

HOUSE OF KEYS OFFICIAL REPORT

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PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 12th 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, Mr L D Skelly and Hon. P A Gawne (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

Questions for Oral Answer

CHIEF MINISTER

1.1. Freedom of Information Act – Estimated costs

10

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

If he will estimate the cost of –

(a) initial implementation; and (b) the annual implementation of the proposed Freedom of Information Act?

The Speaker: Hon. Members, we turn to Item 1 on the Order Paper, Questions for Oral Answer, and I call on the Hon. Member for Douglas South, Mrs Beecroft.

15

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

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

20

The Chief Minister (Mr Bell): Mr Speaker, as I have previously advised, I am committed to introducing an appropriate Bill, tailored for our circumstances, which provides for public rights to request certain information held by Government and other public authorities. This may be an appropriate response for our Island community rather than other jurisdictions' views of how this ought to be achieved.

25 I am aiming to bring forward a draft Bill for consultation, which will be accompanied by an
impact assessment. This will detail the estimated cost and how certain cost calculations have
been arrived at. The structure of the new rights to request information will strive to achieve a
good balance between the cost of implementing the legislation and the benefits of improving
30 transparency and access rights. This is a service that will be demand led, and therefore we
cannot accurately predict how many complex requests will be received or how many may
progress to an appeal stage.

In response to part (a) of the Question, the implementation may cost up to £½ million a year
for the initial stages, but this very much depends on the timescale over which preparation is
undertaken.

35 In response to part (b), I also consider that the sum of £½ million ought not to be exceeded
within any financial year going forward.

Notwithstanding the recent publicity about Jersey's proposals, drawing a comparison to
regimes that have been up and running for some time shows, for example, that the annual
running cost for freedom of information for the Scottish government is just under £654,000 per
40 year for a population of over five million. The Scotland figures therefore benefit from some
economies of scale.

Using the post-implementation review information published by the UK Ministry of Justice,
we are estimating that we may have around 60 to 70 complex cases each year. This is borne out
to some extent by our experience under the existing Code of Practice on Access to Information.
45 Several issues have also been identified which could potentially cap or limit costs.

The options need to be considered fully by the Council of Ministers, and this will inform the
future Bill and the impact assessment. They are issues such as considering whether there ought
to be redress to a tribunal or simply a direct redress through the courts system.

We must accept that when such legislation is introduced, giving every person a new legal
50 right to challenge a decision made by an area of Government, or when Government decides to
defend the right to prevent what it believes is an inappropriate interpretation, then there will be
costs. It is simply not possible to introduce legislation like this without incurring costs in
preparation of guidance, training, record keeping and legal support. To introduce it without
those fundamental preparations would be reckless and most probably end up with significant
55 risk of legal action.

The Speaker: A supplementary question, Mrs Becroft.

Mrs Becroft: Thank you, Mr Speaker.

60 Can I just first say to the Chief Minister I am very glad to hear that the costs are not going to
be prohibitive, but could he clarify – because great play has been made of the fact that we have
a Code and it is working well and people have most of their questions answered – why would it
actually cost so much more to implement, on an annual basis, full freedom of information and to
implement it? I would have thought it was very little extra to what they are saying we already
65 have in place and works.

Could the Chief Minister give some sort of idea of timescale for actually introducing it as
legislation to give our citizens the legal right?

Would he not agree with me that, at the moment, it seems rather bizarre that we are signing
all these tax agreements and information sharing agreements, and yet we will not even share
70 information with our own citizens?

The Speaker: Chief Minister.

The Chief Minister: That is completely wrong. If the Hon. Member had taken the time to
75 research the situation, she would realise that we have a very effective Code of Practice now,
which has been in place for a number of years, where people can get most of the information

that they need very quickly. I understand that there are only something like four or five requests in any one year which have ever been refused, so the system is working very well at present.

80 The timeframe that I am hoping to work to is that a consultation will start early in the New Year, and depending on what that outcome is, the final draft of the legislation will be ready for introduction into the Keys probably for the second quarter of next year.

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

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

Can I ask the Chief Minister, with regard to the legislation, or the proposed legislation, is there to be access... Would this apply to trade unions, local authorities and political parties on the Island?

90 Also, while I am on my feet, could I ask the Chief Minister, regarding the code of access – which I think does work well – is there any way of looking at that, maybe just strengthening that, as an alternative model?

The Speaker: Chief Minister.

95 **The Chief Minister:** That has been looked at, Mr Speaker, and I think, whilst we could do that, I have given a commitment to extending it a stage further for freedom of information.

I do not quite understand what the Hon. Member is asking with whether it applies to trade unions and political parties. Any organisation or individual will be able to apply for the relevant information they are looking for. It will not, if I understand the Member correctly, reverse that in
100 the sense that it will allow enquires to be made of trade unions or political parties in the same form that Government can be asked for that information.

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

105 **Mr Hall:** Thank you. Mr Speaker.

I think we all agree that freedom of information is an important component in a representative... [*Inaudible*] but would the Chief Minister give some clarification? Would he agree that it is vitally important that lessons are learnt from the freedom of information issues in the United Kingdom, (**A Member:** Hear, hear.) so that whatever is brought forward addresses all
110 of those particular issues and we have something that is fit for purpose and serves the needs of the Island?

The Speaker: Chief Minister.

115 **The Chief Minister:** I could not agree with the Hon. Member more, Mr Speaker. We have to learn the lessons of what has happened elsewhere.

Just to quote the former Prime Minister of the United Kingdom, Tony Blair stated that he believes the form in which the information legislation was brought in in the UK was his biggest mistake – and bearing in the mind some of the mistakes they have made over there, that shows
120 the magnitude of the concern he had. It has not been working, and in many areas it has almost bought some parts of government to a halt. Indeed, I think I remember him saying as well that they were obliged, at one point, to hold confidential meetings in corridors rather than have them minuted and access to information then being made available to the wider public.

I hope we do not go down that route. We have to learn those lessons. We have got to be
125 mature about this. We do have a very effective mechanism at the moment for giving the public the information they need. This will refine it a stage further, but it has to be appropriate to the Isle of Man and it has to be in a form that does not either cripple us with unacceptable costs at a

time when we are having to cut back in lots of areas, or indeed bring the workings of Government generally to a standstill in anticipation of possible future requests.

130

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

Mr Thomas: Thank you, Mr Speaker.

Does the Chief Minister accept that the more light Government shines onto Government itself, the fewer freedom of information requests there will be, and consequently less cost?

135

If so, can the Chief Minister inform this House whether an audit has been carried out of what data sets the Government has; and if so, has an evaluation been made in each case of how the data can be made available to the public appropriately and efficiently? Isle of Man open Government.

140

The Speaker: Chief Minister.

The Chief Minister: I do not believe an audit of what I understand the Hon. Member is asking has been carried out across the whole of Government, but it is our commitment to make Government as open and as accessible as it possibly can be.

145

The Speaker: Hon. Member for Middle, Mr Quayle.

Mr Quayle: Thank you, Mr Speaker.

150

Has the Chief Minister looked at introducing a charge to cover at least some of the cost of asking the question – as is the case, I believe, in Ireland? I have seen some research where some of the questions submitted have been ‘how many drawing pins does a council use on its board’ under the freedom of information, and I think if we introduced a sensible cost, then it would not put off genuine people but it would stop people abusing the system. Would he agree with that statement?

155

The Speaker: Chief Minister.

The Chief Minister: Yes, I do, and that obviously is a concern – that frivolous questions can be raised, which will actually gum up the workings of Government without actually generating any real answers to the type of questions being asked.

160

I think the charging mechanism is an option for Government when we bring this forward. There is no decision being made on it yet, but it is certainly something that will have to be considered.

165

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

Mr Karran: Vainstyr Loayreyder, would the Ard-shirveishagh not agree that the fact is the reason why the cost factor is coming in now is because this will make it much harder to actually pin the tail to the donkey as far as the issue of the biggest economic boom being blown by this and the previous administration as far as this Island is concerned? That is the real reason.

170

Would the Ard-shirveishagh not agree, when we entered into this Hon. House, the issue of charging... the fact is that all that will do is stop the poor crank from asking questions, but the rich crank will be able to abuse it, and it should be up to them to be able to make sure that that situation does not arise.

175

The Speaker: Chief Minister.

180 **The Chief Minister:** I have to say it is really disappointing, Mr Speaker, that with every initiative the Government tries to bring in to improve the situation Mr Karran is on his feet, parrot-like, spouting the same old nonsense about conspiracy theorists and corruption. It is time he grew up and moved on, frankly, from this; or at least get a new record to give us some new tunes to listen to.

185 We are doing our best to deliver a commitment which has been made by the Council of Ministers to the people of the Isle of Man to deliver an effective service. That service has to be meaningful, it has to provide the answers that the public want without at the same time burdening the taxpayer with unnecessary extra expense; and indeed, far from improving the performance of Government, could in fact slow down the whole output of Government right across the piece, if we get this wrong.

190 This is an important piece of legislation. It needs mature, grown-up consideration as to what the implications are. I apologise to Mr Karran if he does not understand that, but we have to ensure that this is right. We only have one chance to get it right. If it goes wrong, it could cause a lot of problems across Government, as has happened elsewhere.

195 **The Speaker:** Final supplementary, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

I thank the Chief Minister for his comments on the costs in Jersey, in the UK and in Scotland. Would the Chief Minister expect the figure to be higher or lower in the Isle of Man, compared with Scotland?

200 Also, can I clarify that you said that the system you envisaged perhaps involved the courts, and would that not be a way of privatising part of access to information and access to good government?

205 **The Speaker:** Chief Minister.

The Chief Minister: We are still working on the potential cost at the moment, but we think it will be somewhere around £½ million a year – but it is still too early to be actually definitive about that.

210 I did touch on the courts. That is an option which might be considered.

TREASURY

1.2. Public Service Employees' Pension Reserve – Ring-fencing

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

Whether the Public Service Employees' Pension Reserve is ring-fenced as an asset for the Public Service Pension Schemes?

The Speaker: Question 2. Hon. Member for Douglas West, Mr Thomas.

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

215 **The Speaker:** I call on the Minister for the Treasury, Mr Teare.

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

220 The straight answer to the Hon. Member's Question is no. In the Government accounts and in the Government Actuary's report on our pension liabilities, there are comments to the effect that the Public Sector Employees' Pension Reserve is not a scheme asset, but merely a reserve created by Government to manage the impact of long-term pension liabilities on the public finances.

Thank you, sir.

225 **The Speaker:** Mr Thomas, a supplementary.

Mr Thomas: Thank you very much, Mr Speaker.

230 Would the Treasury Minister be more confident that the public sector scheme remains affordable if the Reserve was ring-fenced to provide pension benefits, even if the Reserve only represents one tenth of the liability, I believe; and if so – or even if not so – is this an issue which the Public Sector Pensions Authority Working Group should investigate, in Treasury's view?

The Speaker: Treasury Minister.

235 **The Minister:** Taking the second part first, I do not think that this is something which should fall within the remit of the public sector working group on pensions. This is part of the Government acknowledging it does have a liability and making provision for that liability.

240 I do not concur with the Hon. Member's suggestion that it would be more affordable if it is ring-fenced. Really, it is purely a presentational issue. We have said that those funds are set aside to meet the liability; but technically speaking, it is locked in a separate fund outwith the Government, controlled by independent trustees.

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

245 **Mr Ronan:** Thank you, Mr Speaker.

Will the Treasury Minister confirm how will the future public sector pension liability be funded; also, it is not illegal for the Isle of Man Government to incur future liabilities without a method of paying for them?

250 **The Speaker:** Treasury Minister.

255 **The Minister:** There are quite a few liabilities that Government has not made a cash provision for at the time of the liabilities accruing. A good illustration of that, sir, is the National Health Insurance – the state pension scheme. That is an unfunded scheme, although there is approximately £650 million in a separate reserve for that as well for the NHI Fund.

I feel, myself, that the present system works, although I do acknowledge that there is more work required. The increase in our pension liabilities does give me cause for concern and the Hon. Chief Minister did mention in his Statement in another place that Government is once again starting to have a look at this issue.

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

265 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh Tashtee not agree that some of us raised the issue of a fund, as far as public sector pensions, several years ago... and was glad to see the initiative as far as using some of the money from the VAT windfall to go there.

Does he not agree that the Hon. Member for West Douglas is actually right about this issue – that when the... [*Inaudible*] of liability is outstripping everything else, there is a need for this fund to be ring-fenced? And does he not agree that it is no use complaining in this House about

270 the National Insurance Fund, when we saw in the last Budget the issue of them using the National Insurance Fund to fund things that should not have been extended to the responsibility of the National Insurance Fund?

The Speaker: Treasury Minister.

275 **The Minister:** We always take very carefully our responsibilities under the NHI Fund. I have to acknowledge that the Fund is coming under pressure; that is demonstrated by the latest Government actuarial report.

The Hon. Member said that he raised the issue several years ago, but could I remind the Hon. Member that Government also took action several years ago and has built up the public sector reserve fund to its present level. I acknowledge that it does not meet the entire liability, but at least it is a step in the right direction.

The Speaker: Mr Quayle.

285 **Mr Quayle:** Thank you, Mr Speaker. Would the Treasury Minister advise this Hon. House what the deficit for the Public Service Employees' Pension Reserve is at this moment in time, please?

The Speaker: Mr Teare.

290 **The Minister:** Thank you, sir. Those figures are contained within the actuarial report and also the Government's Light Blue Book and Dark Blue Book as well. Those are the more detailed Government accounts.

Off the top of my head, the current deficit is in the region of £2 billion, but one of the difficulties is we are currently calculating the deficit figure in a period of very low interest rates. At the risk of boring Hon. Members, normally the assets to underpin especially a mature pension fund tend to be represented by British government securities gilts, and with quantitative easing in the UK this has depressed the yield on gilts and therefore, to obtain the same level of income, the capital value has to increase. So, over a period of time, I expect that there will be substantial fluctuations in the liability for circumstances outside our control, sir.

The Speaker: Mr Thomas.

305 **Mr Thomas:** Thank you, Mr Speaker. I think, as the assets are not ring-fenced, the liability will be closer to £2.4 billion. But my question is this: is the Treasury Minister aware that the Isle of Man Local Government Superannuation Scheme – a public service pension scheme – has ring-fenced assets of around two thirds of the value of the liabilities, whereas the Government scheme has none?

Perhaps, Treasury Minister, respectfully, the Government should consider approaching Douglas Borough Council, the administering authority for the Local Government Superannuation Scheme, or even the Post Office, and perhaps they can start administering the Government scheme for us.

The Speaker: Mr Teare.

315 **The Minister:** I think we are confusing two issues here, with respect to the Hon. Member who has just resumed his seat. The administration of the fund is working well, because the actual value of investments is increasing and the performance of the investment pool as well.

If the Hon. Member wants us to make full provision now for Government's liabilities, the consequences on the public budgets would certainly take the smile off his face, because we

would have to reduce our expenditure by between £70 million and £100 million a year; and that, coming on top of a third of our gross income going through the renegotiation of the VAT figures, would be painful in the extreme.

325 **The Speaker:** Mr Ronan, Hon. Member.

Mr Ronan: Thank you, Mr Speaker.

330 Following articles in this week's UK Sunday newspapers on the latest proposals from the UK government on final salary pension schemes, will the Treasury Minister and the Chair of the Civil Service Commission investigate the feasibility of achieving, and the likely savings arising from, making the following changes to the Island public sector pensions – firstly, capping lump-sum payments on retirement to a figure that relates to contributions made; secondly, removing inflation-linked increases to public service pensions from current and future recipients; and finally, ceasing making payments to spouses on the death of a scheme member – and will he
335 circulate these figures by the end of the year, please?

The Speaker: Mr Teare.

340 **The Minister:** I cannot give any undertaking to circulate this by the end of the year. There is work, albeit at an early stage, having a look at the scheme again and comparing our experiences to date with what was anticipated at the time that the scheme was brought in.

I am aware of the media interest that has been created in this subject in the UK and also the feedback that I am getting from the public as well, but at this age it is very early days and we must also acknowledge that at the time that the scheme was set up there was an undertaking
345 given to the public sector unions that we would continue with the scheme until 2020, at which time we would have a look again at the cost-sharing arrangements.

Also, we should not take our eye off the ball. Two thirds of our public sector employees are in what we would call front-line services – health, education, social care, police etc. A large part of their terms and conditions are negotiated in the UK, and if we want to continue to attract the
350 best then we have to have a competitive package. That is the reality of the current marketplace that we are in, sir.

The Speaker: Mrs Beecroft.

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

Just a couple of questions, if I may. Firstly, how much is the deficit increasing each month or each year, whichever figure you happen to have to hand; and are you actually putting that money aside now to stop the deficit increasing all the time?

360 Secondly, if it was a money purchase scheme instead, would that have to be ring-fenced; or would it simply be a presentational issue, as it is at present?

The Speaker: Treasury Minister.

365 **The Minister:** The increasing cost of the deficit... Once again, can I just refer the Hon. Member back to one of the supplementary answers I gave: it is difficult to be precise, because it depends on circumstances outside our control, like, for example, interest rates and also the average life expectancy of a person in retirement. But an approximate figure – and this is going back a couple of years to a more, shall I say, 'normal' interest rate environment... it was between £70 million and £75 million a year.

370 The second part of the question was are we putting money aside for it: no, we are not. The difficulty is that, if we were to do that, as I said before, we would have to further reduce our expenditure. That would mean we would have to cut our net expenditure by over 10%. If the

Hon. Member can tell me where that is going to come from, fine. If she tells me which particular services etc should be cut, then fair do's. The other side of the coin is the Hon. Member is very
375 slow at ideas on actually how do we develop the economy to provide the funding for the services that we need.

The Speaker: Final supplementary, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh Tashtee not agree that the fact is, as
380 far as local authorities are concerned, the reason they have done so well is the fact that they have to pay something in the region of 21% or 22% employer's contribution, (*Interjection*) and does he not feel that we need to make sure that we actually address the fact that that has got to go up proportionately to a more realistic level in order not to leave a massive debt for the next
385 generation as far as public sector pensions are concerned?

Would the Shirveishagh not also agree that the fact is that we often have raised issues that should be addressed – I was only talking to the Minister for Social Care before this sitting about ways of addressing the problems that need to be addressed as far as this issue is concerned – and his cheap jibes at the Hon. Member for South Douglas, just like the Chief Minister's... The
390 people outside know the truth.

The Speaker: Hon. Member.
Minister to reply.

The Minister: I want to make it clear that cost sharing is being looked at. We are not blindly
395 following a path.

The local authority scheme is partially funded, certainly funded to a much better extent than the Isle of Man Government scheme.

The cheap jibe comment... What I am doing is helping to refresh the Hon. Member's memory,
400 nothing more than that. (*Laughter*)

Mr Karran: Vainstyr Loayreyder –

405

1.3. Child Benefit – Means testing process

The Speaker: We turn to Question 3. Hon. Member for Douglas West, Mr Thomas.

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

The Speaker: Minister for the Treasury to reply.

The Minister for the Treasury (Mr Teare): Thank you, sir.
415 In respect of Child Benefit, I understand that the proposal is to assess entitlement having regard to claimants' assessed incomes for Isle of Man Income Tax purposes.

I can confirm that my officers have been working closely with their counterparts in the Department of Social Care to ensure that Treasury can, on request, provide details of Child Benefit claimants for each relevant tax year under the authority of a statutory gateway. Treasury
420 officers have also assisted by providing statistical reviews of incomes in the Isle of Man.

Turning to the future, the Council of Ministers believes that Government should provide a single means-testing point, which will ensure consistency and prevent duplication. This is clearly

in the best interests of efficiency and will also give the best service to the Manx community. The location of such a service and its functions have not yet been determined, but it could potentially be located in the Treasury. Planning in this area is at an early stage and no final decisions have been taken.

Means testing will be used more in the future, however, and we are focused on ensuring that this is managed fairly, efficiently and cost-effectively so that the public get the best possible service.

Thank you, sir.

The Speaker: Mr Thomas, a supplementary.

Mr Thomas: Thank you, Mr Speaker.

I thank the Treasury Minister for allaying any worries I had that bureaucracy was being increased and responsibility multiplied as managers of various Departments establish separate means-testing systems.

My question is: I understand from the Treasury Minister that the Treasury Minister can confirm that means testing is centred in Treasury and the system will be simple to administer and cost effective, in line with the Government's Tax Strategy – which I agree with.

The Speaker: Minister.

The Minister: I am pleased to confirm that it will be simple to administer. Certainly the Assessor of Income Tax department has been very effective over the last few years at delivering further efficiency, using technology to the full advantage, and through that we have been able to reduce our headcount. So it is very much in our minds that whatever we do has to be simple and easy to administer.

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

Mrs Cannell: Thank you, Mr Speaker.

Can the Minister advise the House on which legislation precisely – which year of legislation, the title of the legislation and the relevant section and clause – actually gives the power for Treasury to be able to share this information, as taxation information, with the Department of Social Care in order to roll out this means testing on benefits?

The Speaker: Mr Teare.

The Minister: The current statutory authority is contained within section 106B and 106C of the Income Tax Act 1970, which allows for the disclosure of information between the Income Tax Division of Treasury and the Department of Social Care.

Section 122A of the Social Security Administration Act 1992 allows for the supply of data by the Assessor for contribution purposes.

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

Mr Quirk: Thank you, Mr Speaker.

Could I ask the Treasury Minister, regarding the model that Treasury is going to use – and I do favour that – would he be so kind as maybe to have a briefing with Members before the model actually gets into a fit state?

The Speaker: Minister to reply.

475 **The Minister:** I did say in the original Answer, sir, our deliberations are at an early stage; but
having said that, I would certainly be quite happy to arrange for Hon. Members to be briefed in
more detail once the details start to emerge. There will be issues that we will need to discuss
with Hon. Members and I think it is only right that we explain to them in detail how the system is
intended to work, because no doubt they will be receiving questions from constituents as well.

480

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

Mr Cannan: Thank you, Mr Speaker.

485 Just to put it into layman's terms for the Treasury Minister and to express to him that clearly
there is, when you are sharing this sort of information, a concern amongst people that highly
sensitive information about their earnings etc, which is clearly available in the Treasury, may
somehow then be passed on in some form to Social Care and extend the net of that very
sensitive and personal detail.

490 Will he give us his absolute reassurance, for this House and for our constituents, that the
controls around this matter will be absolutely watertight and that information shared with the
Social Care Department is only that which is absolutely necessary and will not give any more
inference as to other than strict earnings levels, and not more detailed information that may
otherwise cause concern?

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

The Minister: I think the Hon. Member has made a very valid point that we need to only
disclose the information which is absolutely necessary.

500 If I could just reassure the Hon. Member who has resumed his seat, he did say 'these very
sensitive earnings details available in Treasury'. It is not available in Treasury; it is available to
the Assessor of Income Tax and there are firm barriers in place for that information to stay
within the Assessor of Income Tax department. I have already said, on many occasions in this
Hon. House and in another place, that information on individual taxpayers is not available – full
stop. It stays within the Assessor of Income Tax.

505

The Speaker: Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

510 And on the other hand, and in layman's terms, as the Hon. Member for Michael says, can the
Minister assure this House that means testing will not mean similar forms being completed
annually by each household in this Island and that, wherever possible, forms will be integrated
and combined?

The Speaker: Reply, sir.

515

The Minister: This is going back to one of the points I made earlier, sir, about reduced
bureaucracy. What we are having a look at... I thought I had made it clear in the original Answer
to the Question that we were looking for a common platform which would be available to roll
out for all the services, which would be available on a means-tested basis from Government.

520

The Speaker: Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

525 Could the Treasury Minister confirm exactly how many Treasury officers, given all the
systems and everything that they have in place, have been involved in coming up with other
economic development activities to prevent this having to be brought in in the first place?

The Speaker: Reply, sir.

530 **The Minister:** We are advised by our Economic Adviser's department, but also it is pan Government. Developing the economy is a pan-Government responsibility, and my hon. –
(*Interjection*) Sorry?
Do I have the floor, sir?

535 **The Speaker:** You have the floor, sir.

The Minister: Thank you very much, sir.
This is led by my hon. colleague, the Minister for Economic Development, and we are achieving good results, but I have to say it is in the face of some very strong political headwinds.

540 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that some of the initiatives that are coming out as far as the Department of Social Care are very good, but how does he allow the fact that to stop the abuse, allowing for the fact that with this tax system that we have
545 allowed to develop, the only people who are actually paying tax are the working people, and many of the wealthy people are not paying tax?

How are you going to reassure that this data will be actually factually correct, so that when you are looking at issues like the Child Benefit, the likes of pension premium and other things, you will be making sure that the people who need to be stopped from receiving this benefit will
550 actually be stopped from doing so, even allowing –

The Speaker: Minister to reply.

555 **Mr Karran:** - for the fact that the Income Tax (Amendment) Bill does cover certain anomalies and no –

The Speaker: You have made your point, sir.
Reply, Mr Teare.

560 **The Minister:** The Assessor of Income Tax takes a very close interest in the declaration of income, and they have been very successful, certainly in recent years, in encouraging recalcitrant taxpayers to stump up.

EDUCATION AND CHILDREN

1.4. DoE political members – Number required

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

Why the Department needs fewer departmental political members now compared to January 2012?

The Speaker: We turn to Question 4 and we will see if we can speed things up a bit. (**A Member:** Hear, hear.)
565 Hon. Member for Douglas West, Mr Thomas.

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

The Speaker: Minister for Education and Children, Mr Crookall, to reply.

570 **The Minister for Education and Children (Mr Crookall):** Thank you, Mr Speaker.

In January 2012, the Department of Education and Children's political membership was comprised of the Hon. Member for Onchan, Mr Peter Karran MHK, as Minister for Education and Children, supported by the Hon. Member for Douglas North, Mr Houghton, the Hon. Member for Onchan, Mr Zac Hall, and Mr Dudley Butt MLC.

575 Mr Butt left the Department on 22nd February 2012. Mr Houghton and Mr Hall left on 19th April 2012 and were replaced the same day by Mr Tony Wild MLC and Mr Juan Turner MLC. Mr Karran left the Department on 20th June 2012.

I was not appointed as Minister for Education and Children until 12th July 2012; hence, why there were more political Members prior to my appointment is probably more a question that should be directed to Mr Karran, as Minister at that time.

580 In my view, there is no justification for increasing the political membership of the Department of Education and Children at this time. Other large Departments also, at the moment, such as Health and Social Care, only have two Members, sir.

Thank you.

585

The Speaker: Mr Thomas, a supplementary.

Mr Thomas: Thank you, Mr Speaker.

590 The Chief Minister advised at the end of last month that Ministers have full input to the appointment of Members, as he confirmed, and that the number of Members in a Department depends on how diverse the portfolio of departmental specialisms is and whether relatively new Members need to be given a range of experiences.

595 Can the Education Minister cast some light on why Education and Children needs fewer Members than the Department of Home Affairs or the Department of Environment, Food and Agriculture, whose budgets and staffing are smaller?

The Speaker: Reply, sir.

The Minister: Thank you, Mr Speaker.

600 I believe it is down to the Minister to decide, at the end of the day, how many Members he deems fit, sir.

If I wanted to go back to the year 2000, I could give you 10 instances of when the Department of Education and Children has had two Members. I could also give you instances of when there were three Members, but it is down to the Minister to decide, I believe, sir.

605 Thank you.

The Speaker: Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

610 Notwithstanding the Minister's answers this morning, Mr Speaker, the Hon. Member for West Douglas, who has placed this Question before us today, has not got a Department at this time. He is a man of high intellect: I am sure he would fit in very well in the Department of Education. Why doesn't the Minister think about taking him on, sir?

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

620 **The Minister:** Mr Speaker, I have thought about it and I have spoken with the Hon. Member for Douglas South. (**A Member:** West.) Sorry, Douglas West. He was known to the Department before he was a Member of this House, and for that reason I have decided... one reason I do not want him as a Member. I am also happy with the two Members I have at the moment. He has also been offered jobs with other Departments, which he has turned down, sir.

A Member: Why?

625 **The Speaker:** Mr Karran.

630 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh son Ynsee not agree that we do actually have an Education Council, and if my demise had not come as quickly as it did maybe the Education Council would be used more as an important role as far as the Department is concerned, allowing for the fact there are 15 of them... which is also included as far as the Department of Education and Children?

The Speaker: Mr Crookall.

635 **The Minister:** Thank you, Mr Speaker.
I entirely agree with the former Minister for Education and Children: the Council of Education is very important to the Department, sir.

The Speaker: Mr Quirk.

640 **Mr Quirk:** Thank you, Mr Speaker.
Can I just ask the Minister, are you now doing a better job than the previous Minister?
(Laughter and interjections)
Also, do your Members have full delegated responsibilities?

645 **The Speaker:** I do not think that is... *[Inaudible]*
Final supplementary, Mr Thomas.

650 **Mr Thomas:** Thank you very much, Mr Speaker, and to the Minister for what he said in the part which I agree with.

There is a perception, Minister – Mr Speaker, I would like the Minister to comment – that there were more Members in the Department of Education under his predecessor to ensure particular votes in the Keys went a certain way. Can the Minister comment on this perception?

655 Moreover, the Minister would currently have to borrow a seconder to propose a departmental order in this House, the House of elected representatives. Can the Minister comment on whether this is appropriate for such an important Department as Education?
(Interjections)

The Speaker: Mr Crookall.

660 **The Minister:** Thank you, Mr Speaker.
If I had to bring legislation forward, sir, I would bring it forward and I believe I would take the Members of this House with me. I would not bring it forward until I needed to do that, so I would think finding a seconder would not be too much of an issue.

665 If you can just refresh me... Sorry, I cannot remember the first part of the question.

The Speaker: Mr Thomas.

670 **Mr Thomas:** Can the Minister comment on the perception that perhaps there were more Members in the Department of Education under the previous Minister because of the need to carry so many votes?

The Speaker: Minister.

675 **The Minister:** I will not confirm that, sir. I do not think that was the case, but I can also say that, before my time, the Department had a Works Division, which it no longer has, so that might be reason to have downsized anyway, sir.

INFRASTRUCTURE

1.5. Airport Slot Conference – Island's aeroplane schedule

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

If he will make a statement about the Airport Slot Conference and the Island's aeroplane schedule?

The Speaker: Question 5. Mr Thomas.

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

The Speaker: Minister for Infrastructure, Mr Cretney, to reply.

685 **The Minister for Infrastructure (Mr Cretney):** Thank you.
The International Air Transport Association (IATA) is the international industry trade group of airlines. All airline rules and regulations are applied by IATA.

690 Twice a year, it holds a slot conference, which is the forum solely convened for the co-ordination of planned operations at busy and international airports. The prime objective of co-ordination is to maximise the efficient use of airport infrastructure. The November slot conference addresses the runway slots required for the following summer season, whereas the June conference addresses the following winter season.

Ronaldsway Airport does not require runway slot allocations as it has adequate capacity. However, all the major airports that the Island's services connect to do have runway slots.

695 With regard to the second half of the Hon. Member's Question, generally speaking, up until now, Ronaldsway has had few differences in air services between the summer and winter seasons, and as Hon. Members will know, most services have the same frequency per day throughout the year, with only one or two exceptions.

700 Summer 2014, however, will see a new regime on London flights. Whilst easyJet have already announced their summer 2014 flight schedule, we are waiting to hear from BA CityFlyer. The Department has been working with the Department of Economic Development and BA CityFlyer regarding the London City service for summer 2014 and it is hoped that we will have a published date for their announcement very shortly.

705 We have maintained a very good range of destinations across the British Isles for many years. I know London services have caused concern, particularly to the business community, but I am very pleased to see an increase in the easyJet services at Gatwick, and I am very hopeful that we

will soon have a positive commitment in respect of London City, which would be ideal for business users.

710 **The Speaker:** A supplementary question, Mr Thomas.

Mr Thomas: Mr Speaker, to the Minister, thank you for that Answer.

Is the Minister aware of the impact on the Island's economy and on Government revenue of what seems to be happening in the Island's aviation sector? In fact, has a formal impact assessment been undertaken?
715

The Speaker: Reply, sir.

The Minister: I am all too well aware of the importance of transport links, both air and sea, to and from the Isle of Man; and so yes, I am fully aware of the current situation that is ongoing.
720

In terms of an impact assessment, I do not believe such an exercise has been undertaken recently, but I will come back to the Hon. Member on that.

The Speaker: Mr Karran.

725 **Mr Karran:** Vainstyr Loayreyder, thanking the Minister when he says there will be an announcement soon about the issue, could the Shirveishagh inform us when will this date be, as far as trying to get a more effective scheme for the business community, allowing for the problems that many Island residents have with the 90-day rule in the United Kingdom, having an early slot and an evening slot in order to be able to get their work done in the adjacent island within that one-day period?
730

The Speaker: Mr Cretney.

735 **The Minister:** An announcement will be made as soon as BA CityFlyer have informed us of their final decision.

The Speaker: Question 6, Hon. Member...

Did you have a supplementary, Mr Thomas? A final supplementary.
740

Mr Thomas: Thank you, Mr Speaker.

Can the Minister confirm whether the Government already has a contingency plan involving subsidies or otherwise against the day when perhaps realities might demand this – and we are all hoping for good news this week; has it investigated the possibility of establishing a franchise-based airline which could be operated by companies and slots could be bid for at forthcoming slot conferences?
745

Basically, does the Minister now regret that the Open Skies report was not ready in the spring so that arrangements could be made already at this week's slot conference?

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

The Speaker: Mr Cretney.

The Minister: There are really about four or five supplementaries in that question.

755 In terms of contingency, yes, obviously we have to look at contingencies for the future, and that is something which is normal in any business on an ongoing basis.

I am optimistic that the result that will come from BA CityFlyer in relation to the London City flights will be one which will be good for the Isle of Man. We have to bear with them in terms of

760 them making commercial decisions, which are obviously their decisions to make. We have worked with them in terms of the importance of such flights to the Isle of Man, and in particular to the business community. I think that is all I need to say at this stage.

**1.6. The Nunnery –
Permitted development**

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Infrastructure:

Whether development adjoining the Nunnery mansion or grounds would be permitted under any current planning designation for the estate; whether this would contravene any covenants attached to the buildings or land; and whether any such development would have to conform to the Council of Ministers Report of November 2002 – A Long Term Plan for the Nunnery Estate?

The Speaker: Question 6. Mr Henderson, Hon. Member for Douglas North.

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

The Speaker: Minister for Infrastructure.

770 **The Minister for Infrastructure (Mr Cretney):** Thank you.
Whilst I appreciate there is a lot of discussion about licensing motorised vehicles on the greenways, I would point out that these are public highways. Members of the public –
(Interjections)

775 **The Speaker:** Question 6, Hon. Member.

The Minister: Sorry, Question 6.

Mrs Cannell: The Nunnery.

780 **The Minister:** Yes, thank you, Mrs Cannell. *(Laughter)*
I do apologise to Hon. Members for that.
I will deal with each of the –

785 **A Member:** Very stressful, being a Minister.

The Minister: Oh, it can be stressful and it can be fun! *(Laughter)* It is more stressful than fun at the moment! *(Laughter)*

790 Thank you, Mr Speaker. I will deal with each of the elements in the Question in turn.
The Nunnery estate is designated on the Douglas Local Plan 1998 as private woodland. The site was the subject of an application in 2003 – planning application 03/01429/C – which changed the use and function of the site from a private estate with associated dwellings to permit use as a Business School and uses incidental to this, including additional car parking, teaching facilities and associated residential accommodation. This application was approved. As
795 such, the principle of development of the site has been accepted in the form of utilising the existing buildings and further development associated with this use has all also been approved: the creation of car parking, lighting and signage.

800 The actual compliance and planning legislation depends, of course, on the development proposed. Any change from existing approvals will require consideration of a new planning application.

In respect of covenants, I can advise that covenants that may affect the site are not matters that are considered in determining planning applications.

805 In respect of the Council of Ministers' Report of November 2002 entitled 'A Long Term Plan for the Nunnery Estate', the control of the International Business School (IBS) has been overtaken by events when Government acquired the site in 2005.

810 I am advised that the Report itself is not a legal planning document, in that it is not part of the development plan. I am also advised that it is not a statement of planning policy made by the Department under section 3 of the Act, and therefore advise that it may at best be considered to be a material consideration to which regard may be taken in dealing with any planning application on the site.

The Speaker: Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

815 I thank the Shirveishagh for his Answer, but he has made a couple of extraordinary statements there that need clarification.

820 He says there are covenants existing on that site, but they will not be in any planning... *[Inaudible]* but surely, if it is known by his planning office that there are covenants in existence affecting that site, some sort of attention will have to be drawn to them and exactly what they are and so forth – if he could confirm that; or would it be as part of some sort of conditional planning approval that covenants would have to be observed?

825 He says the Council of Ministers' Report is not material. Could he confirm then that his Department is quite happy to disregard something which was generated by a unanimous vote of Tynwald?

The Speaker: Mr Cretney.

830 **The Minister:** The Hon. Member, like me, was a former Chairman of the Planning Committee, so I am sure he will remember that when he was Chairman of the Planning Committee any covenants were always regarded to be matters which would be determined by a process outside of the planning process. That has always been the case.

Mr Henderson: And that they would be referred to in a condition.

835 **The Minister:** In regard to the second question, I think I did say that the document would be regarded as material consideration, and I think that does attach a weight to it and it is something which would be considered.

The Speaker: Mr Thomas.

840 **Mr Thomas:** Thank you very much, Mr Speaker.

845 The wetland areas of the Nunnery Estate are designated in the Nunnery master plan map, which is attached to the planning approval, as being 'retained as existing for ecological interest', and the lawns are designated as open space. Can the Minister assure this House that the Nunnery estate, including these designations, is secured in planning terms?

Moreover, the siting and routing of the Douglas to Peel cycleway is shown in the master plan and the map attached to the planning designation and there is a covenant in respect of the bridge. Can the Minister assure this House that routing for a traffic-free path is secured in planning?

850 **The Speaker:** Minister, if you are in a position to answer.

The Minister: Well, they are not really matters which I have considered in the response to the Hon. Member for North Douglas's Question, but I am almost certain that that would be the case. If I am wrong, I will come back to Hon. Members as soon as I can.

855 **The Speaker:** Mr Henderson.

Mr Henderson: *[Inaudible]*

860 **The Speaker:** Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh inform this Hon. House what safeguards are we going to have as far as the planning and the controls, allowing for the fact that we allowed the taxpayer to be ripped off as far as the IBS was concerned in the previous fiasco, and what safeguards will be taken to make sure that we do not end up signing away this asset and then finding out that somehow they have got around it and they have managed to make a fool out of the Council of Ministers?

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

The Minister: I am a little disappointed that that question has been put in the manner in which it has.

Really, the situation which occurred in the past – which we all, I am sure, should learn by – is exactly that: it is in the past. The situation we have now – *(Interjection by Mr Karran)* Well, it is not actually my responsibility; it is another Department that is dealing with this, *(Interjection by Mr Karran)* but I am part of the Council of Ministers and I will play my part in that.

Mr Quirk: Through the chair – come on!

880 **The Speaker:** Please, Minister, do not be distracted by noises off stage. *(Laughter)* Please carry on; you are doing well.

The Minister: Thank you, Mr Speaker.

In relation to this matter, I am sure that we will all learn from situations which have happened in the past.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

890 Can I ask the Minister, then... Really, it will go to a special inquiry, won't it, Minister? That is the issue, because the Government owns the land and a special inquiry will take into all accounts.

The Speaker: Reply, sir.

895 **The Minister:** Yes. When planning applications are put in, which are on Government land, then they are dealt with in a manner other than the normal planning process.

**1.7. Greenways –
Measures to mitigate erosion**

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Infrastructure:

In his capacity as Chairman of the new joint working group on managing motor usage of greenways whether he will look at a draft licensing system for motorised vehicle users, reinstatement works, voluntary additional wardens, identification of individual motorised vehicle users, temporary closures to mitigate erosion and other measures?

The Speaker: Question 7. Hon. Member, Mr Henderson.

900

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Ta mee shirrey kied yn eysht y chur ta fo my ennym. I beg to ask the Question in my name.

The Speaker: Minister for Infrastructure.

905

The Minister for Infrastructure (Mr Cretney): Thank you.

Whilst I appreciate that there is a lot of discussion about licensed vehicles on the greenways, I would like to point out that these are public highways. Members of the public who take vehicles onto these tracks are legally entitled to do so, providing they comply with vehicle and driver legislation that applies equally to the use of all the public highways on the Island. Therefore, users should have already registered, licensed and taxed their vehicles.

910

As Hon. Members will be aware, my officers are already considering a permit system tied in with the use of volunteer wardens. Work to repair and maintain the tracks goes on throughout the year and is carried out by the Department's contractors and volunteers.

915

The work carried out by the volunteers is extremely important in that it helps to maintain the tracks at a time when budgets are being squeezed. It also gives the volunteers a sense of ownership and responsibility for the tracks, and by association gives the users of the tracks that same sense of responsibility and ownership.

I would like to take this opportunity to publicly thank the volunteers for their work (**A Member:** Hear, hear.) and hope that it will continue into the future.

920

As an aside, I am also in discussion with the Manx Footpath Conservation Group over the idea of walkers volunteering to assist with the maintenance of footpaths.

Finally, I can confirm that the Department has, for some time, imposed temporary restrictions on the use of damaged or vulnerable greenways. We continue to regard these sorts of restrictions as one of the measures that will be required to make sure that our upland greenways can continue to be enjoyed by all groups of users.

925

The Speaker: Mr Henderson.

930

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I thank the Minister for his positive response here. Can he confirm that what we are asking here is... we are focusing on a permit system for motorised vehicle use in the greenways?

Would he also confirm that the destruction, erosion and damage that is being caused to many of these upland tracks is now more serious than at any other time?

935

The Speaker: Reply, sir.

The Minister: In respect of the latter question, there are different views on that, but I would certainly say that (*Interjection*) in the last couple of years, with the amount of rainfall we have experienced, that has certainly exacerbated the situation and made it more difficult.

940

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

945 Could I ask the Minister when the next meeting is scheduled for the organisation and could he maybe circulate the agenda prior to that meeting so we can all see what is going on?

The Speaker: Minister.

The Minister: I am not exactly sure which meeting the Hon. Member is referring to.

950

Mr Quirk: The green lanes group.

The Minister: If he is referring to the Green Lane User Group, I thought that that was published already. If that is not the case, then I will make sure it is.

1.8. Manx countryside – Conservation, wildlife and natural heritage

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Infrastructure:

If he will make a statement on the conservation, wildlife and natural heritage importance of the Manx country?

955 **The Speaker:** We turn to Question 8. Mr Henderson.

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

Ta mee shirrey kied yn eysht y chur ta fo my ennym. I beg to ask the Question in my name.

960 **The Speaker:** Mr Cretney, Minister for Infrastructure.

The Minister for Infrastructure (Mr Cretney): Thank you, Mr Speaker.

965 I take the conservation, wildlife and natural heritage of the Manx countryside very seriously indeed. However, I am very aware that this is not a static environment, but one which is constantly changing.

970 My hon. colleague, the Minister for the Department of Environment, Food and Agriculture could possibly answer this Question more appropriately, but I will point out that changes to long-term weather patterns, changes to farming practices in both the lowlands and the uplands and diseases which affect trees and plants such as those affecting our plantations at the moment all contribute to the changing landscape, for better or for worse.

975 The Department of Infrastructure is also very involved with conservation of wildlife on the Island as planning and building control come under the remit of the Department. The planning system takes account of environmental and conservation issues when dealing with planning applications and area plans. The Department is also, and has been since its inception, a major funder of the Wildflowers of Mann project.

980 However, I am quite aware that the thrust of this Question relates the upland tracks. I will say that, when taken in comparison to the full extent of the uplands – some 19,000 acres which are managed by DEFA and over which there is public ramblage, as well as other upland areas in private ownership – I suspect that the impact on the conservation, wildlife and natural heritage of the Manx country of vehicular use of the upland tracks has to be taken in context.

No-one has carried out any scientific study into the matter. There was a study carried out in 1995 by the Manx Nature Conservation Trust, called the Manx Hills Report. This is a very detailed report, but there does not appear to be any mention of the use of tracks in this report and it is important to realise that made and metalled roads also pass through these areas.

985 The main issue with the tracks is one of conflict between the various users, most notably the motorcycle riders and walkers. On the one hand, the bike riders wish to ride the tracks that they are legitimately entitled to ride; on the other hand, some walkers find that the very presence of motorcycles spoils their recreational activity.

990 What we are attempting to do, through encouraging volunteer work parties, is to ensure that all users get to enjoy the tracks but do so with a sense of responsibility and an awareness of the feelings of other users. I have tried to make sure that the voices of all the interest groups are being heard at the appropriate user group meetings and I am also keen to ensure that no one interest group is allowed to dominate, whilst also keeping in mind the various and sometimes conflicting economic interests of tourism and supporting industries.

995 I have personally engaged with a number of key groups, with a number of Ministers also giving their commitment, and I am hopeful that we will be able to find a solution that balances the rights and wishes of all parties.

The Speaker: Mr Henderson.

1000

Mr Henderson: Gura mie eu, Vainstyr Loayreyder.

I thank the Minister for his lengthy reply, but can he confirm that, in fact, the issue is not about walkers who find themselves being disturbed by motorbikes? That is a complete fallacy. The real issue that everyone is worried about – and he will agree he has been notified about it on numerous occasions – is the erosion and damage that is being cause, that actually prevents users from using the trails –

1005

The Speaker: Can we have a question, sir?

1010

Mr Henderson: That is the question, Vainstyr Loayreyder: will he acknowledge that that is the fact, not people being upset by a bit of noise?

The Speaker: Minister.

1015

The Minister: I am sorry, but I have to disagree with the Hon. Member. There are a number of issues about which there is some conflict. The use of these – *(Interjection by Mr Henderson)*

Mr Speaker, I have been consistently barracked in each Question here. I do hope we can have some –

1020

The Speaker: Yes, carry on, sir. Just ignore it.

The Minister: It is difficult to ignore.

1025

The Speaker: I will say to Members please let the Minister, whoever is answering, reply without interruption.

The Minister: Thank you, Mr Speaker.

1030

The Speaker: Members have been here long enough to know to extend that courtesy. **(Several Members: Hear, hear.)**
Minister.

The Minister: Thank you, Mr Speaker.

1035 I think there were a number of issues and the use of these lands by motorcycles does annoy some people who walk.

I accept completely the point the Hon. Member makes about the damage that has been caused, and I did try and explain in an earlier supplementary question that one of the principal reasons for that latterly appears to have been the extreme weather we have had, and in particular lots of water, which has caused real damage. We are trying to manage that by closing certain areas so they can regenerate.

1040

The Speaker: Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

1045 This was for general questions, so I ask a general question: does the Minister support environment policy 1 in the Island's Strategic Plan, which states:

'The countryside and its ecology will be protected for its own sake.'

And what is the Minister's current thinking on conservation of natural heritage in the context of the redevelopment of the Strategic Plan?

1050

The Minister: In relation to the first point the Hon. Member made, about policy in the Strategic Plan, clearly I support that. I support the Strategic Plan.

The ongoing review of the Strategic Plan is much more about strategic issues to do with the economy which are required to be re-examined, rather than a thorough overhaul of the Strategic Plan. As such, I do believe that the point is well covered already in the Plan, and that is something which I support.

1055

The Speaker: Mr Quirk.

1060

Mr Quirk: Thank you, Mr Speaker.

Just on the Minister's last comment on that, regarding the review of the Strategic Plan, I wonder where we are on that. Also, wouldn't all the elements of the Strategic Plan come into play on the review? I am concerned at the Minister saying you are picking and choosing elements.

1065

The Speaker: Minister.

The Minister: If we were to have all the elements in the Strategic Plan, this process would go on for years.

1070

I think Hon. Members have made it quite clear to me that there are certain things at this particular time in the cycle of the economy of the Isle of Man... that we need to make sure the Strategic Plan respects and supports the development and ongoing process of the economy.

Of course, all the other elements are equally important, so what we are trying to say here is that the elements of the economy are treated on an equal basis as everything else which is of clear importance, such as the environment and everything else which is spoken about.

1075

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

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

Mr Henderson: Vainstyr Loayreyder, if I could put that the relevant Standing Order be suspended so that the remaining Questions on the Order Paper can be taken.

1080

The Speaker: Mr Quirk.

Mr Quirk: I beg to second, sir.

1085

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

A division was called for and electronic voting resulted as follows:

FOR

Mr Quirk
Mr Hall
Mr Crookall
Mr Anderson
Mr Singer
Mr Quayle
Mr Cannan
Mr Cregeen
Mr Houghton
Mr Henderson
Mrs Beecroft
Mrs Cannell
Mr Thomas
Mr Cretney
The Speaker

AGAINST

Mr Bell
Mr Teare
Mr Robertshaw
Mr Shimmin
Mr Watterson
Mr Skelly
Mr Gawne

The Speaker: With 15 votes for and 7 against, the motion fails to carry on the Suspension of Standing Orders.

Questions 9 to 16 answered in writing

1090

The Speaker: Under Standing Order 3.8, Questions not answered will be answered in writing to the Secretary by 12 noon the following day, unless a Member wishes their tabled Question to be put at the next sitting.

Hon. Members! (**Mr Quirk:** Hear, hear.) Hon. Members –

1095

Mr Henderson: We are still sitting!

A Member: Legislation.

Mr Quirk: Get them back.

1100

The Speaker: Hon. Members, I find it extremely discourteous (**Mr Quirk:** Hear, hear.) for Members to be crossing the floor and leaving the Chamber (**A Member:** Hear, hear.) when I am in the process of addressing the House. (**Several Members:** Hear, hear.)

1105

Hon. Members, Standing Order 3.8 provides for Questions to be answered at the next sitting, if it is the wish of the Member. Can any Member please indicate whether they wish their Question to be answered at the next sitting of the Keys, which of course is in two weeks' time.

Mr Henderson.

Mr Henderson: Thank you, Vainstyr Loayreyder.
Just for clarification, I am quite happy for my Questions to be answered in the written format
1110 and so circulated.

A Member: What about the rest?

The Speaker: Thank you, Hon. Members.
1115 In that case, we move on. Questions for Written Answer, under Item 2 – the 12 Questions will
have their replies distributed shortly.

Questions for Written Answer

SOCIAL CARE

1.9. Externalising DSC functions and services – Keeping staff informed

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

In relation to his Department's recent media release on externalising functions and services of his Department how (a) he has informed staff; and (b) he intends to keep staff informed of further developments and changes; and whether staff will receive regular newsletters?

Answer: At the meetings held with staff, we explained that this was the start of what will be a series of briefings to them that will be held as our externalisation plans progress. Senior managers within the Department held briefings across the Island on the morning of
1120 31st October, which were well attended. Obviously, however, due to the 24/7 nature of some of the services we provide, not all staff were able to attend; therefore the information paper was circulated to all staff electronically in the afternoon following the briefings.

This initial briefing was to let the staff know of all the Department's proposals, many of the future briefings will be to smaller groups specifically involved in the externalisation of a
1125 particular service.

As clearly stated in the [information paper](#)¹ circulated to all staff on 31st October (and for the purposes of *Hansard*, I wish to confirm I stand by the contents of this information paper and understand it can be linked to *Hansard* through a pdf for record purposes) the intention is to be open and transparent in order to keep staff as fully briefed as possible. As and when there are
1130 further developments staff information and advice will be a priority for us.

Footnote

¹ <http://www.tynwald.org.im/business/hansard/20002020/k131112WA9.pdf>



Department of Social Care

Rheynn Kiarail y Theay

**From the Office of the Minister
Hon Chris Robertshaw MHK**

Your Ref:
Our Ref: CR/
6th November 2013

Hon Chris Robertshaw MHK
Minister for Social Care
4th Floor, Markwell House
Market Street
Douglas
Isle of Man
IM1 2RZ

All Tynwald Members

Tel: (01624) 686431
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Dear Colleague

As the Honourable Member for Douglas North, Mr Henderson, has laid down a number of questions for next week's sitting of the House of Keys in relation to the potential externalisation of services within my Department, I thought it would be helpful if I provided Members with a copy of a briefing that was sent to all Department of Social Care staff last week. This document outlines the proposals submitted to the Business Change Steering Group for consideration and provides background information that may aid Members understand the background to the questions.

Yours sincerely

Chris

Hon Chris Robertshaw MHK
Minister

1.10. Scope of Government Review – DSC services affected

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

As part of the Scope of Government exercise, what parts of his Department have been assessed as being suitable to be no longer directly provided by the Department; and what services have been so identified?

1135 **Answer:** In response to the Hon. Member's series of Questions, I thought it would be helpful if Members also received a copy of the staff information paper so they are also fully informed. This was circulated to Hon. Members on 6th November 2013 and I trust that Hon. Members found it of interest. Each section – Children and Family Services, Housing, Social Security, Adult Services, and Corporate Services – details which services we have identified should be retained
1140 and which services we have identified as suitable for consideration for outsourcing within the Scope of Government High Level Options Review.

**1.11. DSC services –
Privatisation**

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

Which service identified in his Department's 'Scope of Government's appraisal' would be the first to be transferred out for privatisation, if his Department's proposals receive support from the Government Business Change Steering Group; and when will this happen?

Answer: May I refer Hon. Members to page 2 of the staff information paper which gives outline times and dates and which shows the first event being the outsourcing of domiciliary care.

Please note that the Question uses the word 'privatisation'. As stated in the staff information paper, it is not our wish or intention to privatise services, but rather to transfer them to a social enterprise.

**1.12. DSC services –
Plans for external provision**

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

What plans he has for his Department's services being provided for externally as proposed in his High Levels Options Review – information to all staff, dated 31st October, 2013; and what the difference is between social enterprise and privatisation?

Answer: It is the Department's preferred option that care services which are externalised should be taken on by a social enterprise company:

'A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.'
(DTI, 2002)

By this mechanism it is to be hoped that services continually evolve and grow whilst investing in service development to support people within our communities.

The fundamental difference, therefore, between a social enterprise and a private organisation is that a social enterprise reinvests any surplus in the service it provides or in the community it serves, whereas a private organisation is driven to maximise profit which is then paid to shareholders or the organisation's owners.

**1.13. Care of the elderly –
Services and units to remain in DSC control**

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

What functions he will retain under Department control and what is desired to be privatised or for social enterprise in respect of care of the elderly services; and whether he will retain any of the purpose built units at Reayrt my Baie, Cummal Mooar, Southlands, Thie Meanagh and the new Ramsey Unit Reayrt Skyal at Gardner's Lane?

Answer: Could I again refer Hon. Members to page 2 of the staff information paper which identifies those units earmarked for externalisation along with outline timings.

1160 It is proposed that all other services, which provide care to those with the most complex needs, will be retained.

Our proposals, which have yet to be approved, have been put forward on the basis that we will retain the properties; however new properties will need to be built to replace both Reayrt ny Baie and Cummal Mooar as neither meet current registration and inspection standards for residential homes.

ECONOMIC DEVELOPMENT

1.14. Promotion of Island for off-road events – Changes in advertising

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Economic Development:

If he will change advertising by his Department to reflect the natural heritage and conservation importance of the Isle of Man, and not encourage the importation and use of off-road motorised vehicles in the countryside?

1165 **Answer:** As I stated in this Hon. House on 29th October 2013, my Department has not actively advertised any off-road events or encouraged the importation and use of off-road motorised vehicles in the countryside.

1170 My Department promotes the many attractions of the Island as a visitor destination including our natural environment and rich heritage. We promote the Island in many ways including through advertising, websites, public relations, attending exhibitions, brochures and specialist literature. Throughout these we communicate the same key messages. Two of these messages are that:

‘The Island is rich in historic heritage with its roots in a Celtic and Viking past.’

And that:

‘The Island’s natural landscape is a safe haven for rare flora and fauna.’

1175 My Department does not promote, nor do we plan to promote, the importation and use of off-road motorised vehicles in the countryside. Rather, we will continue to promote the Island as a place of natural beauty and heritage as we are doing at present.

1180 Much of the media interest in the Island, which is proactively managed by my Department, is centred on our scenic beauty and pursuits such as walking. As an example of the sort of activities that the Department promotes, within the next two months the Isle of Man will be the subject of a significant feature in BBC *Countryfile* magazine which will advertise the Island as an excellent location for visiting walkers.

1.15. Visitors to the Island – Promotion as eco-tourist destination

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Economic Development:

What advertising his Department undertakes to encourage visitors to enjoy the natural heritage and to promote the considerable potential for the Island as an eco-tourist destination?

Answer: As I made clear in my last Answer, there are a number of means by which my Department publicises, and encourages visitors to come to, the Island. Through these we promote key messages which emphasise the importance of the Island's historic heritage and its natural landscape. For example, we place advertisements in magazines such as *Countryfile* and *Coast* in order to specifically target those interested in nature, heritage and wildlife. These themes are featured heavily in our 2014 Visitor Guide, due for release in December. In addition we produce leaflets carrying these messages aimed at outdoor enthusiasts and frequently post photographs which demonstrate the natural beauty of the Island on social media sites.

We understand that the Island is attractive to many visitors because of its unspoilt countryside, natural wildlife and heritage and this is something we will continue to promote. We believe there will be significant potential to promote the Island as an eco-tourist destination more heavily if the UNESCO biosphere bid is successful.

HEALTH

1.16. Noble's Hospital – Bed occupancy by elderly patients

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

If he will make a statement on the problems associated with bed occupancy by elderly patients in Noble's Hospital?

Answer: I am sure that, like me, the staff at Noble's Hospital would not associate older people in their care as being a problem. As demographic changes occur and our population becomes older, a large and increasing percentage of those that we care for in hospital will be old. This is a challenge, not only for healthcare, but for social care and society as a whole, as this House has heard said on many occasions in the last few months. The staff at Noble's Hospital recognise that the needs of older people must be considered paramount when providing services. Care and compassion is what is at the forefront of their minds.

Many of the patients treated at Noble's Hospital are classed as 'elderly' – that is, they are over the age of 65 years. In fact, in the year ended 30th September, more than 40% of our total patients were over the age of 65 years. This figure is very similar to UK trusts so we are no different from our neighbours in that respect, although the Island already has a higher percentage of its population over the age of 65 than does the UK.

I assume that the thrust of the Hon. Member's Question relates to those elderly patients whose discharge might be delayed for whatever reason at the Hospital. As with all hospitals, there are many patients whose discharge may take longer than would be expected due to many and varied reasons. It is important that services in the community are able to support the infrastructure of acute care and that patients can be cared for as close to their own home as possible when they are discharged. There are, therefore, times when comprehensive care packages need to be established. These are either funded via state benefits or are self-funded.

At this point, I would remind the House that, once the need for acute medical intervention is passed, hospitals are not the best places to be cared for in the long term, and therefore it may be best for us to seek to act in the best interest of the individual where their family are unwilling so to do. This may prepare them for any future action.

1220 The majority of delays following a patient being deemed medically fit for discharge arise in those who are responsible for their own funding or their own continuing care. It would be wrong to give details of the individual challenges we face as particular patients could possibly be identified. There have, however, been a relatively small number of patients who have remained in a hospital bed either at Noble's Hospital or Ramsey Cottage Hospital because either they or their families are unwilling to use their own funds to pay for residential care or nursing home care. Without a legal framework which allows these patients to be discharged and to assist us to move these patients out of hospital to an environment which is most suited to their ongoing care, there is very little that can be done except to use our powers of persuasion to try to encourage patients and their families to take responsibility for their own ongoing care.

CHIEF MINISTER

**2.1. Zero-hours contracts –
Estimated number in public service and private sector**

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

What estimate he has made of the number of people employed on zero-hours contracts under which they are not guaranteed work from one week to the next in (a) the public sector; and (b) the private sector; and if he will make a statement?

Answer: For the purpose of this Answer a zero-hours contract is taken to be a contract under which a worker works for an employer on a regular basis without any minimum amount of work being guaranteed but with some obligation to work when required.

1230 From an initial review it has been identified that there are 173 staff, across the central Government public service, engaged under zero-hours contracts, who have an obligation to work when required to do so. This number includes certain seasonal and retained staff. Examples of such workers include rail workers, who are expected to work as required and retained fire fighters.

1235 Government does not have information about the number of people employed on zero-hours contracts in the private sector.

1240 There is now a diverse range of possible employment relationships other than traditional full-time permanent contracts and these include limited term contracts, part-time contracts, casual contracts, and agency worker contracts. Employers need to ensure that the use of any particular type of contract is both appropriate to the particular situation and does not have a harmful effect on workers, no more so than in the case of the zero-hours contract which can be a very one-sided arrangement.

1245 Zero-hours contracts can be used to formalise and manage the engagement of casual workers more effectively and a sometimes overlooked consequence of their use is that individuals employed on such contracts may attain employee status and gain access to all statutory employment rights. There are instances where a zero-hours contract may be an appropriate solution to business requirements as in the case of retained fire fighters, referred to above, who are on call and are obliged to turn out in an emergency. Of course such contracts also need to be appropriate to the particular workers who are engaged under them; they may suit a student or a retired person but may be completely unsuitable for persons who require a consistent and reliable source of income.

1250 Whilst information on zero-hours contracts on the Island is limited, the Department of Economic Development reports that it is not aware of any increase in the number of such contracts nor any complaints arising from their use. In the United Kingdom these contracts are

1255 presently controversial, particularly as the employment situation in parts of the country may mean that some people may have no option other than to accept the offer of such a contract even though it may be entirely inappropriate for their particular situation.

The Department further reports that it is planning to make a number of miscellaneous amendments to the Island's employment law which will be included in the forthcoming Equality Bill and has advised that it will seek views as to whether there is any need to curtail the use of zero-hour contracts in any respects, as part of the consultation process which is due to take place next year.

**2.2. Zero-hours contracts –
Proportion of Job Centre vacancies; general trend**

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

What proportion of current vacancies advertised at the Job Centre is considered as zero-hours contracts; and what the general trend in usage of these is?

Answer: The Department of Economic Development (DED) has advised that the Job Centre does not specifically record information as to any vacancies that may be zero-hours contracts. Subsequent to receiving the Question, the Job Centre carried out an initial review which revealed there are currently no vacancies advertised as zero-hours contracts. It should, however, be borne in mind that the Job Centre may not have all of the information which is required to determine the exact type of contractual arrangement and in some cases it may be difficult to distinguish zero-hours contracts from other types of contract (e.g. casual contracts) from the information provided by employers.

1265
1270 The DED is unaware of any significant trend in the usage of zero-hour contracts though there is little information available as to the number of people who may be employed on such contracts, particularly in the private sector.

The DED works with the Island's employers to help them understand and comply with employment law. In the last 12 months DED has received no complaints or queries regarding this issue from employers or employees.

1275 For the purpose of this Answer a zero-hours contract is taken to be a contract under which a worker works for an employer on a regular basis without any minimum amount of work being guaranteed but with some obligation to work when required.

TREASURY

**2.3. Inward investment in Island –
Comparison with UK regions and Channel Islands**

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

What the per capita inward investment in the Isle of Man is; and how this compares with regions of the United Kingdom and the Channel Islands?

1280 **Answer:** Investment comes in many forms, for instance as deposits in a bank, as direct investment in manufacturing plant, as portfolio investment and so on. The Financial Supervision Commission produces data on banking deposits and matters relating to investment funds, and

1285 the Insurance and Pensions Authority does similar with reference to insurance products. But, given the reference to 'regions of the United Kingdom' in the Question, I assume that the Hon. Member's interest is in direct investment into Isle of Man economic activity and in this regard Treasury does not have information.

**2.4. Bona vacantia land –
Transfer to local authority**

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

What law and good practice cover the transfer of bona vacantia land to a local authority; and how local residents are informed and involved in this process?

Answer: The property of a dissolved company vests in the Treasury *bona vacantia* by virtue of section 274 of the Companies Act 1931.

1290 It is not Treasury policy to retain any such land or property. The Treasury has power to dispose of property vesting in it under section 274(B) of the Companies Act 1931.

If a Government Department or local authority has maintained the land in question at public expense since the dissolution of the company Treasury would seek to convey it to the relevant body in order that it can adopt the land and maintain it in perpetuity.

1295 Treasury does not seek actively to identify land that vests in it *bona vacantia* and therefore is made aware of such cases only when approached by adjoining land owners seeking to purchase it or resolve an issue in relation to it.

1300 If there is no change of use of the land as a result of the proposed conveyance, Treasury would not automatically inform local residents of the action. However, if the initial enquiry in respect of the land was raised by a local resident they would be informed of the outcome as a matter of courtesy.

Policies and procedures are reviewed on a regular basis to ensure that a consistent approach is maintained and Treasury consults with the Attorney General's Chambers on a case-by-case basis.

**2.5. Airline services –
Numbers of employees and service providers**

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

How many people (a) work for airlines and (b) provide services to airlines according to Treasury Income Tax employee number data as at April 2013?

1305 **Answer:** According to the information provided to the Income Tax Division there were 58 employees as at April 2013 working for airlines that are registered here.

It is not possible from the information held by the Income Tax Division to identify how many people provide services to airlines.

EDUCATION AND CHILDREN

**2.6. School playing fields –
Guidance on TT campsite management**

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

Whether the Department provides guidance on site management when school playing fields are used as TT campsites?

Answer: I presume the Hon. Member is referring to the recent planning application in respect of the establishment of a campsite for TT 2014 at Ballakermeen High School.

I can confirm that the Department has provided guidance to the school over the proposal including advising on such issues as health and safety, traffic control and managing noise.

I can further confirm that subject to planning approval and the applicant progressing with the campsite plans, the Department will be in further liaison with the school and the applicant prior to and during the camping period, to ensure that issues of site management are appropriately dealt with.

**2.7. Nunnery estate –
Area for sale**

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Education and Children:

If he will publish a map of that part of the Nunnery estate which will be sold?

Answer: I have provided a plan of the Nunnery under my Written Answer number 8 regarding covenants attached to the estate.

All the land within the red line on the plan, excluding 'Sangster's Field' as outlined in orange, which is owned by the Department of Infrastructure, is owned by the Department of Education and Children, and may be subject to a future sale of the estate.

For further clarity, the 'Paddock Land' area between the Nunnery and Old Castletown Road, as edged in blue, is also owned by the Department of Infrastructure, and is currently leased to The Department of Education and Children for the balance of 99 years with effect from 12th February 1976.

**2.8. Nunnery estate –
Restrictive covenants; effect on use of land**

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Education and Children:

What covenants are attached to the Nunnery estate; and how they would affect the use of the land?

Answer: The site is the subject of covenants which now vest in the Department of Infrastructure and affect the Department of Education and Children as highlighted below.

Please refer to the attached coloured site plan – restrictive covenants on the pink, green and yellow land are as follows:

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- (a) The right of the public over the public footpath coloured yellow;
- (b) The DoI to maintain the right to lay or permit utilities to lay pipes and cables across the land;

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- (c) No building structure or erection of any kind to be placed on the green land without the prior approval of the DoI other than a building structure or erection to be used for purposes in connection with the use of the estate as a private residential home;
- (d) The green land to be only used for gardens open grass land and for the construction of such putting greens, croquet lawns, tennis courts and similar recreational facilities as maybe approved by the DoI;

1340

- (e) A similar restriction in respect of the pink land as explained at (c) and (d) above;
- (f) No advertisement or hoarding to be placed on the property;
- (g) No rubbish to be deposited on the roads fronting the property;
- (h) No weeds to be allowed on the scheduled property;
- (i) No injurious trade or business to be carried out on the property;

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- (j) No sand gravel or stone shall be excavated on the scheduled property;
- (k) Not remove or make any structural alteration to the facade of the Mansion House or to the Chapel of St Bridget's without prior consent of the DoI;
- (l) To permit the Chapel of St Bridget's to have limited availability to the general public;
- (m) Not to fell any trees without consent of the DoI;

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- (n) Not to injure or destroy the Crimean War Memorial and to permit the DoI or those authorised by the DoI to enter upon the property to inspect clean and repair such Memorial;
- (o) To keep indemnified the DoI against any claim arising out of the owners failure to repair and maintain the footbridge over the river Douglas;

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- (p) To erect at own cost and expense where necessary and afterwards maintain in proper repair on the boundary along the old Castletown Road good and sufficient walls, fences etc.

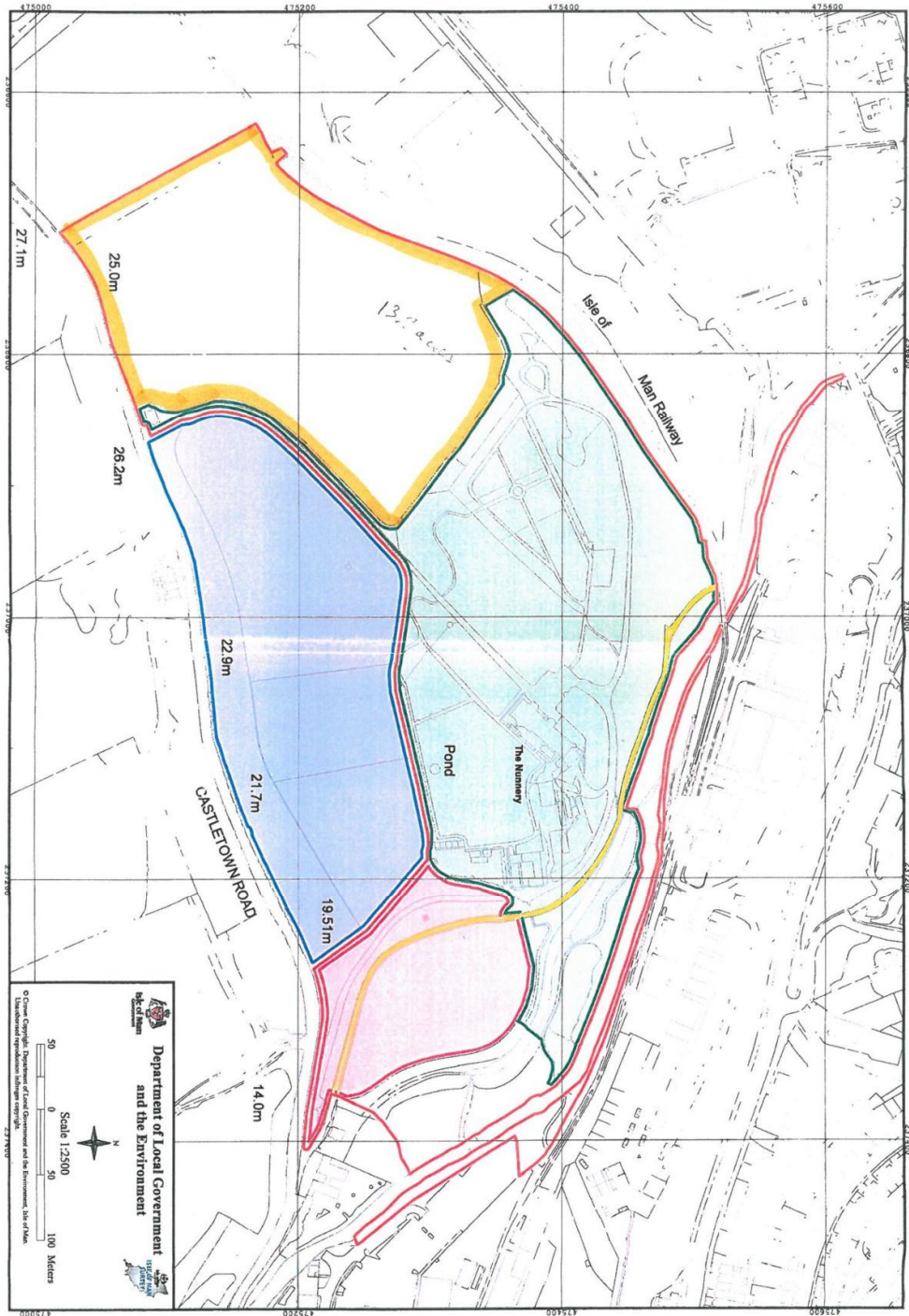
1360

In terms of any variations to these 1976 covenants, when the Department of Education and Children purchased the Nunnery Mansion Domain in 2005 the covenant in relation to use was lifted to allow the Department to use the property as an International Business School. All other covenants affecting the property remain valid, but subject to variation by agreement between the two Departments.

1365

Administration of the covenants is the responsibility of the Department of Infrastructure and the Department of Education and Children.

It is the Department of Infrastructure's and our Department's intention that the same covenants would remain in the event of a future sale of our property ownership, and would affect the use of the land as outlined above.



INFRASTRUCTURE

**2.9. Highway repairs –
Cost in comparison with UK**

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

What the estimated cost per square metre is for Island highway (a) pothole and patch repair; (b) resurfacing; and (c) reconstruction; and how this compares with the cost in the UK?

Answer: The Department has calculated that to repair a pothole costs approximately 1370 £21.50/pothole or £64.50/m². The Department is in possession of data that indicates that the average cost to fix a pothole in the UK is £50 – £75/m².

The cost of patch repairs varies greatly and is dependent on many factors. The Department estimates that its costs are around £48/m². A review of the Manx private sector demonstrates that costs vary between £50/m² and £98/m². UK comparative data from 2011 indicates patching 1375 costs of around £60/m².

Resurfacing cost is influenced by the factors below and can only be given indicatively. Typically, the Department's resurfacing costs have been:

1380 £1.11p/m² – £3.45p m² for simple overlay (excluding material); and
£12m² – £38/m² for plane out and inlay.

A review of UK price comparators indicates costs between £16/m² and £50/m² is normal for plane out and inlay.

1385 Reconstruction costs vary greatly and there is no single answer to the Question as each reconstruction project will have many different factors that all influence the cost per m². The Department's typical costs range between £130/m² for a simple reconstruction and £220/m² for a complex scheme. 2011 UK comparative prices were around £100/m² for a simple A-Road reconstruction.

1390 As noted above comparative costs and benchmarks are difficult to obtain because of the variable factors on each project. The following factors influence cost:

- Area of work (generally, larger would be cheaper due to economy of scale)
- Location of work (transport costs)
- Topography/layout of site
- 1395 • Choice of materials
- Type of highway for traffic management (urban, rural, permissible road closures). If there are significant restrictions on the traffic management and the times that can be worked, then the cost of work can double or more.
- Depth of reconstruction (layer thickness of coated/uncoated stone) usually 1400 determined by the ground conditions under the road.
- Make-up of existing road (unbound/slab)
- Street furniture (ironwork to adjust/replace, lighting poles, telecom boxes, water access, gas access)
- Service/utility (gas, water drainage, telecoms and electricity) interaction and the 1405 location details, if any exist, of services under the road.
- Site specific considerations (allowable noise levels, allowable working hours etc)
- Extent of ancillary works (footways, walls, sod hedges, drainage, structural elements, electrical work).

**2.10. The Nunnery –
Registered buildings**

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Infrastructure:

Which of the Nunnery buildings are registered?

Answer: None of the buildings are registered.

**2.11. Areas open to public access –
Closures to mitigate off-road vehicle usage**

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Infrastructure:

What areas open to public access have been closed temporarily or on a long-term basis to mitigate the effects of off-road motorised vehicle usage; and if he will consider a rolling programme of closures to protect tracks and greenways?

1410 **Answer:** The differences between the tracks, greenways, green lanes and public rights of way are often confused. The Island has around 250 miles of such routes. Only around 10% are upland tracks and most of those have weight restrictions or are subject to temporary winter closures. Therefore those routes available to motorised vehicles are already very limited and restricted, compared to the total of all unmade routes open to walkers.

1415 Certain of the upland tracks which are public highways, such as the Ballacob track, the Slieu Dhoo link track, and a section of the Sky Hill track, have been closed for the winter. The winter closures extend from 1st November through to 31st March. Whilst this matter is kept under review, and the closure Orders are made annually, this is a practice which has been going on for over 10 years, whereby certain tracks have been temporarily closed over the winter months to
1420 limit possible damage that might be caused by motorised vehicles during the wettest months of the year when the routes are at their softest and most vulnerable. I fully expect that this practice will continue as long as we have some tracks which we consider to be soft surfaces. I have to weigh up the expectations of various user groups within our community in deciding the level of closures. I am quite aware that at one extreme there will be people and groups who would like
1425 all the tracks closed to motorised vehicles on a permanent basis, and at the other extreme there are people and groups who would argue that none of the tracks should be closed at all, even temporarily.

Whilst there is some damage to certain tracks it is important to recognise that 2012 saw extremely high rainfall and that this not only made the ground softer than usual but that
1430 significant resultant surface water run off also caused a lot of water erosion of the ground. Some of the tracks were badly affected by water erosion. The Department extended the usual temporary closures by a month to help give them more time to recover.

At the moment discussions into this subject are still continuing with the various user groups. A number of different control measures are being considered, including using traffic regulation
1435 orders to make tracks one way, and regulations regarding the types of tyres which can be used on motorbikes. In addition my Department is working with DEFA to consider whether improvements can be made to enforcement and the use of volunteer wardens. I am not anticipating any new major rolling programme of closures other than that already in place.

**2.12. 'Green Lanes – Our Heritage' group –
Green lanes damage assessment report**

The Hon. Member for Douglas North (Mr Henderson) to ask the Minister for Infrastructure:

Whether he used 'Green Lanes – Our Heritage' to undertake an assessment report of the damage to green lanes and to suggest measures to mitigate the effects of recreational vehicles; and whether he will meet them to discuss this?

Answer: During a meeting with the 'Green Lanes – Our Heritage' (GLOH) group held earlier
1440 this year, the group offered to make an assessment of the condition of the green lanes and to
report back with their assessment and recommendations. We accepted this offer and now have
a report from them covering the lanes around the north of the Island and what they consider
should be done with them. I thank them for producing this report, which has been read and
discussed by the officers of the Department and who have now given me their
1445 recommendations. I am still considering both the report and the recommendations from my
officers.

I am due to meet again with representatives from the 'Green Lanes – Our Heritage' group,
and other stakeholders. GLOH have advised, after being requested, that they will hand over a
copy of their report to the other interested parties at that meeting and I will ensure others who
1450 are not at the meeting will receive a copy, so that all parties can consider all matters presented
to us.

Order of the Day

3. BILL FOR FIRST READING

3.1. Copyright Etc (Amendment) Bill 2013

The Speaker: Item 3, Bill for First Reading. I call on the Secretary of the House.
1455

The Secretary: Bill for First Reading: Copyright Etc (Amendment) Bill 2013, Member in charge,
Mr Skelly.

4. BILL FOR CONSIDERATION OF CLAUSES

4.1. Income Tax (Amendment) Bill 2013 – Clauses considered

The Speaker: Item 4, Bill for consideration of clauses: the Income Tax (Amendment) Bill.
I call on the mover, Mr Teare, to move the clauses.
1460

Mr Teare: Thank you, Mr Speaker.

This Bill contains 14 clauses and one schedule. It confirms two Temporary Taxation Orders
and part of a third, and makes amendments to the Income Tax Act 1970 and the Income Tax
(Instalment Payments) Act 1974. It also introduces two definitions into the Interpretation Act

1465 1976 and makes one consequential amendment to the Customs and Excise Management Act 1986.

Mr Speaker, turning to the Bill, clause 1 provides the short title of the Bill.
I beg to move that clause 1 do stand part of the Bill.

1470 **Mr Watterson:** I beg to second and reserve my remarks.

The Speaker: Hon. Members, the motion is that clause 1 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
Clause 2, Mr Teare.

1475 **Mr Teare:** Clause 2 confirms that the Act will come into operation on 6th April 2014.
I beg to move that clause 2 do stand part of the Bill.

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

1480 **The Speaker:** I put the question that clause 2 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.
Clause 3, Mr Teare.

1485 **Mr Teare:** Clause 3 provides for the Act to expire on the day after its promulgation, by which time it will be spent. It also confirms that its expiry will not affect the provisions of the Act.
Mr Speaker, I beg to move that clause 3 do stand part of the Bill.

The Speaker: Mr Watterson.

1490 **Mr Watterson:** I beg to second and reserve my remarks, sir.

The Speaker: I put the question that clause 3 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

1495 Clause 4.

Mr Teare: Clause 4 confirms two Temporary Taxation Orders and part of a third.

The first of these is the Income Tax (Company Residence) (Temporary Taxation) Order 2013 [SD No 0682/12], which was approved by Tynwald in December 2012. This Temporary Taxation Order simplifies the Income Tax position of companies with dual residence.

1500 It provides that if a company is incorporated in the Isle of Man but is managed and controlled in another country it will be accepted as only resident in that other country for Manx Income Tax purposes, provided that the following conditions are met: the company is tax resident in the other country under that country's law and the company is tax resident in the other country by
1505 virtue of a residence tie-breaker in a tax agreement; or the highest rate at which any part of a company's profits may be charged in tax to the country is at least 20%.

Any change to the residence of a company brought about by this Temporary Taxation Order will not affect the Assessor's powers to assess that company on Isle of Man source income.

1510 Feedback from a consultation exercise proposing this change was positive and indicated that it should provide new business opportunities and potentially bring commercial advantage for the Island.

Clause 4 also confirms articles 5 and 6 of the Income Tax (International Agreements) (Temporary Taxation) Order 2013 [SD No 0190/13], which was approved by Tynwald in July 2013.

1515 Articles 1 and 2 of that Order are also confirmed insofar as they relate to articles 5 and 6.

1520 Article 5 makes a small change to the Island's legislation concerning the European Union Savings Directive. It amends the Income Tax (Exchange of Information) (Temporary Taxation) Order 2010 to reflect the Isle of Man's move to automatic exchange of information in its application of the directive from 1st July 2011. As a result of this move, agreements between the Isle of Man and new members of the European Union will not include articles regarding retention tax, as that option is no longer available. Article 5 makes a minor amendment to the wording of the legislation in order to reflect this change.

1525 Article 6 introduces an obligation for financial intermediaries to comply with the requirements of the disclosure facility between the Isle of Man Government and HM Revenue and Customs which came into operation in April of this year. Under the terms of the Memorandum of Understanding signed by both parties, the Government will require financial intermediaries to make relevant clients aware of the facility on two occasions: firstly, before 31st December 2013; and secondly, in the final six months of its operation in 2016.

1530 The final Temporary Taxation Order to be confirmed by this clause is the Taxes (International Arrangements) Order 2013 [SD No 0315/13], which was approved by Tynwald last month. This Order inserts a new part into the Income Tax Act 1970 which consolidates international enabling legislation from section 54 of that Act and part 3 of the Income Tax Act 2003.

The new part also enables the Council of Ministers to ratify by order international agreements such as the Convention on Mutual Administrative Assistance in Tax Matters.

1535 In addition, the Order allows the Assessor to appoint authorised officers and introduces powers for those officers to inspect business premises, if necessary, and to inspect, copy and retain documents, if required. The inspection powers also include enforcement measures. These amendments bring the Island's Income Tax powers more in line with those of other jurisdictions.

1540 The Order introduces a requirement for insurers to provide the Assessor with specified information on an annual basis regarding policies held by Isle of Man policyholders. Insurance industry representatives had been consulted on this measure before it was introduced.

It also includes savings and transitional provisions and makes consequential amendments to the Income Tax Act 1970 to reflect the international changes.

1545 In addition, the Order amends the Assessor's powers to call for documents when investigating a taxpayer. The amendments will allow the Assessor to call for information, as well as documents, and to request a document, the whole of which is more than six years old, if the Assessor believes it to be relevant to the investigation. These changes are also applied in each Order ratifying an international agreement already signed by the Order.

1550 Mr Speaker, I beg to move that clause 4 do stand part of the Bill.

The Speaker: Mr Anderson.

Mr Anderson: Thank you, Mr Speaker.

1555 I beg to second and reserve my remarks.

The Speaker: Mr Watterson.

1560 **Mr Watterson:** Mr Speaker, as the hon. mover of the Bill has explained, this amendment makes a number of minor corrections to one of the Temporary Taxation Orders thus confirmed by the Bill. The amendments largely correct references and confusions that have arisen in the amended text and make no material changes.

I beg to move the amendment standing in my name:

*Page 6, line 5 at the end insert —
'subject to the following provisions of this section.
(4) In article 9—*

(a) in paragraph (3)(b) (amendment of section 105D(3)), in the substituted subsection (3), for "taxpayer" substitute "person";
(b) in paragraph (8) (amendment of section 105K(2)) —
(i) for "105K(a)" substitute "105K(2)(a)"; and
(ii) for " , or to conceal" substitute "or conceal";
(c) for paragraph (9)(c)(ii) (amendment of section 105L(2)(b)) substitute —
" (ii) for paragraph (b) substitute —
" (b) after —
(i) the document has been delivered;
(ii) the information has been provided; or
(iii) in a case within section 105C, the document has been inspected; or".
(5) In article 11(2) for "Articles 12(2) to 12(11)" substitute "article 9(2) to (11)".
(6) The amendments made by subsections (4) and (5) are to be treated as having always had effect.'.

1565 **The Speaker:** Mr Quirk.

Mr Quirk: I second, sir, and reserve my remarks.

The Speaker: I put the question. First of all, the amendment in the name of Mr Watterson: those in favour of the amendment, please say aye; against, no. The ayes have it. The ayes have it.

Clause 4, as amended: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 5, please, Mr Teare.

1575 **Mr Teare:** Thank you, Mr Speaker.

Clause 5 confirms that part 2 of the Bill amends the Income Tax Act 1970.
I beg to move that clause 5 do stand part of the Bill.

1580 **Mr Watterson:** I beg to second and reserve my remarks.

The Speaker: I put the question that clause 5 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 6.

1585 **Mr Teare:** Clause 6 amends section 2 of the Income Tax Act 1970 to ensure that income which arises in respect of deemed employment under part 3 of this Bill in respect of directed remuneration under section 6 of the Income Tax (Instalment Payments) Act 1974 is income chargeable to Income Tax.

1590 Mr Speaker, I beg to move that clause 6 do stand part of the Bill.

The Speaker: Mr Watterson.

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

1595 **The Speaker:** I put the question that clause 6 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 7.

1600 **Mr Teare:** Clause 7 substitutes a new section 48 into the Income Tax Act 1970. This clause has two functions: (1) it ensures that all benefits are chargeable to Income Tax; and (2) it then lists those benefits that are not to be charged to Income Tax.

It also allows Treasury, by an Order that is to be approved by Tynwald, to either make a benefit chargeable to Income Tax or to remove the benefit from liability to Income Tax. This will
1605 allow Treasury to bring into secondary legislation the recent concession which was approved by Tynwald on 16th January 2013.

I would like to make it abundantly clear that the substitution of section 48 is purely a housekeeping exercise to bring this section up to date. It does not change the actual Income Tax position of any benefits.

1610 Mr Speaker, I beg to move that clause 7 do stand part of this Bill.

The Speaker: Mr Watterson.

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

1615

The Speaker: I put the question that clause 7 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 8.

1620 **Mr Teare:** Clause 8 inserts a new section 112K into the Income Tax Act 1970. This section introduces a criminal offence of fraudulent evasion of Income Tax.

Currently, the Island does not have an offence of tax evasion. However, I would like it known that we have a very favourable Income Tax regime – it is more important that everybody pays their fair share. Therefore, the fraudulent evasion of Income Tax should be dealt with seriously
1625 and, quite correctly, as a criminal matter.

I would like to stress that this will only be for the most serious of cases but will, of course, act as a deterrent.

Mr Speaker, I beg to move that clause 8 do stand part of this Bill.

1630 **Mr Watterson:** I beg to second and reserve my remarks.

The Speaker: Clause 8: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 9.

1635

Mr Teare: Clause 9 amends the temporary taxation power in section 115A of the Income Tax Act 1970.

It introduces a definition of ‘administration’ of Income Tax which clarifies that this includes instalment payments, the deduction or repayment of Income Tax and any other matter for
1640 which provision is made by the Income Tax (Instalment Payments) Act 1974.

The clause also amends the definition of ‘confirmatory Act’ of a Temporary Taxation Order section which is required for parity.

Mr Speaker, I beg to move that clause 9 do stand part of this Bill.

1645 **The Speaker:** Mr Watterson.

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

1650 **The Speaker:** Clause 9: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 10.

Mr Teare: Mr Speaker, before I provide the detail of clauses 10 to 13, I would like to explain why these changes are being introduced.

1655 The taxation of the remuneration of an employee is very straightforward. The individual is paid a salary and their salary, being income, is liable to Income Tax. In addition, the employer deducts an amount of ITIP and National Insurance from that salary, which is paid, together with the employer's National Insurance contribution, into the Treasury each month.

1660 Hon. Members, as you will appreciate, this monthly ITIP and National Insurance is extremely important for Treasury's cashflow. However, although the taxation of an employee's remuneration is very straightforward, the Assessor has seen evidence in recent years of planning to delay the payment of Income Tax and to reduce the National Insurance that would normally be charged on a salary.

1665 This planning is very simple in some cases and can be lucrative for both the employee and the employer. A client contracts the company to provide a service. That company is usually beneficially owned by an individual who will themselves provide the service to the client. As the service is provided through a company, the payment for the service is made to the company and is not considered to be remuneration of the individual. Therefore it is not subject to ITIP, employee's or employer's National Insurance. The payment made by the client to the company
1670 is chargeable as income, but will be liable to the general corporate rate of zero. Any distribution subsequently made by the company to the individual will, of course, be liable to Income Tax on the recipient when it is paid.

The amendments made to the Income Tax (Instalment Payments) Act 1974 by clauses 10 to 13 of this Bill, together with the amendment in clause 6, will stop this planning being effective.
1675 In essence, if a client employs an individual, it will not matter whether their services are provided through a company, a trust or any other structure. The amount paid for the services will be treated as remuneration of the individual and subject to Income Tax with an ITIP deduction.

As this is an Income Tax Bill, it does not include any new provisions for National Insurance.
1680 However, I do intend to ensure that the National Insurance planning in this area is also stopped and I will introduce an order to have similar effect for National Insurance if this Bill receives your support. Hon. Members, I want to ensure that our Income Tax and National Insurance systems are fair and that everyone pays their fair share.

1685 In the response to the public consultation on this matter, Treasury agreed that the Assessor would introduce a clearance procedure for employers to categorise any work relationship. This is still the case. The Assessor will also issue clear guidance on the matter of categorisation of employment status and publicly raise awareness of this matter.

Mr Speaker, I would now like to turn to clause 10 of the Bill. Clause 10 confirms that part 3 amends the Income Tax (Instalment Payments) Act 1974.

1690 I beg to move that clause 10 stand part of the Bill.

The Speaker: Mr Watterson.

1695 **Mr Watterson:** I beg to second and reserve my remarks.

The Speaker: Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

1700 After today's sitting, I just wonder whether the Treasury Minister could reaffirm that those who are in the Island do pay their fair share of tax and National Insurance contributions?
[Inaudible]

The Speaker: The mover to reply. Mr Teare.

1705 **Mr Teare:** Thank you, Mr Speaker.

I am pleased to confirm that I am following up on the theme of my first Budget, which was fairness. I think it is only right that those who benefit from the services which are provided by the taxpayer should make a contribution to the tax base of the Island.

1710 **Mr Quirk:** Hear, hear.

The Speaker: I put the question that clause 10 do stand part of the Bill. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Clause 11.

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Mr Teare: Clause 11 inserts a new part 1 heading into the Income Tax (Instalment Payments) Act 1974.

I beg to move that clause 11 do stand part of the Bill.

1720 **The Speaker:** Mr Watterson.

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

1725 **The Speaker:** I put the question that clause 11 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 12.

Mr Teare: Clause 12 inserts a number of new definitions into the Income Tax (Instalment Payments) Act 1974 that are required for the amendments introduced by clause 13 of this Bill.

1730 Mr Speaker, I beg to move that clause 12 stand part of this Bill.

Mr Watterson: I beg to second, sir.

1735 **The Speaker:** I put the question that clause 12 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 13.

Mr Teare: Clause 13 introduces a new part 2 into the Income Tax (Instalment Payments) Act 1974. The new part consists of six sections, 2AA to 2AF inclusive.

1740 Section 2AA clarifies the circumstances in which the new part will be applied. The circumstances require an individual to provide or be under a contractual obligation to provide services to a client in connection with a business carried on by that client. They also require the conditions in section 2AB to be satisfied. In addition, section 2AA clarifies the range of entities that would qualify as a client for the purposes of the part. The section also clarifies that the part will not apply where the third party, which is defined in 2AB, is a genuine employment agency.

1745 Section 2AB sets out the conditions that must be satisfied in order for the new part to apply. These require the client to be resident in the Island for Income Tax purposes or to have a place of business in the Island. The services themselves must be provided under an arrangement involving one or more third parties, rather than directly through the individual client. The final condition to be satisfied is that if the services were assumed to be provided under a contract directly between the individual and the client, then the individual would have been an employee of that client.

1750 Section 2AC sets out the treatment of the individual, the client and the individual's earnings for the services in those cases where the conditions required by the new part are satisfied. It specifies that the individual be taken to be an employee of the client. The client will be the

1755

individual's employer and the individual's earnings are treated as passing from the client directly to the individual.

1760 Section 2AD sets out the treatment of any sum received by the third party for the services when the conditions for the part are satisfied. It specifies that the sum will be treated as remuneration of the individual and also clarifies the treatment of any fee charged by the third party and which forms part of the sum received by them.

Under section 2AE, if an individual is notified of a decision made under the new part, they can lodge an objection to the decision of the Income Tax Commissioners.

1765 Section 2AF, the final section of the new part, clarifies that where the part applies it has no effect on any VAT charge that would be incurred if the part did not apply. It also ensures that any distribution made by a third party to the individual or any sum received by the third party that is charged as remuneration of the individual will not be taxed twice. The section also inserts a new part 3 heading into the Act.

1770 Mr Speaker, I beg to move that clause 13 stand part of the Bill.

The Speaker: Mr Watterson.

Mr Watterson: I beg to second, sir.

1775 **The Speaker:** Hon. Member for Michael.

Mr Cannan: Thank you, Mr Speaker.

First of all, for the House's benefit, I must declare a potential conflict of interest in that I am a director of an employment agency.

1780 Just speaking in broader terms... The Treasury Minister has already given me these reassurances anyway, but just for the benefit of *Hansard*, basically will he give me the reassurance that those going about their legitimate business – either as interim managers or IT consultants, or providing consultancy on a short-term basis to companies – can carry on without fear of this legislation; also that businesses themselves can be assured that, providing that they
1785 are legitimately hiring consultants and short-term employees via these personnel services companies, there is no danger that somehow they are going to get caught up in this?

Of course, this legislation is specifically really intended to catch those who are abusing the system and will carry my full support in doing so.

1790 **The Speaker:** Mr Teare to reply.

Mr Teare: Sorry if I was a bit presumptive there, sir.

I am pleased to confirm to the Hon. Member who has just resumed his seat that this is not intended to catch those businesses which hire consultants on a short-term basis who are, in
1795 effect, hired to undertake a short-term role or function and then they move on to another assignment. I was going to say 'employer', but that is not correct; it should be another assignment. What we are looking at, really, is those long-term arrangements where, if you took the company out of the structure, it would be an employee and employer arrangement.

1800 As I did say in my opening comments, the Assessor of Income Tax is more than happy to discuss individual circumstances with individual potential employers and their clients and, in effect, hold hands.

The final point that the Hon. Member has made is that this is intended to catch an emerging incidence of abuse that we have become aware of.

1805 So, with that, sir, I beg to move that clause 13 stand part of the Bill.

The Speaker: I put the question that clause 13 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Finally, clause 14.

1810 **Mr Teare:** Clause 14 confirms that the schedule has effect. The schedule makes minor and consequential amendments and consists of four paragraphs.

The first paragraph amends the Income Tax Act 1970 by replacing certain cross-headings with part headings and inserting a new part 14 heading and a part 15 heading. It also renumbers section 106F as A106, relocated immediately under the new part 14 heading, and makes minor amendments to it. In section F108 to J108 it replaces the wording 'sections A108 to J108' with 'this Part'. Section 112 is renumbered as 112L and relocated after section 112K. Finally, the paragraph removes the definition of 'Assessor' from section 120 to reflect a change made by paragraph 3.

1820 Paragraph 2 of the schedule amends the Income Tax (Instalment Payments) Act 1974 by removing the word 'written' from section 1A(3) in order to allow for the possibility of a notice being given by the Assessor in an electronic form.

1825 Paragraph 3 amends the Interpretation Act 1976 by inserting two definitions: one for the Assessor of Income Tax and another for the Collector of Customs and Excise to be defined as 'Assessor' and 'Collector' respectively. References to these posts appear in many different Acts and it is therefore considered appropriate for the Interpretation Act to include a definition of both.

Finally, paragraph 4 amends the Customs and Excise Management Act 1986 by replacing 'the Collector of customs and excise' – in this Act referred to as 'the Collector' – with 'the Collector' to reflect the amendments made by the previous paragraph.

1830 Mr Speaker, before I move that clause 14 stand part of the Bill, I would like to thank the seconder and also my colleague who moved an amendment to clause 4 as well. It is very much appreciated.

With that, I beg to move that clause 14 do stand part of the Bill.

1835 **The Speaker:** Mr Watterson.

Mr Watterson: Thanking the Minister, I beg to second.

1840 **The Speaker:** I put the question that clause 14, the schedule, do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, that concludes the business of the House today.

The Minister for Health has asked me to remind you of a presentation taking place in the Barrool Suite at one o'clock sharp, at lunchtime today.

The House will now stand adjourned until the next sitting, which will take place at 10 o'clock on 19th November in Tynwald Court.

The House adjourned at 11.34 a.m.