speaker: I put the question, Hon. Members, that the Limited Liability Companies (Amendment) Bill be read for the second time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1805

4. BILL FOR THIRD READING

4.1. Criminal Justice, Police Powers and Other Amendments Bill 2013 – Third Reading approved

The Speaker: We turn now to Item 4, Bill for Third Reading: Criminal Justice, Police Powers and Other Amendments Bill.

I call on the mover, Mr Watterson.

1810 **Mr Watterson:** Mr Speaker, I am grateful to my Department colleagues – Mr Karran, Mr Quirk and Mr Coleman – and to Hon. Members for their support, particularly through the clauses debate last week.

I will address some matters mentioned by Hon. Members last week in a moment, but I thought it would be useful to recap on what the Bill is about.

1815 The purpose of the Bill is to update the powers and procedures of the Police and enable them to operate efficiently and effectively in the 21st century. To this end, the Bill addresses the issue of bail, both by enabling the Police to grant bail with conditions, rather than hold a person in police cells pending a court hearing purely for bail, and by providing for forfeiture in the event that any condition of bail was breached. The aim is to discourage people from breaching bail conditions and thereby save police time currently consumed in arresting those who breach bail.

1820 Another change to bail is those instances where the Police arrest a person, take them to a police station and immediately release them on bail to return to the police station at a later date. The Bill makes provision for the person to be released on bail on the streets with the only condition that can be placed on them being to appear at a police station at the time, date and place stated.

1825

Other changes in the Bill specify the minimum rank of officer in relation to any matter that requires the authority of a senior officer. The powers to make police regulations and codes have been expanded so modern regulations can be made dealing with the conduct, efficiency and performance of officers and by rationalising the statute book with regard to regulations.

1830 Policing is important, not just for our own safety and protection but in the fight against serious and organised crime, especially where it crosses borders; and therefore the powers in relation to search and seizure of material in an investigation and the capacity of search warrants have been addressed. We constantly need to assess police powers against developing human rights understanding and, accordingly, the power of arrest has been revised with the aim of
1835 making it both clearer and requiring the Police to evidence the necessity of making an arrest, rather than dealing with a matter in some other way or summoning the person instead.

Still on the subject of human rights, the Bill changes the definition of a juvenile, so that it is defined as a child under the age of 18. This fits in with international norms.

1840 A number of other amendments have been made, relating to police powers to deal with a variety of issues. I will not list them all, but just to focus on the last clause, which concerns the return of missing children, the Police are quite rightly expected to respond to reports of missing children. Having listened to what was said during the consultation process, the last provision in the Bill simply empowers the Police to return a child to a person responsible for his or her welfare, and uses similar language to that already used in the Children and Young Persons Act.

1845 While this provision will make no difference to the efficiency or cost of policing, it does give police officers the knowledge and assurance that they have the legal authority to undertake this aspect of their work in sometimes very difficult circumstances. So the Bill is not just about the powers the Police have, but assuring them that they have the legal authority to perform the functions we all expect them to perform.

1850 Before I close, one or two matters that were raised last week... Mr Houghton asked about research into the alleged abuse of bail by the Police and I indicated to Mr Houghton, at the time that I met with him, that this would be referred to the Criminal Justice Board for them to report back to me by December 2013; and I await that report.

1855 Mr Hall raised the issue of real address or a satisfactory address for service in relation to the powers of arrest substituted by clause 28. I undertook to look at that matter again and, subject to Members supporting the Third Reading of this Bill, an appropriate amendment will be brought before the Legislative Council at the appropriate time.

1860 It seems appropriate at this point to thank Mr Houghton and Mr Hall for engaging with me in this process, which I believe has been mutually beneficial and that we have a better Bill as a result.

I think I have addressed all the matters that should be covered. I thank Hon. Members once again for their support, my Department Members for assisting with its passage through the House, and I thank my staff at Homefield for their support and patience with me in the re-write of this Bill.

1865 Mr Speaker, I beg that the Bill be read for a third time.

The Speaker: Mr Houghton.

Mr Houghton: I beg to second, sir.

1870

The Speaker: Does any Member wish to speak? In that case, I shall put the question that the Criminal Justice, Police Powers and Other Amendments Bill be read for the third time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1875 Hon. Members, that concludes the business of the House today. The House will now stand adjourned until the next sitting, which will take place at 10 o'clock on 12th November in this Chamber.

The House adjourned at 11.52 a.m.