



# HOUSE OF KEYS OFFICIAL REPORT

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# PROCEEDINGS

DAALTYN

HANSARD

**Douglas, Tuesday, 10th June 2014**

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**Present:**

The Speaker (Hon. S C Rodan) (Garff);  
The Chief Minister (Hon. A R Bell) (Ramsey);  
Mr 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 and Mr D J Quirk (Onchan);  
Hon. R H Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North);  
Mr 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); Mr G D Cregeen (Malew and Santon);  
Hon. J P Watterson, Hon. 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.

5 **Members:** Good morning, Mr Speaker.

**The Speaker:** The Chaplain will lead us in prayer.

### PRAYERS

*The Chaplain of the House of Keys*

### Tribute – D-Day 70th anniversary

10 **The Speaker:** Hon. Members, before we commence, as you know, last Friday marked the 70th anniversary of the Normandy D-Day landings, when we commemorated the sacrifice made by thousands of allied forces in the liberation of Europe.

15 It would be fitting, Hon. Members, if this House were to show its respect for their memory and in particular for the service and sacrifice made by servicemen from the Isle of Man who played their part in the cause of peace and freedom which we enjoy today. Therefore, let us stand for a few moments in silent tribute to their memory and to give thanks.

*Members stood in silent tribute.*

20 **The Speaker:** Thank you, Hon. Members. (**A Member:** Hear, hear.)  
Please be seated.

### Leave of absence granted

**The Speaker:** Hon. Members, I have given leave of absence for the sitting to Mr Hall, and to Mr Houghton for the start of the sitting.

In the event that we are sitting this afternoon, there are a number of apologies and leaves being granted for this afternoon's sitting which I will announce if necessary.

# 1. Questions for Oral Answer

## CHIEF MINISTER

### 1.1. Isle of Man football community – Statement on recent achievements

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

*If he will make a statement on the recent achievements of the Island's football community?*

25 **The Speaker:** We turn to Questions for Oral Answer.

The first of those Questions is to the Chief Minister, and I call on the Hon. Member for Douglas West, Mr Thomas.

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

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

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

35 **The Chief Minister (Mr Bell):** Mr Speaker, the Isle of Man national football team won the English FA Inter League Cup Final on 10th May, beating Herts Senior County League 3-2 at the Bowl stadium at the NSC.

As a result of this, the Isle of Man football team will now represent the Football Association (England) at the UEFA Regions Cup in Slovakia on 23rd September for a week, and will play games against Slovakia, Germany and one other team in the group which is yet to be confirmed. 40 Prior to this, there will be warm-up matches in Northern Ireland that the Isle of Man team will travel to as part of the preparation for the European competition.

In addition to this, Ellan Vannin – which represents the Manx International Football Alliance (MIFA) – played in the Confederation of Independent Football Associations World Football Cup in Sweden between 31st May and 8th June. Twelve nations were involved in the tournament. 45 Ellan Vannin made it to the final of this tournament, where they faced Countea Di Nissa FA. The game finished 0-0 and went to penalties, which unfortunately Ellan Vannin lost 5-3.

Participation in football on the Isle of Man is another outstanding success. Proportionately to population, participation is far greater than any other of the 47 counties that the FA governing body has responsibility for. One in seven children on the Isle of Man is a member of a local club, 50 of which there are 26. Fourteen of these clubs have community club status, which is the FA's benchmark for excellence in terms of number of players, members and teams from junior through to senior, both male and female, facilities and qualified coaches. For a population of around 80,000, this is proportionately a far greater number than any other county FA. As a comparison, Lancashire, which has a population of around 2 million, has 28 recognised 55 community clubs.

In the last 12 months, two younger players from the Isle of Man, 16-year-olds, have signed two-year professional contracts with Blackpool and Morecambe football clubs. I am sure we will all wish to express the congratulations which must go to all those involved who have played 60 their part in the ongoing achievements of developing football in the Isle of Man.

**Several Members:** Hear, hear.

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

65 **Mr Thomas:** Thank you, Mr Speaker, and to the Chief Minister for summarising the successes and achievements of the Island through the Football Association and the representative team playing in Europe, and also the team which wears the Three Legs directly, playing in the ConIFA World Football Cup; and also for extending his statement to the youth.

70 Will the Chief Minister join with me in welcoming the announcement that, building on these achievements, it is possible that the Island might host a competition similar to that in Sweden in coming years and actually have more matches of the type we have seen in the World Cup, where our young men and all the people who have supported them and all the people involved in that team did this nation proud internationally... and also enhancing understanding of our culture and heritage?

75 **The Speaker:** Chief Minister to reply.

**The Chief Minister:** Mr Speaker, I am sure we would all welcome the successful attraction of such an event to the Isle of Man.

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

**Mr Karran:** Vainstyr Loayreyder, would the Ard-shirveishagh possibly revisit the motion that one put down on 17th January 2007, asking for the Football Association... the feasibility of being independent for the Island, and consider the issue of whether we could promote the Island even further by taking such a stance as we were proposing back in 2007?

**The Speaker:** Chief Minister.

90 **The Chief Minister:** Mr Speaker, I have no idea what was proposed in 2007; but if the Hon. Member would like to write to me, I am sure we would look at it.

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

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

95 Whilst on the subject of sport, would the Chief Minister join me in congratulating Connor Cummins, the Ramsey-based rider, (**Several Members:** Hear, hear.) on his fabulous second place in the Senior TT and his remarkable comeback from injury, which is an inspiration to many, I am sure.

100 **Several Members:** Hear, hear.

**The Speaker:** I am delighted to accept that supplementary question.  
Chief Minister, if you wish.

105 **The Chief Minister:** I would simply like to add, Mr Speaker, that I have already congratulated Connor personally. (**A Member:** Hear, hear.) I think he has done not just my constituency and my constituents proud, but the whole Isle of Man and in particularly himself. He has been an outstanding example and role model to all of us.

110 **Three Members:** Hear, hear.

**The Speaker:** Further supplementaries must relate to the original Question. (*Laughter*)  
(**Mr Watterson:** Hear, hear.)  
Mr Ronan.

115

**Mr Ronan:** Thank you, Mr Speaker. I promise I will keep it to the original Question.

To follow on what Mr Karran has said, I think what he meant was does he think that one day the Isle of Man FA could follow in the footsteps of the likes of the Faroe Islands, Lichtenstein and San Marino, and enter the FIFA World Cup?

120

**A Member:** Hear, hear.

**A Member:** Yes.

125

**The Speaker:** Minister.

**The Chief Minister:** I think there are many hurdles to overcome, including achieving Isle of Man FA support for such a move, which I do not think is available at the moment.

130

**The Speaker:** Mr Quirk.

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

Can I make the Chief Minister aware that next year the Isle of Man FA will celebrate 125 years, and I am wondering whether through the Chief Minister's office there would be some benefit in organising jointly with any organisation that celebrates football in the Isle of Man?

135

**The Speaker:** Chief Minister.

**The Chief Minister:** Sorry, I do not understand what the question is. What is the Hon. Member asking me?

140

**The Speaker:** Could you repeat your question? (*Interjection*)

**Mr Quirk:** Mr Speaker, just asking really would he ask the Minister for Education, who is responsible for sport in the Isle of Man... As we have in this House now indicated, we punch above our weight. We celebrate 125 years of the existence of the Isle of Man FA, as compared to the English FA, and would he maybe direct his Minister for Education to enjoin those celebrations?

145

**The Speaker:** Chief Minister.

150

**The Chief Minister:** Mr Speaker, the Minister for Education is sitting almost next to the Hon. Member, so I think he has probably got that request by now.

155

**The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, would the Ard-shirveishagh make it quite clear that obviously the Manx FA is part of the English FA under the present arrangements, (*Interjection by Mr Quirk*) and will he revisit the issue of the motion that was put down in January 2007 as far as the situation... [*Inaudible*] the Hon. Member for Castletown, allowing for the fact that there are more hurdles as far as that is concerned now in place than then, but possibly there could be a way of promoting the Island even better?

160

**A Member:** Hear, hear.

165

**The Speaker:** Chief Minister.



170 **The Chief Minister:** I have already answered that question, Mr Speaker. But I would just point out that there are very diverse – and strongly diverse – views on the Isle of Man having its own international identity in this area, because whilst on the one hand it might appear to promote the Isle of Man, at the same time there are many disadvantages in loss of training facilities and other financial support which would occur if that happened.

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

**The Speaker:** Mrs Beecroft.

**Mrs Beecroft:** Thank you, Mr Speaker.  
180 The Chief Minister previously referred to hurdles – one of those being the agreement of the FA. I wonder if he could clarify what the other hurdles are.

**The Speaker:** Chief Minister. *(Laughter)*

185 **The Chief Minister:** I have answered the Question.

**The Speaker:** Yes. *(Interjection by Mr Karran)*  
A final supplementary, Mr Thomas.

190 **Mr Karran:** In other words, you're getting away with it again.

**Mr Thomas:** Thank you, Mr Speaker –

**The Chief Minister:** Mr Speaker, let me just put this clear. I have no recollection what the Member said in 2007. I have asked the Member to write to me to bring me up to date.  
195 I am not trying to avoid anything. I have made it very clear that there are specific problems in getting the Isle of Man identified as its own international football team. The FA has its own views on it and there will be major disadvantages for Manx footballers if this course of action were to be taken. I cannot make it any clearer.

200 **The Speaker:** Point made, sir.  
Final supplementary.

**Mr Thomas:** Thank you, Mr Speaker.  
205 Would the Chief Minister agree with me that, in principle, sport and politics should be kept separate, **(Several Members:** Hear, hear.) but –

**Mrs Cannell:** You raised the Question! *(Laughter)*

210 **Mr Thomas:** – this community of football has shown what an inspired, hardworking group of people can do to actually enable young people to play at a higher level, to actually take the Isle of Man's culture and heritage to an international audience, and in so doing understand their own nationality better? So, sport and politics should be separate – does the Chief Minister agree – but this provided an opportunity that the people involved should be congratulated.

215 Secondly, would the Chief Minister agree that, in actual fact, the Manx International Football Alliance should be congratulated on actually handling the politics and all of those hurdles that he described to achieve something very worthwhile?

**Two Members:** Hear, hear.

220 **The Speaker:** Chief Minister to reply.

**The Chief Minister:** I have extended my congratulations to everybody involved, Mr Speaker. I do not know how much further this Question can go. The Hon. Member says –

225 **The Speaker:** It is not going *any* further. (*Laughter*)

**The Chief Minister:** The Hon. Member is arguing about keeping politics and sport separate: it is the Hon. Member who is actually mixing the two up in the first place!

230 **Mrs Cannell:** Yes!

## TREASURY

### 1.2. Credit Unions Act 1993 – FSC review

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

*When the revision of the Credit Unions Act 1993 by the Financial Supervision Commission began; when the Commission is due to report its findings and recommendations; and who is being consulted by the Commission in the course of preparing the report?*

**The Speaker:** We move on to Question 2. Hon. Member for Onchan, Mr Karran.

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

235

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

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

240 In January, the Council of Ministers agreed that a Bill to amend the Credit Unions Act 1993 would be added to the legislative programme, but of lower priority with drafting fitting in with the legislative timetable already set.

245 Council also requested the Financial Supervision Commission to liaise as necessary with the Department of Economic Development and the Treasury and to conduct a public consultation on the draft Bill once it is produced. The Financial Supervision Commission will follow its normal practice regarding draft Bills, which is to carry out research, liaise with relevant and affected parties, instruct the Attorney General's Chambers and issue a draft Bill for consultation.

Despite the lower priority, the Financial Supervision Commission has started to review the existing legislation to see how it can be adapted and has met with a group of supporters of the idea of a Manx credit union.

250 Thank you, Mr Speaker.

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

255 **Mr Karran:** Vainstyr Loayreyder, can the Shirveishagh Tashtee tell this Hon. House where the areas within the Credit Union Act 1993 are of particular interest for that reason... why we have this dog-in-the-manger approach by CoMin on such an important social facility for a section of the community that... maybe not Members of this Hon. House, but outside...?

**The Speaker:** Mr Teare.

260

**The Minister:** It is not a dog in-the-manger attitude –

**Mr Karran:** It is – I was there.

265

**The Minister:** It is a practical response to the considerable workload that Treasury, and Government for that matter, face at the moment. We have many issues, some of which are going to take a considerable amount of time and are currently ongoing. I feel that we are trying to review the 1993 legislation to come up with a pragmatic solution.

270

But there are many issues to be decided. Not least amongst those is the Depositors' Compensation Scheme, because the Depositors' Compensation Scheme as drafted would certainly not cover a credit union.

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

275

**Mr Karran:** Could the Shirveishagh Tashtee circulate to Members... of the concerns they have as far as the issue of the legislation to do with the 1993... to Hon. Members, with the timescale as far as is possible as far as getting the implementation to get a credit union on the Island?

280

Would the Shirveishagh Tashtee not agree that it gives the impression once again that you are alright for the high net worth individuals who come to the Island, but here you have a thing that could be of great value to a section of the community where they are not being pushed to payday loans and moneylenders and the likes?

When will we actually see the detail of the real reasons why we seem to be in this situation, allowing for the fact that I was in CoMin when this issue was raised?

285

**The Speaker:** Minister to reply.

**The Minister:** The real reasons are that we have to consider the Isle of Man as a whole, not one section of the community.

290

If I could, with your forbearance, Mr Speaker, just give a brief background to the issues that we have underway at the moment: we are currently undertaking a review of the Social Security system; finalising the VAT sharing agreements; there is the ongoing financial rebalancing, ensuring that we have a sustainable future for fiscal strategy; there is UK and European Union banking reform; updating the Depositors' Compensation Scheme; cost improvement programme; company and insolvency law reform. And it goes on and on. I have just covered half

295

of the issues that came to mind when I sat down with a blank piece of paper. We have a considerable number of issues on the go at the moment. If we do not get these right, it will have a major impact right across the Island, right across the community, right across the employment sectors. We need to protect the Island as a whole.

300

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

**Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh once again not agree that he is moving the goalposts as far as my original supplementary question?

305

Can we have a decent detailed answer of what the objections are as far as allowing that section of the community to be able to facilitate such an important service as a credit union? Will he circulate it at a later date if he is not prepared to do it now?

**The Speaker:** Minister.

310 **The Minister:** I am not moving the goalposts. What I am trying to make out – obviously not very articulately – is that we have a considerable number of workstreams and the prioritisation in our minds might not be the prioritisation which he might have in his mind. But at the end of the day, somebody has to make the decision about prioritisation. What we are trying to do is to deliver a sustainable economy for the future benefit of the Island and the Island’s population.

315 **The Speaker:** Mr Thomas.

**Mr Thomas:** Thank you, Mr Speaker.  
Can the Treasury Minister advise whether he has – or confirm, because I believe he has – received a draft amended Act from the working group that is producing this?

320 And if there is a problem of workload – they seem pretty simple amendments to me – might he welcome a private Member to bring forward a Bill (**A Member:** Hear, hear.) to put in place this piece of valuable legislation?

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

**The Minister:** I have not seen a draft amended Act. I have seen some revisions to the 1993 Act which might help, but it is not only work in the Treasury – we should also acknowledge and recognise that there is a shortfall in drafting resources in the Attorney General’s department as well.

330 **The Speaker:** Mrs Beecroft.

**Mrs Beecroft:** Thank you, Mr Speaker.  
335 My colleague, Mr Karran, has asked twice if we can have the information circulated of specific problems with this, and I do not believe he has had an answer. May I ask that question now?

**The Speaker:** You may.

340 **Mrs Beecroft:** Thank you.

**The Speaker:** Minister.

345 **The Minister:** I have previously answered that question.

**Mrs Beecroft:** No.

**Mr Karran:** No, you have not.

350 **Mrs Beecroft:** No.

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

355 **Mr Karran:** Vainstyr Loayreyder.

Would the Shirveishagh support the principle of a Member – preferably the Member for West Douglas, who is more popular than I am in this Hon. House... but the situation to get a Private Member’s Bill down on this issue, allowing for the fact of the social cancer of debt and the lack of being able to get decent rates of money, as far as when you get into a fiscal hole, for this section of the community?

360

Will he support a proposal as far as leave to introduce to allow a Private Member to bring in a Private Member's Bill, allowing for the fact that he cannot tell this Hon. House what his intentions are and he cannot give a timescale as far as that issue is concerned?

365 **The Speaker:** Minister.

**The Minister:** I have actually read out some of the pressures that we are facing and the objectives.

370 **Mr Karran:** Nothing to do with the Bill.

**The Minister:** With respect, sir, it *has* to do with the Bill, because we have limited resources and we have to, as I have said before, prioritise as we feel appropriate. What we are doing is to prioritise to grow the economy and to protect jobs, and that remains the Government's priority.

375 With respect to drafting a Private Member's Bill, that is not the entire issue here. There are other issues as well – for example, the structure of the Depositors' Compensation Scheme (DCS). I did mention in answer to a Question in this place – I think it was in December last year – that there were serious issues with the DCS as well, because the DCS will have to be redrafted as part of the proposals for the restructuring of the banking sector to allow for bail-in provisions and also for the apportionment of liability between groups and companies in the banking sector.

380 So it is not as straightforward as the Hon. Member would have this Chamber believe.

**The Speaker:** Mr Thomas.

385 **Mr Thomas:** Thank you, Mr Speaker.

So would the Treasury Minister confirm then that Treasury would not object to the request for leave to introduce if there was a clear statement that there was no need to join the Depositors' Compensation Scheme; (**A Member:** Hear, hear.) or, if there was a need, the draft Bill came with regulations and terms which were negotiated with the organisers, administrators and managers of the Depositors' Compensation Scheme?

390

**The Speaker:** Minister.

395 **The Minister:** We do not have the resources at the moment to work on the Depositors' Compensation Scheme, and it would be premature anyway because we still need to see what is going to happen as a result of the negotiations on banking reform in the UK.

If the Hon. Member wants to bring forward a Bill we will certainly have a look at it; but as I did say, it will not be complete until other outstanding issues have been resolved as well. We do not have the resources to actually provide any input whatsoever.

## HEALTH AND SOCIAL CARE

### 1.3. Cannabis use— Professional advice received

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

*What his Department's professional advice is on (a) the short and long-term effects of the use of cannabis; and (b) introducing legislation covering the retail sale of cannabis?*

400 **The Speaker:** Question 3. Hon. Member for Ramsey, Mr Singer.

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

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

**The Speaker:** I call on the Minister for Health and Social Care, Mr Quayle.

405

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

The effect of cannabis on the individual is dose dependent and depends on the type of cannabis used. For example, a stronger form of cannabis, referred to as 'skunk', produces more severe effects. In the short term, cannabis may have pleasant effects, often called a 'high': a feeling of relaxation, happiness, sleepiness, of colours becoming more intense and music sounding better.

410

**Mr Watterson:** This is a 'joint' statement.

**The Minister:** Approximately one in 10 cannabis users have unpleasant experiences, including confusion, hallucinations, anxiety and paranoia. The same person may have either pleasant or unpleasant effects, depending on their mood and circumstances.

415

Cannabis may interfere with a person's capacity to concentrate, organise information and use information. These effects seem to last several weeks after use. Cannabis interferes with a person's ability to drive safely and increases the risk of accident. Long-term use has been shown to be associated with depression and increased risks of schizophrenia.

420

In an article published in the medical journal *The Lancet*, which identified findings in medical literature, the effects of cannabis have been summarised as follows:

'Acute and chronic effects of cannabis use –

Acute: anxiety and panic, especially in naive users; psychotic symptoms [that is at high doses]; road crashes if a person drives while intoxicated.

Chronic: cannabis dependence syndrome, one in 10 users; chronic bronchitis and impaired respiratory function in regular smokers; psychotic symptoms and disorders in heavy users, especially those with a history of psychotic symptoms or a family history of these disorders; impaired educational attainment in adolescents who are regular users; subtle cognitive impairment in those who are daily users for 10 years or more.

Other possible side effects: respiratory cancers; behavioural disorders in children whose mothers used cannabis while pregnant; depressive disorders, manic behaviours and suicide; use of other others illicit drugs by adolescents.'

In summary, cannabis is not a complexly safe product, which many people believe it to be.

425

Turning to part (b) of the Question, to decriminalise cannabis would require changes to both primary and secondary legislation; these being the Misuse of Drugs Act 1971 and the Misuse of Drugs Regulations 2001.

430

Amendments to legislation would require the Department to consult extensively, and of course any changes to primary legislation would, having been through the branches, require Royal Assent. How practical that would be I would leave Hon. Members to speculate on.

435

Finally, having decriminalised cannabis, new primary legislation would be required to properly regulate the sale, importation, supply and packaging of cannabis – something I believe would look similar to the requirements of the Tobacco Act. Again, being primary legislation, this would require the Department to undertake an extensive consultation process before determining what to include in the legislation. Then it would require to go through the branches and finally be granted Royal Assent.

**The Speaker:** A supplementary, Mr Singer.

440

**Mr Singer:** Thank you, Mr Speaker, and I thank the Hon. Minister for his detailed reply.

Could the Hon. Minister therefore confirm to me that his statement is basically saying that his Department would *not* support legislative change because of all the side effects of cannabis,

445 and that recent public statements by an individual officer within his Department are therefore  
contrary to his Department's policy?

**The Speaker:** Minister to reply.

450 **The Minister:** Thank you, Mr Speaker.  
At the present time, my Department is grappling with a range of issues, both clinical and non-  
clinical, some of which arise from the recent merger of the Health and Social Care Departments.  
In light of these priorities, I have no plans to review our existing policy unless directly instructed  
to do so by a higher authority.

455 What I would say is that if you had 20 doctors or consultants in a room and you asked them  
for an opinion on the benefits of cannabis, you would get a mixed viewpoint. It is not 100%  
supportive, the medical profession. In the current stance, there are some who disagree with the  
policy, but the Department's policy stands and I see no need to review it at this moment in time.

460 **The Speaker:** Mrs Beecroft.

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

The Question refers to what his Department's professional advice is. I wonder if the Minister  
could just confirm what professional status the person who collated his responses has?

465 **The Speaker:** Minister.

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

470 My response was by various members of my Department. Their individual qualifications I  
cannot comment on, but it did include the doctors who represent the department of medical  
information.

**The Speaker:** Mr Singer.

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

475 Does the Minister agree with me that, with current scientific knowledge showing that there is  
no safe level of cannabis, statements equating cannabis use with tobacco and alcohol abuse are  
irrelevant –

480 **The Chief Minister:** No, they are not.

**Mr Singer:** – to the anti-drugs stance, and that his Department gives full backing to the Police  
in their efforts to remove drug dealers off our streets, and that severe punishment is meted out  
to those convicted dealers?

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

**The Speaker:** Mr Quayle.

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

490 Of course, all drug dealers... The Department totally supports the work of the Department of  
Home Affairs and its officers in tackling drug dealers and sending them to prison, so I am totally  
supportive of that.

495 Also, the advice which I read out earlier... Regarding where we got the advice from, as I  
mentioned earlier –

**The Speaker:** Order!

**The Minister:** – it is from *The Lancet*, which is the most respected medical journal that you can get.

500

**The Speaker:** Mrs Cannell.

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

I have two supplementary questions for the Hon. Minister. First of all, could he advise the House on who he regards as being a 'higher authority' that *might* instruct him (*Interjection and laughter*) to change this parliament's view in terms of the policy, which is opposed to legalising cannabis even for medicinal purposes?

Also, is he saying this morning then that he totally disagrees with the very highly qualified medical person within his Department who came out publicly in support (*Interjection*) of what the Chief Minister had said – which I thought was enlightening for a change? Is he saying that the Department does not support that highly qualified view?

A further and final supplementary, Mr Speaker: is this also saying then that whereas other countries are legalising – and actually it is a boost to their economies – the use of this, and it is tightly regulated... Are we not looking at something like this in the future, or are we putting our noses up and saying, 'Well, no, our policy is against this because we do not believe it should be legalised, so therefore we are just going to push it away.' Is that not a wasted opportunity to review the whole situation, bearing in mind that the United States and elsewhere have in fact legalised it, regulated it very highly and very tightly (*Interjections*) and are making considerable money to their coffers by doing so?

520

**The Speaker:** I am anxious that we do not get into a debate. We are heading that way. We are not meant to have a debate.

Mr Quayle.

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

The higher authority is the House of Keys and Tynwald – that is the higher authority.

The various views... As I said in my opening remarks... sorry, my answer to the first question, you ask 20 doctors and consultants their views on cannabis and you will get two different viewpoints – some extreme and some not extreme. So we take our advice from various doctors.

Doctors are just as entitled to give a personal opinion as are indeed politicians, and I believe the politician who gave a comment made it totally clear that it was his personal viewpoint. Our doctors have the right to give personal viewpoints as well.

Should anyone want to change, it is up to this Hon. House and the Court of Tynwald to debate it ourselves and decide what the policy will be.

As the Speaker has said, I do not want to get into a debate.

535

**The Speaker:** I have three further supplementaries and then that is it.

Mr Karran.

**Mr Karran:** Would the Shirveishagh not agree that the issue of the different strengths and the skunk that they have got now is a real issue, particularly if it is for people under the age of 30, and that is the medical advice that has been given?

But would the Minister consider the decriminalisation of cannabis for medical conditions, only being used under medical advice, and also to licence medical research using cannabis for the Island as far as the Island is concerned?

Maybe he would like to look at the Private Member's Bill that I put forward back in 1990 in order to resolve this issue.

545



550 Further, would the Shirveishagh also not agree that the fact is this principle has already been established as far as being used for medical purposes as a way of not getting prosecuted, and that we should be honest with our constituents and legalise for medical purposes but under medical advice?

**The Speaker:** Minister.

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

I will certainly look at the Hon. Member for Onchan's previous motion on this topic.

But again, back to the answer: it is up to the political world to have a debate on this, and if that is what people want to have, we can have it, but it is not up to me to change policy without this House and the Court of Tynwald.

560

**The Speaker:** Mr Cregeen.

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

565 The Minister said a higher authority, the House of Keys. Did he include the Chief Minister in this higher authority?

Would he also note the concern that I have with the Member for Douglas East saying that we should legalise drugs just because it would make money?

570 **Mrs Cannell:** I did not say that.

**Mr Cregeen:** Is that not a concerning statement?

**Mrs Cannell:** I did *not* say that.

575 **Mr Cregeen:** You did.

**Mrs Cannell:** No, I did not.

**A Member:** You inferred it.

580

**The Speaker:** Reply, sir.

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

585 My understanding is that the Chief Minister's view was expressed as a personal opinion on this issue and his comments have not resulted in any moves to review my Department's policy on the use of cannabis, which is determined by current legislation.

From a personal viewpoint, any comments on making money as a result of drugs, I would be totally opposed to this; (**A Member:** Hear, hear.) but that is a personal viewpoint again, like the Chief Minister's personal viewpoint.

590

**The Speaker:** A final supplementary, Mr Singer.

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

595 In accepting the view that there are very different views on the use of cannabis as to whether it is a gateway drug or not to use of other drugs, is the Minister aware that medication containing cannabis, such as Sativex, is already available for prescribing for those people a doctor believes will benefit from such treatment, and that we should strongly support further research into the safe use of cannabinoids and cannabis-related synthetics for people who are ill and who need this product?

600 **The Speaker:** Minister.

**The Minister:** Thank you, Mr Speaker.  
Yes, I was aware of that and I do support it.

#### ECONOMIC DEVELOPMENT

##### 1.4. Gas deposits in Manx territorial waters – Statement

The Hon. Member for Michael (Mr Cannan) to ask the Minister for Economic Development:

*If he will make a statement regarding gas deposits in block 112/25 in Manx territorial waters?*

605 **The Speaker:** Question 4, Hon. Member for Michael, Mr Cannan.

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

610 **The Speaker:** I call on the Minister for Economic Development, Mr Shimmin.

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

615 During the 1990s, a number of non-intrusive prospecting licences were issued by the Isle of Man Government to companies to undertake 2-D seismic surveys. This was followed by a first round of licensing in 1995 with Elf and Marathon, and then out of round licences being granted to Marathon and BP in 1996. All these licences have since been relinquished.

Further technical studies on block 112/25 by BP Exploration (Isle of Man) Ltd indicated a possible discovery of a significant volume of gas and further potential prospects. Since 1996, gas prices have significantly increased and advances in drilling techniques have reduced the cost of extraction such that the gas deposits may now be economically viable to extract.

620 In advance of any hydrocarbon licensing round on the Island in 2015, my Department is looking to grant an exclusive right to a company that may be interested in undertaking a 3-D seismic study. This will supplement the existing information already available for block 112/25. Indeed, the advice we have received from the industry, the UK Government and locally based independent industry experts is that a good-quality 3-D seismic survey is vital if we are to progress to extraction.

625 My Department has previously outlined our strategy to continue to grow the economy and achieve Vision 2020, which includes an offshore energy hub.

630 In April this year, the Environment and Infrastructure Committee of the Council of Ministers submitted a report to Tynwald on the strategy for offshore energy production, where we outlined our intention to progress offshore wind, marine renewables and conventional hydrocarbons.

635 The Environment and Infrastructure Committee of the Council of Ministers, of which the Hon. Member for Michael is now himself a member, has since met and supported the issuing of an expression of interest to undertake a 3-D seismic study in this block and the surrounding area. The study will better inform Government of the hydrocarbon resource below the Isle of Man seabed.

My Department has worked closely with Treasury, the AG's Chambers, the DoI and DEFA, and last week we issued an expression of interest to undertake a 3-D seismic study. The study is to be undertaken for a nominal consideration of £1 to the Government. It will be for the contractor

640 to recover its costs through the subsequent sale of the 3-D seismic data to companies participating in any future licensing rounds. However, we are proposing to include within the agreement an option for the Department to purchase the survey data, should we think it would be beneficial to own the commercial rights.

645 **The Speaker:** Mr Cannan, a supplementary.

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

650 Can I ask the Minister... in November 2012, in answer to a Question from my good friend, Mr Houghton, he gave a pretty glum assessment of the opportunities for oil and gas in the Manx territorial waters. Can I ask him what has changed so significantly in the two-year period, or even the year-and-a-half period, to get the situation where we are now actually going out for expressions of interest?

**The Speaker:** Minister.

655

**The Minister:** I apologise for being glum, so I shall revisit the *Hansard* to see if there was anything in particular that caused me to give such a response. The reality is that this is still an aspiration, rather than something that is a foregone conclusion. So we do not like to raise the expectations too high until we have evidence.

660 There has been work carried out, which I will come to in one of the subsequent Questions, which would indicate why the attitude has changed and we believe now that there is a greater prospect that this is commercially viable, but that requires further exploration, sir.

**The Speaker:** Mr Cannan.

665

**Mr Cannan:** Thank you.

Can I ask the Minister, first of all, what the minimum estimated gas quantities are potentially available in this block?

670 Also can I ask him why we are going down the survey and licensing route and why we have not debated the merits of landing the gas on the Island, in the event of further understanding of how much gas is actually there?

**The Speaker:** Reply, sir.

675 **The Minister:** It is a little bit complicated from the point of view that I have three Questions in front of me from the same Hon. Member who is on the committee that is looking into this matter and, Mr Speaker, this whole area is one which in many ways is premature.

680 The issue under debate is the fact that before we understand exactly what we are dealing with, we need to have the evidence to present, whether it be to Tynwald, to a committee of Government or parliament, and that information is currently not yet available.

685 We are aware that we have deposition of an element of gas below our waters off Maughold Head. We are doing what I believe to be sensible, which is investigating that further, and once we have that information... All of the Hon. Member's questions are as yet undetermined and they would not be able to be determined until we have the evidence for both the Members but also for the public.

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

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

690 Can the Minister for... explanation, give an explanation to the Hon. House –

**Mr Watterson:** The 'Minister for Explanation'!

695 **Mr Anderson:** – of block 112/25? Does it cover the whole of our territorial seas, or exactly where is this block, please?

**The Speaker:** Minister.

700 **The Minister:** I can make available to all Members and indeed therefore the press and the public. It is an area which is slightly ovoid, effectively buffering up against our 12-mile limit off Maughold Head. I shall circulate that to all Members and indeed the press.

**The Speaker:** Mr Quirk.

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

Could I ask the Minister regarding... you favoured one individual? Is it possible to find out who this individual is? And maybe if I could ask just a supplementary, then, would it be better for your Department to have a presentation to Members who are willing to attend and we could explore this?

710 The final one, if I could ask, Mr Speaker, was if the data was proved to be more valuable than a pound, would the Department take a decision on its own or would it require other approvals?

**The Speaker:** Minister.

715 **The Minister:** I think you will understand, Mr Speaker, the difficulty of not making this into a debate in attempting to try and make a complex area simpler, so that people can understand.

It is not an individual. We are looking for a company who would look to do the 3-D seismic tests. That has not yet been determined. That is why we are out for exclusive rights for a particular company.

720 The issue regarding the value: we could do and pay for this to be done ourselves, in which case we would own the data. I am stretching into one of the other Answers, but if there is nothing commercially viable there, then that would be at the Government/taxpayers' expense. What we are doing is looking at the risk for the 3-D seismic which would be done by a company who looks at the available information and believes it is worth their while. They then take the cost and the risk in order to then actually be able to commercially sell that to any future companies that may exploit the territorial prospects.

725 All of this again is a tried and tested methodology and I will come to some of those points in later Questions, Mr Speaker.

#### **1.5. Gas deposits in Manx territorial waters – DED Minister's meetings with advisers**

The Hon. Member for Michael (Mr Cannan) to ask the Minister for Economic Development:

*Who is advising the Department of Economic Development on the gas deposits in block 112/25; and how many meetings the Minister has attended with advisers?*

730 **The Speaker:** Question 5, Mr Cannan.

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

**The Speaker:** Minister.

735 **The Minister for Economic Development (Mr Shimmin):** Dr Ken Milne in my Department is the Senior Manager for Energy Policy and is leading the work in close co-operation with the Treasury, Attorney General's Chambers, DOI and DEFA.

The Department has consulted with several individuals on the Island with substantial industry experience, as well as several businesses in the industry off the Island, in order to consider all  
740 our available options. All assistance, including review of data, has kindly been provided so far at no cost to Government.

The Department has approached the UK government requesting assistance to evaluate the suitability of proposed geological studies, and they have confirmed that they are willing to assist. The UK government has extensive experience from previously undertaking 28 successful  
745 hydrocarbon licensing rounds. The UK Department for Energy and Climate Change has already provided substantial advice and support to date.

It is our intention to appoint an independent consultant to assist with the future hydrocarbon licensing round and a tender will be issued later in 2014.

As Minister for the Department of Economic Development, I meet with politicians and  
750 officials in my own and other Departments on a regular basis to discuss energy matters.

In response to how many meetings I have attended with advisers, as I have already said, there are a number of individuals resident on the Island with considerable experience in the oil and gas industry. Four have kindly given their time to help advise my Department to date. I met one such individual once. I met two such individuals on another occasion – that was a husband-  
755 and-wife team. My officers met a fourth such individual and I then held a meeting of all four individuals with both politicians and officers on 7th March this year. I found the private individuals' insights helpful and, in short, they agreed that the key is now producing a good quality 3-D seismic survey report, which will enable us to take this matter forward, and that is what we are now seeking to do.

760

**The Speaker:** Mr Cannan.

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

Again, I thank the Minister for his comprehensive Answer. But what is interesting here is that  
765 we are going straight down the UK model and appear to be following the UK model of going straight into the licensing round, but from the Isle of Man's perspective, whilst the UK has multiple fields, the Isle of Man potentially only has one, and it would appear that we only do have one. So we only have one opportunity at this. Is it right, therefore, and is it applicable that the UK model should be the only one that the... that the licensing should be the only way that  
770 we are considering matters? Should we not be having a full debate, with all the evidence put in front of Hon. Members so that we can be clear that in fact licensing is the right way to go and that we should not be following some of the route?

**Mr Thomas:** Hear, hear.

775

**The Speaker:** Minister.

**The Minister:** At the risk of repeating myself, Mr Speaker, the Hon. Member, who is now on the committee, is asking a number of genuine questions, which I am delighted to hear people  
780 taking an interest in, but the answers are premature. If I were to give any commitment at this stage, it would be with only limited information. Unless we get the 3-D seismic results, which are recommended by all of the four local party experts who have been helping others, by industry and the UK Government, we have no data and information which anybody can utilise.

785 Therefore the decision on how we utilise it, how we go forward, and indeed as the  
Committee involved with my Department looking at this, chaired by Member for Rushen,  
Mr Gawne, there are alternative methods to the UK, because some of us have serious doubts  
(**Mr Gawne:** Hear, hear.) as to the way in which the UK have exploited their gas and oil reserves  
for the benefit, or lack of, of the country. Therefore we are looking very much at a Norwegian  
790 model, which is looking at sustainability. We have a report which has gone down the route for all  
support from Members of Tynwald only in April of this year, which says we are going down this  
route.

The Hon. Member is asking for debate, with limited information. The opportunity for all of  
that will come firstly in the committee; secondly, on the floor of Tynwald; and thirdly, the public  
will have full opportunities to understand.

795 None of this is going to happen in advance of 2020. Therefore, it is likely that many others in  
this room will not actually be in the Chamber when the final decisions are taken.

What my Department and the Committee are doing now is moving this debate further  
forward by getting the necessary amount of data and information for any meaningful discussion  
to take place. That is recommended by local experts, industries off Island and the UK  
800 government as the first step before we actually make a determination as to how we progress.

Indeed, if there are not found to be exploitable reserves, then the rest of this all becomes  
totally academic, sir.

#### **1.6. Gas deposits in Manx territorial waters – Seismic survey; publication of papers**

The Hon. Member for Michael (Mr Cannan) to ask the Minister for Economic Development:

*Why the Department of Economic Development is not commissioning a seismic survey on  
block 112/25 on behalf of the Isle of Man Government; and if he will publish relevant papers?*

**The Speaker:** Question 6. Mr Cannan.

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

**The Speaker:** Minister to reply.

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

A seismic survey in this block and surrounding area would cost several million – estimated at  
about £5 million. We do not believe it would be a good use of Government resources to invest in  
the survey, as the cost might generate no benefit if the results reveal that further development  
is not viable.

815 That said, we are proposing to include within the agreement an option for the Department to  
purchase the survey data, should we think it would be beneficial to own the commercial rights. I  
am satisfied that this is the best way to protect the public interest without incurring unnecessary  
costs.

820 The Government proposes that any agreement with the contractor will allow the Department  
to have access to the results of the survey for non-commercial purposes. The contractor will  
make the 3-D seismic data available to companies participating in the future hydrocarbon  
licensing round.

I am asked to publish relevant papers. I believe that Tynwald has been provided with the  
relevant information to date and has discussed the issues thoroughly – or at least it had the

825 opportunity to do so. In addition, my Department organised a briefing for Members, although many did not attend, to discuss the potential for hydrocarbons within our waters. Therefore, there is nothing further to publish at this time.

We need to commission a seismic survey, which will give us much more insight into the potential value of hydrocarbons within our waters. Once the results of the survey are  
830 completed, Government will be able to inform Tynwald, and the results are likely to take about a year to produce.

With regard to the previous data, Mr Speaker, I would remind the House that my Department has made this data publicly available on request. It is complex, large in volume, but anyone wishing to view the data, who has a reasonable reason for doing so, is welcome to contact my  
835 Department.

**Mr Speaker:** Supplementary, Mr Cannan.

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

840 What I would like to know from this... We have said that the potential cost to the Government of commissioning the survey itself would be anywhere between £3 million and £5 million approximately. If a company is going to come along and do it for free, how much is it going to cost us to buy that report at the conclusion of their survey? And what is also puzzling me is why any company would come along and do a multi-million-pound survey, allegedly for  
845 free, (**A Member:** Hear hear.) if there was not significant benefit for them in doing so. They must surely have some knowledge that there are hydrocarbons down there, available, and commercially available, in order for them to come along and suddenly offer something for free.

**Mr Speaker:** Minister.

850 **The Minister:** And I would like to thank the Hon. Member for Michael for starting the hares running, beginning to go down a route through a level of saying, 'Why would they do this? There must be an alternative reason. Why would anybody do that for free?' without the understanding of what the committee has been doing for years. If the Hon. Member takes off his blinkers, this is exactly what he will be told in the committee and in Tynwald: that this is how the industry  
855 operates.

We have four experts on the Isle of Man who tell us how it operates – not how we *think* it might, because it is an industry that nobody in this Chamber has a great deal of experience in.

Therefore, what happens is... How do these companies make their living? They do it by  
860 looking at an available amount of data – the 2-D data that we have had from the 90s. They identify, as a local resident has done, that there is something there, and if they were to do it with more modern technology they would be able to identify and quantify it.

They will only do it if they believe that there is a chance, but the probability in these is not a science. Therefore, many times they will shoot the 3-D seismic and they will find there is not a  
865 commercial viability. But when it comes in, they then have an asset which is worth significant amounts of money to them, which they can then sell on to the parties who are going to commercially exploit that gas.

At all this stage, the Isle of Man Government, on behalf of the people, own the rights to the gas. We have not and will not give any of that away. But the fact is that... Why would they do it?  
870 Because that is how they make their living. Experts in this field: this is what they do and how the industry operates.

The Hon. Member and Tynwald will have the opportunities to understand how this strange industry to us works, but one which has the capacity, if we are fortunate, to give us choice to say we could be able to exploit gas in our waters. That is *all* we are talking about, and until such time  
875 as we know that, the rest of this is an academic exercise with not enough information.

**Mr Speaker:** I see a debate coming on. Four Members wish to speak when Question Time is nearly finished.

880 First of all, I will give the final supplementary... I will give the second final supplementary to you, sir, Mr Cannan.

**Mr Cannan:** Thank you very much, sir.

885 I am really pleased to hear the Minister tell us that we are not experts, and I agree that none of us are experts on this issue, but that is exactly why, is it not, Tynwald Members should have proper comprehensive documentation on this issue, outlining the whys and wherefores, written by experts, that we can all understand – simply because we only get one opportunity at this. (**A Member:** Hear, hear.) If we get it wrong, Minister, then we could potentially cost the Island significant sums. Also, we should, should we not, have the debate on whether or not gas, in whatever capacity, should or should not be landed?

890 The second question is the Minister talked about the sort of revenue associated with this and the benefits for the Island: can I ask him how we are going to benefit and why the taxation rates, corporation tax etc, are not defined before we even go down this route? Because my fear is we are going to go down this route and we are not going to have done the groundwork and we are going to end up in a situation where people are maximising, as per usual, using the Isle of Man, and the losers potentially could be the taxpayers.

**The Speaker:** Hon. Member, I made it quite clear we were not having a debate –

900 **Mr Cannan:** Thank you, Mr Speaker.

**The Speaker:** – and yet Members are disregarding that advice. What are they doing? Having a debate.

Minister.

905 **The Minister:** I am astonished after two and a half years in this House and in Tynwald Court that the Hon. Member is still trying to understand how this system of Government operates.

910 He is elected now as the Chairman of the Utilities Authority. He is on the committee that is looking into all of this. A committee comes forward with getting representation from experts, from people, to write a report which then moves up the system. For that, you require *information*. He says – as if those of us involved in the responsibilities, such as Minister Gawne and others involved in this – that it is a one-off opportunity. Absolutely! Thank you for telling us the blindingly obvious.

915 Will Tynwald have an opportunity to discuss it? Yes, I have told you you will, but for that you require information. And he has concerns, and I am delighted that fresh eyes will come and look at this, but he talks about bringing in consultants and experts. We have not come here on a whim. This has taken years of work from experts on and off Island, in and outside of Government, to get to this stage.

920 Only two or three months ago we had a debate on this very issue that was unanimously supported, where we made it clear that we were looking for renewable energies and hydrocarbons. We have had presentations that Members can attend if they choose to, where this information is available, but not being done on the floor of the House of Keys in Question Time, Mr Speaker – at the right time, in the right venue, where debates can take place, and that will be again in Tynwald Court. We will give another opportunity. We will put on other presentations.

925 I am not making light of this, Mr Speaker. I believe this has a significant potential for the Isle of Man and we are being cautious in taking advice every step of the way.

If the Hon. Member wishes to learn more, as he has done recently, he can ask my Department or indeed the chairman of the committee questions, which we have supplied to him



930 – and I would have thought that might have given him a flavour that this is better done in a proper debate, rather than in Question Time. He can put a motion down for Tynwald and we will quite happily talk about this, but it is not suitable and I am surprised to see so many of these on a Question Paper when actually it is inevitably going to widen into a full debate.

935 **Mr Speaker:** Final supplementary, Mr Ronan.

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

Firstly, I am just obviously delighted to hear that the Minister is saying that we are thinking of going down a Norwegian model of sustainability – that can only be encouraged.

940 Would the Minister agree this is something the Isle of Man cannot do alone? The exploration of our seabeds is very important and we have got to recognise... and some of the Questions I put down in Keys last year... is that if we are going to achieve this, we have to embrace international partners and we have to take their advice on this to get here.

945 I know the Minister has touched on this, but I think it is very important to say today – and I hope the Minister agrees with me – this is something we cannot do alone, and we need expert advice. This is a massive opportunity for us, and for us to achieve this we need to engage the best international partners possible.

**The Speaker:** I am sure the Minister will agree.

950 **The Minister:** Thank you, Mr Speaker. I agree.

### 1.7. Work permits – UK insurance policy claims loss adjusters

The Hon. Member for Castletown (Mr Ronan) to ask the Minister for Economic Development:

*In what circumstances loss adjusters from the UK who travel to the Island to assess Isle of Man policy insurance claims require work permits?*

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

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

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

**The Speaker:** Minister for Economic Development.

960 **The Minister for Economic Development (Mr Shimmin):** Mr Speaker, under the Control of Employment Act 1975, a person who is not an Isle of Man worker must not undertake any employment in the Island, and an employer must not employ a person unless he or she is an Isle of Man worker, except in accordance with the Act.

965 This means that a work permit will be required unless the worker falls within a relevant exemption category. In the case of a loss adjuster, the relevant categories will be as follows: firstly, there is a general 10-day exemption category which covers the great majority of employments, so a loss adjuster would be allowed to undertake employment of a temporary nature in the Island for up to 10 days a year without requiring a work permit.

Secondly, there is the possibility that if the person were working for an insurance or other company that falls within the definition of ‘international group’ within the legislation – that is a group that comprises at least one company incorporated on the Island and one company

970 incorporated in a company or territory outside the Island – then that person could be exempt for up to 48 days in a year. The Department would need more information on each particular case to establish whether this exemption applied.

Without wishing to go into too much further detail, the work permit office does have a number of live permits for loss adjusters on its computer system; however, should the Hon. Member have any concerns about a particular case, I would be happy to ask one of our inspectors to look into the matter upon receipt of relevant information.

**The Speaker:** Supplementary question, Mr Ronan.

980 **Mr Ronan:** Thank you, Mr Speaker. I do not have a specific case; it is a general question for the Minister.

The Minister knows I fully understand the need for a new aggressive work permit structure to fit the Isle of Man's diverse economy, but surely this must be for areas where our market struggles to fill posts with the right level of expertise.

985 Does he not agree with me that we have an excellent standard of loss adjusters on the Isle of Man, and off-Island insurance companies should be encouraged, where possible, to use the services on Island?

**The Speaker:** Minister.

990

**The Minister:** I think there is a general statement there, Mr Speaker, that all businesses on the Island do and should encourage the use of local labour wherever possible, and our communication of that to parent companies elsewhere is to be commended – and we would support that all the time.

995 Thank you, Mr Speaker.

**The Speaker:** Mr Ronan, final supplementary.

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

1000 Does the Minister also agree with me that when work permits are granted, then his Department should factor in moneys lost to our Island?

**The Speaker:** Again, there is a very loose relation to the original precise Question.

1005 **The Minister:** I think, having just gone through the Control of Employment Bill legislation, Mr Speaker, we all understand the complexity of all of these matters – trying to get the balance right for businesses to want to operate from our Island. They sometimes have corporate responsibilities which require their own members of staff; however, we have a responsibility to try and raise the professional understanding from all of those parties that we can do the job just as well on the Island.

1010 One could argue that for loss adjusters, local persons are actually far better positioned because they have a far greater understanding of the local business costs and community. However, it is one where we do not wish to discourage the public from having access to companies that would require, on occasions, their own loss adjusters.

1015

**The Speaker:** Now, Hon. Members, that brings us to the end of Question Time.

**Standing Order 3.5.1(2) suspended  
to complete remaining Oral Questions**

1020 **The Speaker:** Mr Thomas.

**Mr Thomas:** Mr Speaker, thank you.  
I beg to move that Standing Order 3.5.1(2) be suspended to enable the remaining Questions for Oral Answer to be taken at this sitting.

1025 **Mrs Cannell and another Member:** I beg to second.

**The Speaker:** We put it straight to the vote – 16 votes required.

*Electronic voting resulted as follows:*

<b>FOR</b>	<b>AGAINST</b>
Mr Anderson	Mr Bell
Mrs Beecroft	Mr Henderson
Mr Cannan	Mr Robertshaw
Mrs Cannell	Mr Teare
Mr Cregeen	Mr Watterson
Mr Cretney	
Mr Crookall	
Mr Gawne	
Mr Houghton	
Mr Karran	
Mr Quayle	
Mr Ronan	
Mr Shimmin	
Mr Singer	
Mr Skelly	
The Speaker	
Mr Thomas	

**The Speaker:** Seventeen for, five against.

**POLICY AND REFORM**

**1.8. Public sector budgets –  
Ensuring persons responsible have necessary skills**

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

*Who is responsible for ensuring that those who are in charge of public sector budgets have the necessary skills?*

1030 **The Speaker:** We proceed to Question 8. Mrs Beecroft.

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

1035 **The Speaker:** I call on the Minister for Policy and Reform, Mr Robertshaw.

**The Minister for Policy and Reform (Mr Robertshaw):** Thank you, Mr Speaker.

1040 Within a Department, Board or Office, it is the role of the accounting officer to ensure that all financial procedures are followed, accounting records maintained and that public funds are properly and well managed. In practice, an accounting officer delegates certain of his duties to subordinate officers who are responsible for authorising financial transactions, managing budgets, maintaining financial records, and so on.

1045 Where such responsibilities are delegated, financial regulations require that, amongst other things, an accounting officer ensures that all relevant officers have the information about costs, training and the availability of expert advice in order to discharge their responsibilities effectively.

1050 Therefore in answer to the Hon. Member's Question, it is in essence a matter for the accounting officer to ensure that those with financially related responsibilities within a Department, Board or Office have the necessary knowledge, skills and experience to carry out their duties effectively.

Thank you, Mr Speaker.

**The Speaker:** Supplementary, Mrs Beecroft.

1055 **Mrs Beecroft:** Thank you, Mr Speaker.

1060 Could the Minister clarify then where the system is falling down, given that the Government's own Chief Financial Officer has stated that 'some people may have significant budgets that they manage, and from our observation have very little knowledge of financial regulations'? How can that occur?

**The Speaker:** Minister.

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

1065 The system as described in my original Answer has been in place now for many decades. However, this administration has shown itself to be a reforming administration, and I can advise the Hon. Member for South Douglas, in the light of the comments made by the Chief Financial Officer, that it is actually incumbent upon me, both as Chairman of the Civil Service Commission and as the Minister of Policy and Reform, to engage with officers to review the contents of the statement made and to consider the matters further in conjunction with Ministers.

1070 Thank you, Mr Speaker.

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

1075 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that the officer should be congratulated for his honesty? It does explain the complete and utter travesty when it comes to so many capital projects and getting value for money over the years.

1080 Will he make it a priority that there are some sort of courses put on for these officers, so that they do understand what they are supposed to be responsible for? Does he not agree by doing that, this might stop the confusion outside when people are dismayed that senior civil servants are never held to account – or politicians either?

**The Speaker:** Minister.

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

1085 I take on board the Hon. Member's comments but I think it would be best if I reserved any further comments until my investigations and engagement in the matter have been completed.

**The Speaker:** Mrs Beecroft.

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

1090 I thank the Minister for his response. I hope he will keep us informed as to progress of that.  
Could I just clarify a couple points? Firstly he said the accounting officer is the one who is responsible. In Departments, is that the chief executive officer? Does he have the role of responsible accounting officer for those Departments? So is it in effect the chief executive officers who are responsible when the Government's Chief Financial Officer says that there are  
1095 some who do not understand the financial regulations?

Could the Minister just clarify that surely when somebody is actually for the first time put in charge of any budget, that would be something that would be flagged up as an alert that they need some sort of course to know what the responsibilities are and to know the financial regulations that they will have to abide to?  
1100

**The Speaker:** Minister.

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

1105 The chief executive officer of each designated body is the accounting officer for that designated body. A designated body includes a Department, Statutory Board or Office and also any other authority, other than a local authority, constituted by any enactment for any purpose involving the expenditure of public monies or the receipt of public monies for the purpose of that body or authority, or for the public revenue.

1110 With regard to the second part of the Question, again she makes a valid point and I will take it on board and include it in my deliberations, Mr Speaker.

**The Speaker:** Final supplementary.

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

1115 Given the importance of this subject, I hope the Minister agrees with me that it is terribly important. Could he give us some sort of timescale when we can expect to hear further from him, an update on this? Because to me I find it unacceptable for it to carry on for much longer as it presently is.

1120 **The Speaker:** Minister.

**The Minister:** Mr Speaker, I think it is important not to over-exaggerate the possible weaknesses in the system that have existed for many decades in many respects, (*Interjection by Mrs Beecroft*) and in many regards it works extremely well, but we have to look at it again  
1125 carefully and deliberately. I would have thought it would be appropriate if I could report back in the late autumn, Mr Speaker.

### 1.9. Agenda for Change – Government performance against targets and objectives

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

*If he will make a statement on the Government's performance in 2013-14 against its Agenda for Change targets and objectives?*

**The Speaker:** Question 9, Mr Thomas.

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

1130 I beg leave to ask the Question standing in my name.

**The Speaker:** Minister for Policy and Reform, Mr Robertshaw.

**The Minister for Policy and Reform (Mr Robertshaw):** Thank you, Mr Speaker.

1135 I believe this Government is broadly on target to deliver against its objectives as set out in the Agenda for Change. What we must ensure we do is to maintain a rigorous focus on our core principles: protecting the vulnerable, balancing the budget and growing the economy.

The Agenda for Change sets out 39 short-to-medium-term targets and all Ministers and Departments are working hard to achieve against those targets.

1140 What I am concerned about though, Mr Speaker, is that the challenges that the Island faces in the long term are of a different nature – challenges we must overcome if we are to ensure sustainability. I plan to set out in Tynwald in July a programme of engagement with the people of the Isle of Man, talking to them about these big challenges and listening to their views on some of the decisions we are going to have to make.

Thank you, Mr Speaker.

1145

**The Speaker:** Mr Thomas.

**Mr Thomas:** Thank you, Mr Speaker, and to the Minister for Policy and Reform for that short statement.

1150 One of the statements about the Agenda for Change made originally was that from time to time it would be revisited. During this last quarter, we had an Agenda for Change document – the Modernising Ministerial Government – which created the Manx Utilities Authority, brought in the sewerage charge, and I can see no reference to those changes. Would the Minister agree with me that it might be that that sort of change would be incorporated in the Agenda for Change document?

1155

**The Speaker:** Minister.

1160 **The Minister:** It is very important that the Agenda for Change remains the clear definition of the 39 targets that we set out in the first place. We do not want what is a very dynamic process in Government to meet all our challenges to become somehow translated into a single document in the way he describes. It is a dynamic process.

1165 I remember before I was a Member of the House and I was in the private sector, I used to quietly smile to myself as each Department produced year after year its enormous business plan. I used to see Ministers and officers working themselves to the bone to produce these elaborate business plans, which were huge documents and then were filed away and the whole process was repeated again the following year.

1170 I think we have been right in producing a simple Agenda for Change document. (**A Member:** Hear, hear.) I keep it more or less in my pocket. It is on the wall of the Council of Ministers, and I know all Ministers are constantly referring to it. It cannot capture everything, but it certainly is a direction of travel for us. I reviewed it again before I came in the Chamber today and I think we are working well against that Agenda.

1175 **The Speaker:** Mr Thomas.

**Mr Thomas:** Thank you for that further information from the Minister, Mr Speaker.

1180 A couple of the corporate objectives were downgraded from green to amber in recent quarters – for instance, the one about rates and rating reform, and the one about freedom of information. Another one, to do with means testing for public sector tenants, was not downgraded, even though lack of income data for tenants across the public sector had an impact on modelling accuracy and early drafts indicated significant unintended consequences.

Can the Minister clarify what constitutes a downgrade from green to amber and what justifies such a downgrade?

1185 **The Speaker:** Minister.

**The Minister:** Well, Mr Speaker, in producing these quarterly reports, we are being open and transparent, and the idea is to flag up areas where perhaps we are a little bit behind where we should be. That is how we go from green, which is on course, to amber where there are question marks and into red, where there is an intensity of focus required on it. We promulgate that to everybody so everybody knows where we are up to date. We cannot always achieve a green.

1190  
1195 As the Hon. Member for West Douglas knows, there is ongoing work with regard to the rates, and that is continuing. I will have to bring forward the Freedom of Information Act in the autumn. It had originally been our desire and ambition to get in before then, but it is now going to be after the summer. The work with regard to means testing on social housing is ongoing. I hope that is helpful to the Hon. Member, Mr Speaker.

**The Speaker:** Mr Karran.

1200 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that the points the Hon. Member has just raised just highlights the concern about the exclusivity of the policies of his administration, instead of it being inclusive as far as that issue is concerned, when we see we yet again have a blatant attack on local authority housing tenants, when the fact is the likes of the revaluation of rates throughout the Island is something that should have been done 20 years ago, as far as it being completely and utterly unjust? And can he get over to his colleagues in Council of Ministers the fact that it is coming over that he seems to be more interested in hitting the ones at the bottom than those at the top?

**The Speaker:** That is not a supplementary question that is in order.

#### 1.10. Agenda for Change – Planning, performance management and reporting system

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

*Whether the current Agenda for Change planning, performance management and reporting system serves the purpose which was originally envisaged?*

1210 **The Speaker:** We turn to Question 10. Mr Thomas.

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

1215 **The Speaker:** The Minister for Policy and Reform.

**The Minister for Policy and Reform (Mr Robertshaw):** Mr Speaker, the performance management system was a new initiative championed by this administration. As with any system, it must be continually refined and finessed over time to ensure it is fit for purpose. It represents, as I indicated in my earlier Answer, a start of the journey not a specific end.  
1220 Thank you, Mr Speaker.

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

1225 **Mr Thomas:** Thank you, Mr Speaker, and to the Minister for that short Answer.  
Previously, the Minister agreed that this Agenda for Change process would be reviewed.  
What is the mechanism for that and when will that happen?

**The Speaker:** Minister.

1230 **The Minister:** I think I did try to indicate, Mr Speaker, that it is a dynamic process. Meeting  
the challenges that we are facing is not some sort of academic process that can be captured in a  
single document. The Agenda for Change is an indication of direction of travel and the reporting  
process shows our performance against that. I think therefore that we are continually  
1235 promulgating our position. I think that answers the question, Mr Speaker.

**The Speaker:** Mr Quirk.

**Mr Quirk:** Thank you, Mr Speaker.  
1240 Just on the statement from the Minister on the direction of travel for the Agenda for Change,  
the phase 2 of the Agenda for Change document indicates a report to be made on enforcement  
and regulation: can I ask the Minister where we are on that?

**The Speaker:** Minister.

1245 **The Minister:** I would like to give the Hon. Member a written answer to that question,  
Mr Speaker.

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

1250 **Mr Thomas:** Thank you, Mr Speaker.  
The Agenda for Change performance reporting process was actually announced in the  
Government's priorities debate in October 2012. Can the Minister advise what the connection is  
now between this process and that Government priorities debate, or Statement followed by  
1255 questions, and what we will be having in October, if he knows?

**The Speaker:** Minister.

**The Minister:** Mr Speaker, I think that the Statement I will be making in July will help to  
1260 articulate the important issues going forward. I think that pretty well answers the question  
again, Mr Speaker.

## INFRASTRUCTURE

### 1.11. Douglas Harbour Linkspan User Agreement – Impact of EU rules on cabotage

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

*What the direct and indirect impact on any extension of the Douglas Harbour Linkspan User Agreement is of recent clarification of EU rules on cabotage (European Commission – IP/14/453 22/04/2014), particularly in respect of (i) award procedure and duration of public service contracts and (ii) manning rules?*



**The Speaker:** Question 11. Mr Thomas.

**Mr Thomas:** Thank you, Mr Speaker.  
1265 I beg to ask the Question standing in my name.

**The Speaker:** The Minister for Infrastructure, Mr Skelly.

**The Minister for infrastructure (Mr Skelly):** Gura mie eu, Loayreyder.  
1270 EU rules relating to maritime cabotage are set out in EEC Council Regulation December 1992, applying the principle of freedom to provide services to maritime transport within member states – that is maritime cabotage.

The provisions set out in these rules apply to EU member states. The Isle of Man, of course, is *not* an EU member state. The EEC Council Regulation makes provision for the award of public service contracts by a member state to a community ship owner in cases where there is a need to provide the public with adequate transportation services. This provision does not apply to the Isle of Man as it is not an EU member state.  
1275

It is difficult to see any relevance of either the regulation or of recent clarification to the Douglas Harbour Linkspan User Agreement, which is a commercial agreement between the Isle of Man Steam Packet and the Department for a piece of equipment.  
1280

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

**Mr Thomas:** Thank you, Mr Speaker, and to the Minister for citing 1990s EU legislation.  
1285 Is the Minister aware that this recent communication actually made provision for extending the extent of a user-agreement-type arrangement from six years to 12 years in exceptional circumstances when the requirements of the users and the peripheral maritime regions required it? So perhaps that is relevant when we consider extending our own User Agreement.

**The Speaker:** Minister to reply.  
1290

**The Minister:** Gura mie eu.

I am not aware of the actual details of that, because of course it is not applicable to the Isle of Man, not being an EU member state. However, I would recognise the issue with regard to extension to the User Agreement. I know many of us are very familiar with the detail of that.  
1295

I will point out that it *is* a priority of the Department to secure transportation links on the sea.

**The Speaker:** Final supplementary.

**Mr Thomas:** Thank you, Mr Speaker.  
1300

Does the Minister accept that providing a service to a Greek island or a Scottish island with certainty... if it only takes six years of user agreement – now 12 years – that is relevant when we consider that provision for a much richer Island with many more people than some of those Greek and Scottish islands?

1305

**A Member:** Hear, hear.

**The Speaker:** Minister.

**The Minister:** Gura mie eu.  
1310

Yes, I take the point with regard to the extension: the longer the agreement, obviously the longer the security. I think we would all agree that we want sustainability, we certainly want

affordability and we want reliability. Those key points are critical. The Department is very aware of it, and as I stated, it will be a priority for us to secure that for the long-term future.

1315

**The Speaker:** Mrs Cannell.

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

1320 Can I ask the Hon. Minister whether he thinks the current User Agreement is actually fit for purpose in terms of its public service obligations?

He has explained to the House this morning that in fact they fall short of the EU obligations and that we do not have to regard them in terms of having adequate passenger service provision, but surely is it not time to actually consider the public service obligations and whether or not they are fit for purpose for going forward?

1325

Finally, would he agree with me that any extension to the User Agreement must focus on the service to the public and not merely rubberstamping an extension to help out the company because of its financial difficulties?

**The Speaker:** Minister to reply.

1330

**The Minister:** Gura mie eu.

Is it fit for purpose is the question. I think history will tell you that it has been reliable. There is always the debate around the cost – that always is an issue; however, the Steam Packet would tell you that they do have a great number of discounted fares.

1335

Fit for purpose for the public and fit for purpose for our trade links: that will be what we are aiming to secure for the long-term future. We do recognise that we have a User Agreement in place to 2020 with an option to extend for six years to 2026, and we will be reviewing that in due course. As the Chief Minister has already stated, whatever extension or any new agreement will come to the floor of Tynwald before anything is actually signed and sealed going forward.

## HOME AFFAIRS

### 1.12. Financial Crime Unit – Statistics

The Hon. Member for Onchan (Mr Karran) to ask Minister for Home Affairs:

*What statistics he keeps on the number and kind of investigations in the Financial Crime Unit; and how many investigations were undertaken in the past three years that have resulted in a prosecution?*

1340

**The Speaker:** Question 12. Hon. Member for Onchan.

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

**The Speaker:** Minister for Home Affairs, Mr Watterson.

1345

**The Minister for Home Affairs (Mr Watterson):** Mr Speaker, the Department does not keep statistics on the number and kind of investigations in the Financial Crime Unit as that is an operational matter under the command of the Chief Constable.

1350 Information in respect of the Financial Crime Unit is routinely published by the Chief Constable in his annual report, and I hope to bring the annual report for the year ended 31st March to Tynwald next month.

The types of investigation are cases including inquiries on behalf of other jurisdictions, reports of suspicious activities under anti-money laundering legislation, drug-trafficking investigations, serious fraud cases, sanctions matters and various money-laundering cases.

1355 I have provided statistics on the number of cases dealt with by the Financial Crime Unit over the last five years in my Written Answer today to a very similar Question from the Hon. Member for Douglas South, Mrs Beecroft, based on information supplied by the Chief Constable.

1360 In respect of the last three years, as asked by the Hon. Member for Onchan, Mr Karran, I am informed that the number of inquiries, reports and investigations dealt with were: in 2011, 3,432; in 2012, 2,325; and in 2013, 2,320. It is not the case that each of these represents even a suspected crime. For example, these numbers include inquiries from other jurisdictions which may or may not have criminal intent. Also, the expectation is that money laundering reporting officers should report anything out of keeping, but again they are not necessarily grounds for believing that a crime has been committed.

1365 Thank you.

**The Speaker:** Mr Karran.

1370 **Mr Karran:** Vainstyr Loayreyder, is the Shirveishagh son Cooishyn Sthie aware of the article in the UK *Independent* newspaper under the heading 'Exclusive: The Cameron crony, the private jet company, and a crash landing that cost the taxpayers £100m'?

Does the Minister recall that EuroManx was placed into liquidation under controversial circumstances, owing the Isle of Man Government £1.5 million and costing 70 jobs?

1375 Is he aware that the UK Parliament has been calling for... and made by the Liberal Democrat peer, Lord Oakeshott, to have HBOS and Corporate Jet Services, together with the subsidiaries of Manx-incorporated companies, referred to the Business Secretary, Vince Cable for further inquiry and investigation as far as the appropriate authorities?

1380 Does he not feel that the likes of this just highlights why we must put more resources into the Financial Crime Unit, so that we can do our bit as far as the involvement of the Isle of Man is concerned?

**The Speaker:** Minister.

1385 **The Minister:** Mr Speaker, I am not aware of the article in the *Independent* that the Hon. Member referred to. If you would like to send me a copy of that, I would be grateful so I can look at it.

I am aware of the demise of EuroManx and some of the other bits and pieces that he mentioned.

1390 In terms of resources into the Financial Crime Unit, yes, we could always have more, and I am sure that is the case across Government. I think it is very clear that we are dealing with a different environment today than we were dealing with 10 or 15 years ago in terms of financial crime and the sheer breadth and depth of things that the FCU is having to look at and deal with, and it is important that there is good... not just that it is appropriately resourced in order for us to meet our international obligations, but also that it has the necessary skills required across  
1395 policing, across accounting and legal functions, so that we can be sure that we are meeting those obligations fully and professionally, sir.

**The Speaker:** Mr Houghton.

1400 **Mr Houghton:** Thank you, Mr Speaker.

May I ask the Minister if he would let us know, with regard to the human resource in the Financial Crime Unit, the number of full-time officers he has? Are some of those working part-time hours?

1405 Also, what professional support comes with the Financial Crime Unit these days? In the past, there was a fraud squad accountant and also a lawyer on board – are they still there?

Also, have the numbers in this Unit been rationalised in accordance with the Chief Constable's cut in police budget?

**The Speaker:** Minister.

1410

**The Minister:** I am afraid I do not have the information with me about the number of full-time equivalents working within the Financial Crime Unit at the moment.

1415 Of course, it is professionally supported. The police officers obviously work together with officers from Treasury, Customs and other dedicated staff in there, but I am afraid I do not have the detail to hand, sir.

**The Speaker:** Mrs Beecroft.

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

1420 I am a little bit surprised that the Minister was unaware of this article, given that it alleges that there was more than £100 million sent into the Isle of Man from Corporate Jet Services. That was a UK company.

1425 But on to EuroManx, which is an Isle of Man company, in the spirit of assistance and co-operation, would the Minister undertake to make further enquiries with Lord Oakeshott and the business Secretary, Vince Cable, together with our regulatory authorities to see if we can assist in establishing the facts in this matter?

**The Speaker:** Minister.

1430 **The Minister:** I am sure Lord Oakeshott has got bigger problems at the moment than dealing with me! (**Mr Quirk:** Hear, hear.) (*Laughter*) I would be happy to look at this a bit more when I get the article that the Hon. Members have referred to, because at the moment I have absolutely no idea what the article is about.

1435 **The Speaker:** Final supplementary question, Mr Karran.

1440 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh not agree that one of the reasons why this issue has been raised is because there seems to be a block as far as the authorities on the Island are concerned getting this information, (**A Member:** Evidently.) and we would like that clarified?

1445 Would the Shirveishagh also make sure that the detailed response from the Member for North Douglas is circulated, as it is important that we are in the first division as far as financial centres are concerned, and we more likely have less money laundering than the City of London ever has – and I do get tired of that. But the fact is the first division does mean a first-division amount of resources as far as the Financial Crime Unit is concerned, so that it is properly staffed to a suitable level in order to keep our proud record, which unfortunately our neighbours next door try and belittle too often.

1450 **Mr Shimmin:** You're doing well enough, yourself!

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

Certainly, I think... Again, I cannot talk about the specific case that the Hon. Member refers to... *[Inaudible]* in the Isle of Man system. Until I know about the case, I have no idea whether that is the case.

1455 I think there is always the important thing to make sure that we balance off our information channels with the UK and others about legitimate information requests and just fishing expeditions, which might be more out of political propaganda than any sense of suspicion in the financial crime area – and I would make that comment generally rather than in response to a case that I do not know about.

1460 I do share the concerns of the Hon. Member that we do have to make sure that the Financial Crime Unit is adequately resourced in terms of its professional basis, skills set and the number of people who work in it to ensure that we are able to maintain our internationally well-regarded record in this area.

1465 **The Speaker:** Hon. Members, we turn now to Item 2, Questions for Written Answer. There are 17 Questions. Replies will be distributed.

## 2. Questions for Written Answer

### TREASURY

#### 2.1. National Insurance Fund – Expenditure other than payment of pensions or benefits to Island residents

The Hon. Member for Castletown (Mr Ronan) to ask the Minister for the Treasury:

*What amounts have been debited to the IOM National Insurance Fund since 1990, on expenditure not wholly and exclusively for the benefit of paying pensions or benefits to people on the Isle of Man?*

**The Minister for the Treasury (Mr Teare):** All payments other than benefits made out of the National Insurance Fund are wholly and exclusively made to enable the Treasury to fulfil its obligations under the relevant Social Security Acts. The administration payments cover the cost of paying staff, maintaining IT systems and other operational requirements to ensure that benefits are paid, included in this sum are payments to third parties and consultants. The statutory authority for these payments is contained in Section 165(5) of the Social Security Administration Act 1992.

In addition to these payments, amounts are transferred to the Department of Health and Social Care as a contribution to operating these services. While these may not necessarily be characterised as ‘debits to’ the Fund, they have been included for completeness.

Investment management fees charges have not been considered as debits to the Fund as these simply reduce the credit from investment income but it should be noted that the investment losses shown for 2008-09 resulted in a £4,177,612 debit to the Fund (not shown in Table 1).

In addition, on 11th April 1995, Tynwald authorised the transfer of £44,000,000 from the Manx National Insurance Fund Investment Account to the Hospitals Estate Development Fund. The HEDF was established by Resolution of Tynwald on 20th October 1994. The purpose of the HEDF is to meet the loan charges arising from capital expenditure after 1st April 1996 associated with the Hospitals Estate Development. This one-off transfer is not shown in Table 1.

Table 1 below sets out information on annual amounts debited to the Fund that were neither benefit nor pension payments.

Table 1

Financial Year	Administration (incl. Consultants) £	NI Contribution to Health £
2013-14	4,011,216 <sup>Note 1</sup>	36,345,000
2012-13	3,877,420	34,778,797
2011-12	3,825,986	34,893,477
2010-11	3,848,715	34,104,769
2009-10	3,750,169	26,953,626
2008-09	4,080,292	26,564,474
2007-08	3,438,655	25,181,730
2006-07	3,795,080	24,161,505
2005-06	3,268,044	20,313,651
2004-05	3,432,122	21,421,851
2003-04	3,336,771	20,313,651
2002-03	2,980,064	14,460,303
2001-02	2,899,926	13,552,903
2000-01	2,630,513	12,587,079

1999-00	2,528,598	11,321,621
1998-99	2,779,700	10,637,337
1997-98	2,352,041	9,114,185
1996-97	2,271,659	8,327,341
1995-96	2,097,692	8,211,076
1994-95	1,912,848	7,572,190
1993-94	1,932,790	6,940,997
1992-93	1,788,948	6,191,076
1991-92	1,634,224	6,118,268
1990-91	1,423,754	5,639,638
1989-90	1,268,416	4,156,181

As noted in the Written Answer to Question 1 in Keys on 6th May, it is not possible to separately determine payments to consultants for dates prior to the Financial Year 2009-10 and this Answer has therefore combined the recharges and consultants payments for the period 2009-2014 to allow a direct comparison to be made for each year.

*Note 1: Figures for the Financial Year 2013-14 are estimates at the date of preparing this answer and will be finalised during the preparation of Government's Statutory Accounts.*

## 2.2. Zero cost contracts – Number awarded; awarding process; financial agreement

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

*How many zero cost contracts have been awarded in each of the last five years and in which Departments; whether zero cost contracts need to go out to competitive tender, and if not, what process is followed; and whether zero cost contracts fulfil the requirement in contract law for there to be a financial agreement?*

1490 **The Minister for the Treasury (Mr Teare):** The definition of a zero cost contract applied in the context of Isle of Man Government Procurement is one where the contractor derives income from a third party and no public money is exchanged for the goods or services provided.

The Treasury has sought details from other Government Departments and has collated the responses of zero cost contracts awarded over the last five years as follows:

1495

2010 (renewed in 2013) - DHA – vehicle recovery

2012 – DED – visitor guide

2013 – DCCL – e-ticketing

1500 As there is an opportunity for third parties to earn an income, Financial Direction 8, Procurement and Tenders of the IOM Government Financial Regulations will apply to all designated bodies in such cases. The anticipated value of the goods and services to be procured will generally determine the exact nature of the competition exercise to be undertaken

1505 Within a zero cost contract agreement, there will be clear terms and conditions with respect to defined obligations and this consideration given by both parties is sufficient to form a binding contract even though it does not involve the direct payment of money. In determination of whether such agreements fulfil the requirements of contract law consideration is deemed to be the benefit to each party in a contractual arrangement.

**2.3. Rate demands –  
Inclusions**

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

*How many 2014-15 rate demands include (i) a local authority rate, (ii) a water rate, (iii) a refuse rate, (iv) a church yard rate and (v) a sewerage charge?*

1510 **The Minister for the Treasury (Mr Teare):** On 1st April 2014 the Treasury produced rate demands for 46,793 properties, the rates and charges thereon are analysed as follows:

- (i) 24,177 include a local authority general rate
- (ii) 44,532 include a water rate or fixed charge
- 1515 (iii) 8,679 contain a refuse rate or fixed refuse charge
- (iv) 31,893 contain a levy in respect of a church yard rate
- (v) 38,485 include a sewerage charge

1520 NB. These figures do not include rate demands issued by Douglas Borough Council, Braddan Parish Commissioners or Onchan District Commissioners whom collect their own rates.

NB. These figures do not include separate invoices and meter charges raised directly by the Manx Utilities Authority.

NB. The majority of rate demands for central government and local authority properties are not printed individually but details are produced on a consolidated statement.

**HEALTH AND SOCIAL CARE**

**2.4. Health and Care Professions Council –  
Requirement for registration of Health and Social Care professionals**

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

*Whether it is a requirement for all podiatrists, dieticians, speech and language therapists, occupational therapists, paramedics, physiotherapists, radiographers and social workers who work for the Department, to be registered with the Health and Care Professions Council (HCPC)?*

1525 **The Minister for Health and Social Care (Mr Robertshaw):** All podiatrists, dieticians, speech and language therapists, occupational therapist, paramedics, physiotherapists, radiographers and social workers are registered with the HCPC.

1530 Under the new Regulation of Care Bill 2013, it was made compulsory that all social workers working in care services were required to be registered with the HCPC. Many social workers were already registered and all other professionals as detailed above had been registered for some time.



**2.5. Health and Social Care senior management posts –  
Details re posts filled since Minister’s appointment**

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Health and Social Care:

*What senior management posts have been filled in the Department and Hospital since his appointment; how many applicants there were in each case; and what percentage of (i) applications, (ii) interviews and (iii) appointments were local?*

**The Minister for Health and Social Care (Mr Quayle):** The Chief Executive Officer post is the only vacancy which has been filled. This post was advertised on 19th March 2014, with a closing date of 15th April 2014. The interview date was 16th May 2014.

There were 17 applications, four (23.5%) of those were qualified as Manx workers.

Two Manx workers were invited for interview. Four non-Manx workers were invited for interview, two non-Manx workers withdrew prior to interview. The panel interviewed two Manx workers and two non-Manx workers.

**INFRASTRUCTURE**

**2.6. Manx Highway Code –  
Progress on new issue**

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

*Further to his Answer of 3rd December 2013 about the development and issuance of a new Manx Highway Code, what further work has been carried out on this project?*

**The Minister for Infrastructure (Mr Skelly):** The final checks are being made to the new code following some minor modifications to the document and I intend to lay the new order before Tynwald in July 2014.

The new code will be made available in a PDF electronic format through the Government’s website. In addition, and for the first time, we are planning a phone application that will give the public access to the code through their mobile phone or tablet device. 4,000 hard copies of the new code will be printed ready for distribution with provisional licence applications and also, upon request, from members of the public.

**EDUCATION AND CHILDREN**

**2.7. Health and Care Professionals Council –  
Requirement for registration of educational psychologists**

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

*Whether it is a requirement for all educational psychologists who work for the Department of Education and Children to be registered with the Health and Care Professionals Council (HCPC)?*

**The Minister for Education and Children (Mr Crookall):**

The Department of Education and Children does require qualified educational psychologists to be registered with the HCPC.

**HOME AFFAIRS**

**2.8. Financial Crime Unit –  
Number of cases investigated**

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

*How many cases in each of the last five years have been investigated by the Financial Crime Unit; and how many have proceeded to prosecution?*

In each of the last five years the Financial Crime Unit has dealt with the following number of cases.

1550

2009 – 2,147

2010 – 2,238

2011 – 3,432

2012 – 2,325

1555

2013 – 2,320

These matters included inquiries on behalf of other jurisdictions, reports of suspicious activities under anti-money laundering legislation, drug trafficking investigations, serious fraud cases, sanctions matters and various money laundering cases. Data of this kind is routinely published in the Chief Constable's Annual Report.

1560

It is not the case that each of these represents even a suspected crime. For example, these numbers include inquiries from other jurisdictions which may or may not have criminal intent, also the expectation is that money laundering reporting officers should report anything out of keeping, but again there are not necessarily grounds for believing that a crime has been committed.

1565

**2.9. Police chief inspectors –  
Number; roles and responsibilities**

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

*How many police chief inspectors there are; and what their roles and responsibilities are?*

**The Minister for Home Affairs (Mr Watterson):** There are currently three chief inspectors.

One is responsible for all operational policing.

A second is responsible for the project to modernise the Constabulary; he is also the lead senior investigating officer, in which capacity he is responsible for investigative standards across the Constabulary and he has responsibility for developing senior detectives.

1570

A third is responsible for all support functions, including recruitment, training, development, finance, information security, data protection, records management, organisational development, vetting, facilities, and information technology.

All three are required to carry out a variety of statutory functions that are peculiar to their rank, as well as sharing operational command with the two superintendents.

1575

The Constabulary's command team has shrunk in size in recent years. It once consisted of a Chief Constable, a Deputy Chief Constable, three Superintendents, four Chief Inspectors, a Head of Corporate services, a Head of Human Resources and a Head of Information Technology.

1580 It now comprises a Chief Constable, two Superintendents, and three Chief Inspectors. The Chief Constable reserves the right to make adjustments based on changes in demand or on changing circumstances.

The Isle of Man Constabulary now has the flattest police structure in British policing, including the other Crown Dependencies and in the comparative overseas territories.

**2.10. Vehicle removal, recovery and collection –  
Expenditure on behalf of Isle of Man Constabulary**

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

*How much has been spent on removal, recovery and collection of vehicles on behalf of the Isle of Man Constabulary in each of the last five years?*

1585 **The Minister for Home Affairs (Mr Watterson):** In the year 2009-2010 the sum of £11,658. In the year 2010-2011 the sum of £3,846.

In the last quarter of 2011 a new contract was entered into with the result there has subsequently been no money spent on the removal, recovery or collection of vehicles on behalf of the Isle of Man Constabulary.

**MANX UTILITIES AUTHORITY**

**2.11. Meary Veg –  
Volume of sewage**

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

*What volume of sewage flowed through Meary Veg STW in each year 2011-2013?*

1590 **The Chairman of the Manx Utilities Authority (Mr Cannan):** The volume of sewage flows into the Meary Veg sewage treatment works for the years 2011 to 2013 are:

Year	Volume Treated per Year (Megalitres)
2011	10.33
2012	12.01
2013	11.57

**2.12. Effluent contamination –  
BOD/SS/NH4**

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

*What the average effluent contamination by BOD/SS/NH4 was in each year 2011-2013?*

**The Chairman of the Manx Utilities Authority (Mr Cannan):** The average values of biochemical oxygen demand (BOD), suspended solids (SS) and ammonia (NH<sup>4</sup>) in the treated

effluent being produced at the Meary Veg sewage treatment works for the period 2011 to 2013 are:

Year	BOD (mg/l)	SS (mg/l)	NH4(mg/l)
2011	4.8	15.1	9.3
2012	3.2	11.2	0.14
2013	6	19	3.1

**2.13. Recovered sewage sludge pellets –  
Volume produced**

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

*What volume of recovered sewage sludge pellets was produced each year 2011-2013?*

1595 **The Chairman of the Manx Utilities Authority (Mr Cannan):** The volumes of sewage sludge pellets produced at Meary Veg over the past three years are:

Year	Pellet Production (Tonnes per year)
2011	912
2012	780
2013	849

**2.14. Meary Veg sewage treatment works –  
Population equivalent connected**

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

*What population equivalent was connected by pipeline to the Meary Veg STW in each year 2011-2013; and how this was determined between residents, industry and visitors?*

1600 **The Chairman of the Manx Utilities Authority (Mr Cannan):** The population equivalent load calculated from the sewage being treated at the Meary Veg sewage treatment works varies through the year and is dependent upon the population connected to the sewer systems, the number of visitors on the Island, the volume and strength (BOD) of any trade effluents being discharged to the sewer systems and the weather conditions. It is not possible therefore to determine the division between residents, industry and visitors.

1605 Furthermore, the total biological load (BOD) arriving at the Meary Veg sewage treatment works includes the flows from tankers discharging sludge from septic tanks and therefore it is not possible to calculate the population equivalent arriving by pipeline.

The average population equivalent biological load treated at the Meary Veg sewage treatment works in the previous three years is calculated as follows:

Year	Average Population Equivalent
2011	60,529
2012	54,264
2013	60,723

**2.15. Meary Veg –  
Population equivalent of sewage sludge treatment**

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

*What the population equivalent of all sewage sludge treatment at Meary Veg STW was in each year 2011-2013?*

1610 **The Chairman of the Manx Utilities Authority (Mr Cannan):** It is not possible to confirm the volume of sewage sludge treated at Meary Veg as the sludge arrives from various locations and in differing ways; either through tankers delivering septage from septic tanks, tankers delivering sludge from the other sewage treatment works around the Island or from the sewage treatment processes at Meary Veg.

1615 There are no meters or measuring devices on the tankers to measure the various volumes of sludge transported to Meary Veg and therefore it is not possible to confirm the population equivalent load for sewage sludge treated in the Meary Veg sludge treatment centre.

**2.16. Septic tanks –  
Number; proportion emptied by MUA**

The Hon. Member for Douglas West (Mr Thomas) to ask Chairman of the Manx Utilities Authority:

*How many properties have a septic tank; and what proportion of these were emptied by the authority in recent years?*

**The Chairman of the Manx Utilities Authority (Mr Cannan):** There are approximately 3,809 septic tanks on the Island.

1,569 septic tanks were emptied by the Authority in 2013.

**2.17. Sewerage charge –  
Appeals received; number upheld**

The Hon. Member for Douglas West (Mr Thomas) to ask Chairman of the Manx Utilities Authority:

*How many appeals against the 2014-15 sewerage charge have been received; how many of these were upheld; and on what grounds appeals were made and upheld?*

1620 **The Chairman of the Manx Utilities Authority (Mr Cannan):** The sewerage charge appears as an item on the rate demands issued to those properties which are connected directly or indirectly to a public sewer system.

The Treasury receive the receipts payable against the rate demands.

1625 To date the Authority has received 18 requests for special consideration in relation to the sewerage charge; however the Board has confirmed that for this financial year it will not consider appeals against the charge and that all properties which receive a rate demand and are connected to a sewer system will be liable for the sewerage charge of £50 per property, as approved by Tynwald.

## Order of the Day

### 3. BILL FOR FIRST READING

#### 3.1 Law Officers Bill 2014

**The Speaker:** Item 3. Bill for Second Reading. I call on the mover, Mr Watterson.

1630

**Mr Watterson:** First Reading. You had me worried there for a second. Law Officers Bill.

**The Speaker:** I am sorry, my brief says Second Reading. First Reading.  
I call on the Secretary of the House.

1635

**The Secretary:** Law Officers Bill 2014: Member in charge, Mr Watterson.

**The Speaker:** Apologies to Mr Watterson.

### 4. CONSIDERATION OF COUNCIL AMENDMENTS

#### 4.1 Terrorism and Other Crime (Financial Restrictions) Bill 2014

Mr Watterson to move.

1640

**The Speaker:** Item 4. Consideration of Council amendments to the Terrorism and Other Crime (Financial Restrictions) Bill.  
I call on the mover, Mr Watterson.

1645

**Mr Watterson:** Thank you very much, Mr Speaker. More than happy to talk to this one.

The opportunity was taken to use this Bill to address a few issues in the Legislative Council through the insertion of two new clauses and to reconsider a matter in relation to the Proceeds of Crime Act. I will outline the changes made in the Council and invite Hon. Members to support them.

1650

The first amendment further amends the long title to permit two new clauses to be introduced relating to sexual offences and the enforcement of fines and other financial penalties.

1655

The second amendment introduces a new clause after 70A, which has been inserted by this House, which amends section 94A(5) of the Summary Jurisdiction Act so that it omits the words 'on or after the commencement of this section'. The problem the court has identified is that unless the words are omitted the court would only be able to enforce the collection of fines by means of an attachment to earnings in cases after 1st April. The benefit or effect of this amendment is that it will enable the court to make an order to secure effective payments of moneys due in any case relating to the non-payment of a fine, whether the fine was imposed before or after 1st April 2014.

1660

The third amendment inserts new clause 70AB and is promoted in order to remove subsections (3) and (4) from section 10 of the Sexual Offences Act 1992. When homosexual activity was decriminalised a number of years ago, a regrettable oversight occurred when making consequential amendments, with the result that we have suffered and continue to suffer some reputational damage. The acceptance of this new clause will mean that homosexual activity on Manx merchant vessels is decriminalised.

1665

1670 The fourth set of amendments relate to clause 72 as printed in the green copy of the Bill, which made amendments to the Proceeds of Crime Act 2008. Subsection (1) was intended to make the offence of facilitating the acquisition, retention or use of criminal property by or on behalf of another person clearer. The Department placed this provision in the Bill in good faith, but having taken further counsel it considers that the change to section 140(1) of the Proceeds of Crime Act set out in the Bill should not be made at this time. On page 49, line 29 the text is therefore renumbered consequentially.

The last amendment, to clause 73, reflects both the insertion of the new clauses made in the Council and further minor drafting refinement of the clause.

1675 Mr Speaker, I trust Hon. Members will consider the amendments and insertions made by the Legislative Council to be appropriate and beg to move that this House agrees with the Council's recommendations to the Terrorism and Other Crime (Financial Restrictions) Bill 2014 and that the Bill do pass.

1680 **The Speaker:** Mr Shimmin.

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

**The Speaker:** Mr Karran.

1685 **Mr Karran:** Vainstyr Loayreyder, the situation that concerns me is that... I have no problems as far as the issue of the Sexual Offences Act as far as the long title of the first amendment on our agenda paper, because quite frankly it is something that has been an anomaly. The principle has been established and, to be perfectly honest with you, the sooner it is off the statute book the better it is as far as the Island is concerned, because we have still got quite a lot of people who are quite moronic when it comes to... that the Isle of Man is somehow a terrible homophobic society – which it is not any more. We have still got battles to win, but it is nothing like it was 30 years ago. So I have got no problem with that.

1690 I have got a problem with the new clause after clause 70A because of the fact that... is it actually a new principle? I would be wanting to know from the Minister whether there was some oversight as far as the principle that it was going to be that it would not be backdated before this legislation came into place.

1700 What we are seeing here, Vainstyr Loayreyder, is that it would effectively mean that they would be able to impose collection of fines and attachments of earnings in relation to this on and after today, but the fact is that what we are doing here is backdating legislation so that it actually is... legislation that... I am having a senior moment now... We talk about... We are backdating legislation... I have completely lost my thread as far as the... (*Interjections*) Well, that's what you would like, I know, and that is why we are in the mess we are in.

1705 **The Speaker:** Hon. Member, order! Carry on.

1710 **Mr Karran:** The... *ultra vires*... and I think it is an important principle that we need to sort out as far as this legislation is concerned. There needs to be good reason why we should be allowing legislation to be backdated in this way. It is one of the things that some of us who have been in here a long time, when we did do the job that we were supposed to do, would be arguing – that there would have to be a real meaning for why we should backdate such legislation.

1715 There is a legislative principle here, as far as I am concerned, especially... not only because of it being backdated, but also the fact that it is being done by the Chamber that is the revising Chamber. Matters of principle should be done in this House (**A Member:** Hear, hear.) and I believe that this is an issue where I have to say, unless the Minister, the Shirveishagh son Cooishyn Sthie, comes up with a real good reason why we should do this, then I am afraid I think I will be inclined to vote against this section, because I think it is wrong to backdate legislation.

1720 What concerns me... and I know the Chief Minister gets upset about it, about saying about prioritising and an inclusive and not an exclusive society, but the fact is that if we were backdating legislation when it comes to the financial sector or other things, would that get the same support in the Upper House?

So I think Hon. Members need to think about – before I shut up – the issue of whether we should be creating backdated legislation and should we be allowing the Upper House the opportunity to make policy, because obviously it went through this House that it was going to go through on the day that it received Royal Assent.

The other thing that I am concerned about is on the... I was interested to know, on the negative Tynwald procedure, why is it a negative Tynwald procedure? One of the biggest problems we have is that so many things in this House, in another place –

1730 **Mr Watterson:** Mr Speaker –

**Mr Karran:** – as far as Tynwald is concerned –

1735 **The Speaker:** Mr Watterson, do you have a point of order?

**Mr Watterson:** Well, it is not a point of order; it is an intervention, if we are permitted those yet, sir?

1740 **The Speaker:** Yes, you are indeed.

**Mr Watterson:** The Hon. Member has referred to a negative resolution procedure. I would need to know which clause, because there is nothing about negative resolution procedure in any of the amendments that are before the House today. Also, I will happily address the reasons why I do not think this is backdating legislation – this is about backdating enforcement provisions – but I will maybe get into a bit more detail on that in my summing up, sir.

**The Speaker:** Mr Karran.

1750 **Mr Karran:** I welcome the intervention. I think that is good to see.

I am happy as far as the issue is the issue of backdating and the issue of policy. I totally agree with the mover of the amendments from the Upper House. My concern is the Upper House is a revising Chamber. We made the decision that it came in at the date as far as the law is concerned, and now we are changing policy. That is all I want to know and that is what good parliamentary process is about.

1755 **The Speaker:** Before I call on the... Mrs Cannell.

**Mrs Cannell:** Yes, thank you, Mr Speaker.

1760 I was just going to say, Mr Speaker, it might be advisable... if the Minister has not got an awful lot of information on the reasons and the thought processes that went into suggesting these changes to the House, then might I suggest that he withdraw it today?

1765 I would echo Mr Karran's comments, in terms of the retrospective element of the changes in the amendments, if it is to make legislation; or, as the Minister has just clarified, to make the aspects of the legislation retrospective. That principle in itself is not a good one and it is one that the House has always resisted. There has been very good reason years ago for making legislation retrospective or the regulations retrospective, but it has always been resisted by the House, for very good reason. So there is a precedent that would be set if the House were to support this today without the necessary information to back up why the Minister is asking the House to accept and support and vote for the amendments coming down from the Legislative Council.



1770 I do not feel like I have had sufficient information or background to clarify the reasons why these amendments are good, are appropriate and should be supported today. So I am asking the Minister, Mr Speaker, if he might consider pulling it today and bringing it back to the next sitting of the Keys with a better explanation.

1775 **The Speaker:** The mover to reply. Mr Watterson.

**Mr Watterson:** In my naivete, Mr Speaker, I had presumed that people had gone through the Bill and would have come to me with any issues if they thought that they had them. Indeed, I spoke to Mr Karran yesterday about these amendments, albeit briefly, and there was an opportunity there, but it does not appear to have been taken.

1780 I do have good reasons, and of course because I felt that I was pushing at an open door, I kept my opening remarks brief for the benefit of Hon. Members, who presumably had supported the Bill and the amendments. But I am happy to address the issues and the reasons why I do not think I need to pull this today, because I am on top of these amendments and do know why they have been moved and do have reason for supporting them.

1785 It seems that the only one that seems to have promoted some sort of anxiety is the one that is down on the Order Paper on page 7 at 4.1.2 about the new clause after 70A, which allows the enforcement of attachment-to-earnings provisions to fines that were awarded by the court before 1st April 2014.

1790 We are not making any new crime here. We are not creating a new offence where we could backdate them and prosecute people for it before 1st April, so in other words making a new crime and saying, 'Actually, you did that a year ago – we can now prosecute you for it.' We are not doing that. I also would be concerned that Mr Karran made the point that he seemed to think that the House had made a decision on a matter of policy that is being overturned by the Legislative Council. I do not think that is the case either.

1795 What has been brought to our attention is that for fines already determined by the court, we cannot collect those currently by attachment to earnings. So what we are saying is if the fine was awarded before 1st April, what can happen now is that we can go back to the court and ask the *court* – and no more than that: ask the court – for an attachment to earnings for fines that have been doled out by the court before 1st April. We are not creating any new offence, which I would quite agree with the Hon. Members would offend the principle of legislation that you should not make law retrospectively, but what we are doing is making the enforcement provisions (**A Member:** The recovery.) retrospective, the recovery of the fines, and expanding the way that we can recover the fines.

1800 Again, this is all subject to judicial process, rather than just going along, filling the form in at the Treasury and saying that we can now take it out of your earnings. That of course is not the case and there are safeguards in place to the judiciary to ensure that this is only done through the courts.

1805 So I hope that gives Hon. Members the satisfaction that they are looking for in terms that it does not offend the retrospective legislation precedence of this place, it does not mean that the Legislative Council is in the driving seat with policy, and it is only about expanding the enforcement provisions for the collection of fines through the courts to fines that were levied before 1st April.

1810 I beg to move the amendments standing in the name of the Legislative Council supporting the Bill.

1815 **Mr Speaker:** Hon. Members, I put first Council amendment 4.1.1 as set out on page 7 of the Order Paper. Those in favour of that amendment, please say aye; against no. The ayes have it. The ayes have it.

1820 The next amendment is 4.1.2, new clause. Those in favour, please say aye; against, no. The ayes have it.

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

**FOR**

Mr Anderson  
Mr Bell  
Mr Cannan  
Mr Cregeen  
Mr Cretney  
Mr Crookall  
Mr Gawne  
Mr Henderson  
Mr Houghton  
Mr Quayle  
Mr Quirk  
Mr Robertshaw  
Mr Ronan  
Mr Shimmin  
Mr Singer  
Mr Skelly  
Mr Teare  
The Speaker  
Mr Watterson

**AGAINST**

Mrs Beecroft  
Mrs Cannell  
Mr Karran

**The Speaker:** With 19 votes for and 3 against, that amendment carries. I put the remaining amendments as set out in 4.1.3, 4.1.4 and 4.1.5. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Putting the amendment as a whole, those in favour, please say aye; against, no. The ayes have it. The ayes have it.

## 5. CONSIDERATION OF CLAUSES

### 5.1. Public Services Commission Bill 2014

Mr Robertshaw to move.

**The Speaker:** We turn now to Item 5 – consideration of clauses, Public Services Commission Bill. We will move to the clauses –  
1825 Mr Karran.

**Mr Karran:** Vainstyr Loayreyder, I believe that the clauses of the Public Services Commission Bill should be referred to a committee of three Members with powers to take written and oral  
1830 evidence in pursuance of sections 3 and 4 of the Tynwald Proceedings Act 1876, as amended, to consider and to report to this House.

The reason why I wish to move the Public Services Commission Bill to a committee is that I am deeply concerned that there is a growing dispute which could affect the Island as far as the International Labour Organisation (ILO). I believe that, under international law, Whitley Council  
1835 employees' side are recognised in their own right as a trade union and that there is an issue of us being in conflict as far as our international requirements.

I am not saying for one minute, as a former member of Whitley Council, that there is not a need for change as far as the Whitley Council structure is concerned, but I am concerned that there could be more damage done if we do not go about this the right way and I feel a  
1840 committee of the House would be wise to take advice from the general public and from the interested parties as far as this Bill is concerned –

**The Chief Minister:** We have already done that.

**Mr Karran:** – and that is why I believe it should be supported to go to a committee.

1845 It is interesting, Vainstyr Loayreyder, but the situation is that we might be starting the World Cup in the next week, but the fact is that we have created enough own goals for ourselves over recent years and I do not want to be in the situation where the Council of Ministers create another own goal as far as this Bill is concerned. That is why I feel it would be wise to support it to go to a select committee, because I fear that we are going to end up with a situation, if we do  
1850 not handle this the right way, of disputes, which will be horrendous as far as the Island is concerned.

I am the first one to agree that things have got to change. The luxury of the boom days is not here now and we are going to have to cut our cloth as far as that is concerned, but what we need to do is to make sure that we do not end up with a situation with our labour relations going haywire in the near future as far as this issue is concerned.  
1855

We have got to agree that, over the years – in the last 30 years – there is no recognition of the tremendous advancements that have been made, as far as the working people of this Island are concerned, from the days when agriculture got more priority, and their animals, than the working people. I am concerned that if this Bill is not handled right, we will end up in a situation...  
1860

I am told that there has already been a dispute recognised and representation has been made with the International Labour Organisation, and I would be interested to know whether the mover, if he talks to the proposal for a select committee, can reassure us that there is not a conflict as far as our international obligations are concerned.

1865 I think the bottom line is that I am concerned that whilst we all recognise there is a need for change within the public service, we need to be able to do it on the right basis, and I am concerned that there has not been the consultation that is needed with the unions on this Bill. So I do hope that the mover will reassure this House that we do not find ourselves in conflict with our international obligations if we support this proposal.

1870 I hope Hon. Members will support this going to a select committee of three Members. Let's try and get it speedily resolved, let the unions and other parties put their input into this Bill, and then we will be on much more secure ground as far as proceeding with this piece of legislation.

I beg to move:

*That the clauses of the Public Services Commission Bill be referred to a committee of three Members with powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, as amended, to consider and to report to the House.*

**The Speaker:** Mrs Beecroft.

1875

**Mrs Beecroft:** Thank you, Mr Speaker.  
Happy to second and reserve my remarks.

**The Speaker:** Mr Quirk.

1880

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

First of all, I declare that I am a member of Unite, which is on the Register of Members' Interests – as are other Members in this particular Chamber too.

1885 I must say it surprised me a little bit, my colleague from Onchan there. I have not had any real concerns from any trade union organisations, but if my colleague has an element of right on this particular issue, maybe then I will be supporting him to go to a select committee for an examination and be given that opportunity.

1890 Quite rightly, Mr Karran is saying the ILO, which is a good organisation, a powerful organisation... If there has been a complaint, maybe then the Minister could tell us that, because it may be an avenue where we could discuss that further and have that issue examined by ourselves rather than another jurisdiction in another country.

**The Speaker:** Mr Robertshaw.

1895 **Mr Robertshaw:** Thank you, Mr Speaker.

I would urge Hon. Members to resist this proposal. (**The Chief Minister:** Absolutely.) There has been considerable consultation already.

1900 I think it is very important to state that the creation of the Public Services Commission Bill does not in any way impair the interests of those in Whitley Council or indeed those in the Civil Service. The point is that each group carries forward its own rights and entitlements into the new body and that any changes thereafter will be thoroughly negotiated; but if, at the end of the day, there is not an agreement achievable at that stage, then at that stage it comes back to Members of the House.

1905 I think that all the covers and all the protection required are in place, Mr Speaker, so I would ask Members to resist this.

**The Speaker:** Mr Karran to reply.

1910 **Mr Karran:** Vainstyr Loayreyder, I am a bit disappointed that the mover of the Bill, who is the Minister, could not clarify the point of whether there are any disputes as far as the International Labour Organisation is concerned –

**The Chief Minister:** You're making the allegation.

1915 **Mr Karran:** – because I think it is important. I am very proud of my non-achievements as part of this Hon. House over the years, when you think of (*Interjections*) –

1920 **The Speaker:** Hon. Member, can you stick to winding up your motion on the setting up of a committee? We do not need to have any history lessons.

**Two Members:** Hear, hear.

1925 **Mr Karran:** Vainstyr Loayreyder, the only thing is that if you do not learn from the past you make the same mistakes in the future.

My concern is that this Bill might find us putting ourselves into a worse situation as far as our labour relations situation with a large chunk of the public service. Also, I do believe that it is wrong if we end up with a situation where we end up undermining our international obligations as far as the International Labour Organisation is concerned.

1930 I hope Hon. Members will support this proposal. People in this House need to look at the track record of some of us in this House when it comes to being proven right on these things.

I had a meeting with Unite only yesterday about this issue and their grave concerns as far as this piece of legislation is concerned.

**The Chief Minister:** They were consulted.

1935

**Mr Karran:** I have also seen other documentation about flexible working agreements that are being floated around, and my concern is that this might manage to keep the Civil Service happy as far as this piece of legislation is concerned, but as far as the manual workers are concerned there could be great problems there.

1940 I hope Hon. Members will support the proposal. We will have to wait and see what history dictates to see who is right and who is wrong; but if there is a mad rush that this has got to go places before the parliamentary recess, because it is not going anywhere, I really think that, to be fair, you will more likely be better being on the safe side by supporting a select committee so that we can prove whether what I am being told is right or whether you will find that the other side is wrong. I do think that we do need to be very wary about this.

1945

**The Speaker:** I put the motion that the Bill be referred to a committee of the House. Those in favour, please say aye; against, no. The ayes have it.

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

**FOR**

Mrs Beecroft  
Mrs Cannell  
Mr Karran  
Mr Quirk  
Mr Robertshaw

**AGAINST**

Mr Anderson  
Mr Bell  
Mr Cannan  
Mr Cregeen  
Mr Cretney  
Mr Crookall  
Mr Gawne  
Mr Henderson  
Mr Houghton  
Mr Quayle  
Mr Shimmin  
Mr Singer  
Mr Skelly  
Mr Teare  
The Speaker  
Mr Watterson

**The Speaker:** With 5 votes for and 16 votes against –

**Mr Anderson:** Five?

1950

**Mr Crookall:** Mr Robertshaw. *(Laughter)*

**Two Members:** Oops!

**Mr Quirk:** We have a convert!

1955

**Mr Robertshaw:** I have to record that it was a mistake.

**The Speaker:** We now turn to clause 1 of the Bill and I call on the mover, Mr Robertshaw. *(Interjections and laughter)*

1960

**Mr Robertshaw:** Enjoy!

**Mr Karran:** Vote one way and speak another!

**Mr Robertshaw:** It is the first time I have done that – I hope it will be the last!

1965

**Mrs Cannell:** It won't be the last.

**Mr Robertshaw:** Thank you, Mr Speaker, and thank you for the support of the House.

1970 I would like to reassure Members that a great deal of hard work has gone into this so far, and with care, and that process will continue as the various bodies come together; and, to repeat, if things do start to get a little bit difficult in areas, then that is where the Members will be drawn back again. I think that is very important.

1975 As Hon. Members will recall, the Public Services Commission Bill is intended to establish a new Commission, which will be the employer of more than 4,000 people, representing about 50% of central Government staff. It would have a clear mandate to deliver consistent policies in respect of its workforce and work towards the simplification of employment structures, the harmonisation of terms and conditions of employment, and would facilitate redeployment of staff across relevant Departments, Boards and Offices as necessary in support of Government priorities and changing circumstances.

1980 The new Commission would also provide the opportunity to both streamline and modernise collective-bargaining arrangements in respect of its staff and enable arrangements to be put in place that are modern, representative and focused on agreed outcomes.

1985 Initially, it is intended that civil servants and Whitley Council workers employed in central Government would become employees of the Commission, but other employment groups could come in the purview of the Commission at a later date.

1990 The establishment of a Public Services Commission is a further step in modernising and introducing more flexible and responsive employment structures which, coupled with culture change, are fundamental to the development of more efficient ways of working and the reduction of bureaucracy – all of which, of course, contribute to the ongoing imperative to achieve long-term financial sustainability.

1995 The Bill repeals the Civil Service Act 1990 and the Civil Service (Amendment) Act 2007. Amendments are made to a number of enactments to replace, for example, references to 'Civil Service Commission' and 'civil servants' etc with 'Public Services Commission' and 'employees of the Public Services Commission'. Other amendments are included in the Bill consequential upon the Public Sector Pensions Act 2011.

Should the branches of Tynwald support of the enactment of this Bill, its provisions would come into operation on such day or days as the Council of Ministers by order appoint.

Mr Speaker, turning to the clauses stage, clause 1 provides for the short title of the Act resulting from the Bill.

2000 Mr Speaker, I beg to move that clause 1 do stand part of the Bill.

**The Speaker:** Mr Shimmin.

2005 **Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the motion that clause 1 do stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 2.

2010 **Mr Robertshaw:** Thank you, Mr Speaker.

Clause 2 provides for the Act to come into operation on a day or days appointed by the Council of Ministers. The clause also provides for the Council of Ministers by order to make such transitional and saving provisions considered necessary or expedient.

2015 Mr Speaker, I beg to move that clause 2 do stand part of the Bill.

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

**The Speaker:** I put the question. Clause 2: those in favour, say aye; against, no. The ayes have it. The ayes have it.

2020 Clause 3.

**Mr Robertshaw:** Mr Speaker, clause 3 sets out various defined terms used in the Bill, including the term 'stationed employer', which means the Department, Statutory Board, Office of Government or the public entity to which an employee of the Public Services Commission is assigned.

2025 For the avoidance of doubt, this clause also confirms that the following, for the purpose of the Bill, are not public sector employees: (a) judges, Crown officers and Tynwald appointees; (b) Ministers and Members of Departments; (c) officers and employees of a local authority; and (d) members of the Police Force. These exclusions are important and should be read in conjunction with clause 5(1)(k) of the Bill, which empowers the Commission to make  
2030 arrangements for the loss of office in relation to any public sector employee, excluding those I have just referred to.

Mr Speaker, I beg to move that clause 3 do stand part of the Bill.

**The Speaker:** Mr Shimmin.

2035

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

**The Speaker:** Mr Quirk.

2040 **Mr Quirk:** Thank you, Mr Speaker.

Can I just ask the Minister regarding the exclusions which form part of that – officers and employees of local authorities: have the Minister or his Department had any representation from the local authorities, asking to see what will happen with them? Will they be just left floating about, or is it up to them to organise themselves into another local authority... Whitley  
2045 Council? I just wonder whether the Minister has had any representation.

**The Speaker:** Minister to reply.

2050 **Mr Robertshaw:** Mr Speaker, they are separate to this, but I am sure that the local authorities will progressively use this structure as guidance in the way they conduct themselves.

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

Clause 4.

2055

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

With regard to clause 4, subsections (1) and (2) provide for the establishment of a Public Services Commission and provide that it shall be a body corporate with perpetual succession and shall exercise the functions as set out at clause 5 of the Bill.

2060 Subsections (3) to (7) provide for the membership of the Public Services Commission and related matters.

Subclause (3) provides that the Commission shall comprise a chairperson and a vice-chairperson, who shall be Members of Tynwald; and no more than three individuals, who must not be Members of Tynwald. This is in line with the current structure of the Civil Service  
2065 Commission.

Subclause (4) makes clear that an employee of the Public Services Commission cannot be a member of the Commission. Whilst this is for governance reasons, it does not, however, preclude an employee from representing the Commission on committees and working groups as necessary. They cannot, though, sit on the Commission itself.

2070 The authority to appoint the members of the Commission is vested in the Chief Minister and members hold office at the pleasure of the Chief Minister, as set out in subclause (5). Given that

it is for the Chief Minister to appoint members of the Commission, it is also for him to decide the basis upon which such appointments are made.

2075 Subclauses (6) and (7) deal with the resignation of members of the Commission. Specifically, subclause (6) provides that a member can resign by giving notice to the Chief Minister.

2080 Subclause (7) sets out what are, in effect, transitional arrangements to enable: firstly, a Member of Tynwald who was appointed under subclause (3)(a) as either chairperson or vice-chairperson and who then ceases to be a Member of Tynwald, to remain as a member of the Commission until a successor is appointed; and secondly, to enable a lay member appointed under subclause (3)(b) who subsequently becomes a Member of Tynwald also to remain as a member of the Commission until a successor is appointed. No such provisions apply in relation to members who resign for other reasons or whom the Chief Minister decides should not continue in their role as members of the Commission.

2085 As can be seen, subclause (8) of the Bill applies paragraph 9, except for subparagraph (1)(a), and paragraphs 10, 11, 11A, 11B and 12(2) of schedule 2 to the Statutory Boards Act 1987, to the Commission as they apply to a Statutory Board. These provisions relate to the execution of a deed or making of a document, legal proceedings, liability and indemnification of members and officers, and the provision of information and assistance to the Chief Minister. These provisions currently apply in respect of the Civil Service Commission.

2090 The facility for the Commission to regulate its own proceedings is set out in subclause (9). The Public Services Commission is not to be a Statutory Board, and beyond the requirements of subclause (8) – which, as explained, applies elements of schedule 2 of the Statutory Boards Act to the Commission – it has discretion in the way it operates within the overall parameters of its governing legislation. This is, in essence, the same situation as currently applies to the Civil Service Commission and I would expect that the new Commission would do what the Civil Service Commission has done, which is to set out its *modus operandi* in a governance framework document approved by the chairman and members.

2100 Subclause (10) is specifically for the avoidance of doubt and is intended to reinforce the fact that, in respect of its employees, the Public Services Commission will not have any of the legal rights and privileges that the Crown has in respect of civil servants. By way of context, the Civil Service Commission, in exercising its functions, is currently deemed to act on behalf of the Crown, and civil servants, when carrying out their duties, are currently deemed to be officers of the Crown and to hold office at the pleasure of the Crown. In essence, the concept of civil servants as officers of the Crown is now largely defunct, having been overtaken by employment law. Going forward, those in administrative, professional, technical and clerical roles engaged by the Public Services Commission will be employees of the Commission and not civil servants. This, importantly, would put them in exactly the same position as manual and craft staff employed by the Commission would be in.

2110 Mr Speaker, I beg to move that clause 4 do stand part of the Bill.

**The Speaker:** Mr Shimmin.

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

2115 **The Speaker:** Clause 4. I put the question: those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 5.

2120 **Mr Robertshaw:** Thank you, Mr Speaker.

Clause 5 sets out the functions of the Public Services Commission.

To assist Hon. Members, it might be helpful if I refer you briefly to each of the subclauses.

Subclause 5(1)(a) provides for the Commission:



‘to determine policies relating to the employment, and the terms and conditions of employment, of its employees that are consistent with the Government’s human resources strategy and policies;’

2125 This enables the Commission to determine, for example, a wide range of policies in relation to its employees which must be aligned with Government’s people and learning and development strategies; and, where impacting directly on terms and conditions of employment, would be subject to agreement through applicable collective bargaining arrangements.

Subclause 5(1)(b) provides for the Commission:

2130

‘to employ such persons on such terms as it considers appropriate;’

On establishment of the Public Services Commission, existing terms and conditions would continue to apply until changes are agreed by way of collective bargaining or other arrangements applicable to the employee.

2135 Subclause 5(1)(c) provides for the Commission:

‘by agreement with such bodies as it considers to represent the interests of its employees, to establish as necessary negotiating and consultation committees that include members of such bodies;’

2140 This provision is intended to facilitate agreement between the relevant parties in relation to collective bargaining and consultation mechanisms to be adopted on establishment of the Public Services Commission. Agreement in this regard is, in my view, important; and to this end, discussions have already begun between representatives of Government and representatives of the employee’s side of the Whitley Council, who are appointed by Unite, and representatives of the Government Officers Association, Prospect. I am hopeful that these discussions will, in due course, lead to agreement and the adoption of new collective bargaining and consultation mechanisms for employees of the Public Services Commission.

2145

I should, at this juncture, make reference to clause 5(2) of the Bill, which as Hon. Members will be aware makes provision for a special committee of Tynwald to be established should agreement in relation to collective bargaining and consultation arrangements not be reached. The intention to take this approach is deliberate. A special committee comprising Members of Tynwald would bring a level of objectivity and independence to the issue should the establishment of such a committee be necessary, and I hope that it will not.

2150

Subclause 5(1)(d) provides for the Commission:

‘where appropriate, to negotiate or consult with its employees or their representatives, whether via those committees’

– referred to in clause 5(1)(c) –

2155

‘or otherwise, about the employees’ pay and other terms and conditions of employment;’

This empowers the Commission to negotiate or consult with staff or their representatives through collective bargaining or consultation mechanisms as in due course determined.

Subclause 5(1)(e) provides for the Commission:

2160

‘to arrange for the recruitment of its future employees;’

Simply, this empowers the Commission to make arrangements it considers necessary regarding the recruitment of staff with the knowledge, skills and required experience to meet the needs of stationed employers.

2165

Subclause 5(1)(f) provides for the Commission:

‘to organise the training of its employees;’

This empowers the Commission to train and develop staff not only to enhance effectiveness in their current roles, but also to develop them for future progression within the organisation.

2170 Subclause 5(1)(g) provides for the Commission:

‘to make arrangements for the assessment of performance and appraisal of individual employees of the Commission;’

2175 This empowers the Commission to develop and introduce performance assessment and appraisal schemes for all employees of the Commission. Currently, there is performance assessment and appraisal for members of the Civil Service, but there is no parallel mechanism in Whitley Council terms and conditions of employment. It is, in my view, important that there are modern outcome-focused performance assessment mechanisms in place for all staff of the Commission that not only encourage the delivery of effective performance but also support jobholders’ learning and development as a means of extending knowledge and skills and  
2180 preparing them for progression in the organisation.

Subclause 5(1)(h) provides for the Commission:

‘to make promotions and arrange for the transfer of its employees between the various stationed employers;’

2185 In practice, I would expect that many of these activities would be delegated to managers on the staff of stationed employers. The Commission would, though, retain direct responsibility for appointments to chief executive officer posts. With regard to the facility to transfer employees between stationed employers, this is important as it would enhance our ability to reallocate staff to support Government’s priorities and changing circumstances and potentially reduce the need for redundancies.

2190 Subclause 5(1)(i) provides for the Commission:

‘where appropriate to discipline its employees and provide for the suspension or termination of their employment;’

2195 It is necessary for any employer to have authority in relation to discipline, suspension and termination of employment. With regard to the Civil Service and Whitley Council staff, such provisions already exist in terms and conditions of service; and on establishment of the Public Services Commission, those existing terms and conditions would continue to apply until such time as they are changed by agreement between the parties.

Subclause 5(1)(j) provides for the Commission:

‘without limiting any duties it has under health and safety legislation, to make arrangements for securing the welfare of its employees;’

2200 This simply reinforces the Commission’s duty, which is already enshrined in health and safety legislation. In this context, Government has a long-established staff welfare service available to all central Government staff.

Subclause 5(1)(k) provides for the Commission:

2205 ‘to make arrangements for loss of office in relation to any public sector employee;’

2210 This empowers the Commission to put in place appropriate arrangements for loss of office in respect of persons employed by or holding office within a Department, Statutory Board, Office of Government or other public sector entity, and not only employees of the Commission. Currently, the Public Sector Pensions Authority is empowered to make such arrangements which deal with compensation for voluntary or compulsory redundancy. This is the case because previously such arrangements included an element relating to pensions provision following loss of office. However, under the relatively new Public Sector Compensation Scheme, as approved by Tynwald in 2014, the linkage to pensions was broken and thus it is no longer appropriate or

2215 necessary for the Pensions Authority to have any role in the making of such arrangements going forward. This responsibility is now being transferred to the Public Services Commission as compensation for loss of office directly related to employment, rather than pensions. This authority, however, does not permit the Commission to make arrangements for loss of office in respect of persons – as already referred to in clause 3(3)(a), (b), (c) and (d) – who are not, for the purpose of this Bill, public sector employees.

2220 Subclause 5(1)(l) provides for the Commission:

‘to make arrangements, with the consent of the employee concerned, for its employees to be seconded to another employer;’

This facilitates secondment of Public Services Commission employees to other employers, whether public or private sector, for example as a means of enhancing the knowledge, skills or 2225 experience of the employee or employees concerned. Secondment cannot take place without the consent of those employees.

Subclause 5(1)(m) provides for the Commission:

‘to determine such other matters that may be considered reasonably necessary for the proper administration and management of its employees;’

2230 This is simply a provision enabling the Commission to address unforeseen circumstances should they arise in relation to the administration and management of employees and could only be used within the overall parameters of the functions of the Commission as set out in the Bill.

Subclause 5(1)(n) provides for the Commission:

2235

‘to perform such other functions as directed by the Council of Ministers.’

This enables the Council of Ministers to allocate such other functions to the Commission as it sees fit. There is similar provision in the current Civil Service Commission Act. This provision should not, though, be confused with the provision in subclause 5(3) of the Bill, which enables 2240 the Chief Minister, after consultation with the Commission, to give directions to the Commission as to the exercise of its functions. Thus, for clarity, subclause 5(1)(n) empowers the Council of Ministers to allocate additional functions to the Commission’s remit, whilst subclause 5(3) enables the Chief Minister to give directions regarding the exercise of the functions themselves.

I have referred already to subclause 5(2) regarding the facility to establish a special committee of Tynwald, and to subclause 5(3) regarding the Chief Minister’s power to direct the 2245 Commission.

Mr Speaker, you will be relieved to hear that I beg to move that clause 5 stand part of the Bill.

2250 **The Speaker:** Mr Shimmin.

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

**The Speaker:** Mr Quirk.

2255 **Mr Quirk:** Thank you, Mr Speaker.

Just a few points there. If I can ask about the special committee of Tynwald Members, I presume that would exclude any Ministers who hold office at the time. It will presumably exclude the Chief Minister because he can give direction anyway, and also those who have any conflicts of interest in that.

2260 With reference to disputes or if a special committee... if the Minister would give an example of what would go to that special committee, the extreme of that. We used to, in the olden days,

have the Industrial Relations Service down the hill here, and we also have an opportunity to... a special court or industrial disputes resolution.

2265 I wonder, regarding the costs of the committee – it may sound petty, but I presume we will not be able to claim, or those who are on it claim vast expenses from this, because sometimes they are £60 a meeting and meetings usually go on into the afternoons and whatever. So I am just wanting clarification on that while we are constructing a new Commission.

2270 The other one was with reference to the terms and conditions, where an employee has a dispute on the terms and conditions. We have the scenario here where the Chief Minister can give directions. I just wonder when the Minister would see there were directions actually given and on what basis that would be. If we are to have an impartial Commission, one would hope that it would be by negotiation and some arbitration. I am hopeful that he would see that.

They are the small points that I have got, but I am sure there are others when I go on.

2275 **Mr Crookall:** For now.

**The Speaker:** The mover to reply.

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

2280 I am happy to try to clarify the points for the Hon. Member. Items would only come to a special committee of Tynwald if all other routes had been exhausted, and the Hon. Member can be reassured that the Public Services Commission would do everything possible to try to arrive at a negotiated agreement. It is only in the absence of that finally – a negotiated agreement – that a matter could then be referred to a committee of Tynwald, and it would not be for the Chief Minister or myself or anybody else to decide – it would be for Tynwald to decide – who sat on that committee. Just in the normal course of business, there would not be any funding available to committee members to carry out their duties in that regard.

2285 His point about terms and conditions: that is all part of the negotiating process that would go on in the normal course of business. It would be unfortunate and regrettable if it had to go as far as coming to a committee of Tynwald, but that opportunity is there should it be absolutely necessary.

2290 Mr Speaker, I think that answers the question.

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

2295 Clause 6.

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

2300 Clause 6 provides for the delegation of the Commission's functions as appropriate. In this context, the Commission have the facility to authorise any Member or officer of the Commission or any other person to exercise any function of the Commission either alone or jointly with the Commission or with any other person.

In turn, any person authorised to exercise any function of the Commission may authorise any employee of the Commission to exercise that function in their stead.

2305 This authority is important as it can be utilised to delegate performance of certain functions of the Commission to Departments, Boards and Offices to enable them to manage their staff directly.

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

2310 **The Speaker:** Mr Teare.

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

I beg to second and reserve my remarks, sir.

2315 **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, please.

**Mr Robertshaw:** Thank you, Mr Speaker.  
2320 Clause 7(1) provides that an employee of the Public Services Commission has entered into a contract of employment with the Commission or is in employment or office prescribed by order of the Council of Ministers. In this context, it is intended that, on establishment of the Public Services Commission, the Council of Ministers would make orders prescribing members of the Civil Service and those who are Whitley workers employed in central Government as employees of the Commission.

2325 Any such order would be subject to the approval of Tynwald, as set out in subclause 7(2).  
Subclause 7(3) provides for the organisation of employees into such categories as the Commission considers appropriate and to apply such terms and conditions of employment as necessary, depending on such categorisation. This enables the Commission to apply differences in terms and conditions between categories as necessary to meet the needs of stationed  
2330 employers. While every effort will be made to harmonise terms and conditions of employment across all employees, there may be operational reasons for differences where differences may be required.

Subclause 7(4) provides that where a person is to be appointed as the chief executive officer of a Department or Board, the concurrence of that Department or Board would be required.

2335 In the case of the appointment to the role of Chief Secretary, then the concurrence of the Chief Minister would be required in accordance with subclause 7(5), the Chief Minister having consulted with the Governor before giving such concurrence.

With regard to appointments more generally, subclause 7(6) empowers the new Commission to make appointments in circumstances where any statutory provision provides for a person to  
2340 be appointed to a role that undertakes functions performed by a public sector employee but does not stipulate who shall make the appointment. This is a simple catch-all provision which parallels a provision in the current Civil Service Act and is used only in a limited number of situations.

Subclause 7(7) is for the avoidance of doubt and makes clear that an individual can have  
2345 more than one employment at the same time – for example, in the case of part-time working.

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

**The Speaker:** Mr Teare.

2350 **Mr Teare:** Thank you, Mr Speaker.  
I beg to second and reserve my remarks, please, sir.

**The Speaker:** Mr Quirk.

2355 **Mr Quirk:** Just on the employment of a particular person, if the Minister could clarify there... Normally, you would have a contract and terms and conditions with a certain Department you were in – say the old term was the DoT, or whatever. So, the employee would have a contract with the Commission, and I am just wondering if that is particularly right. So then, if any dispute arose with the employee, the Commission would resolve the issue, so the Department does not  
2360 have an input. What is the benefit of having a human resources department, within say the Dol – using them as an example – if the Commission is the employer?

**The Speaker:** Mrs Cannell.

2365 **Mrs Cannell:** Thank you, Mr Speaker.

I just wonder, on subsection (4)(a) and also subsection (5)... In the first one, it says:

'a Department or Statutory Board, the appointment may not have effect without the concurrence of that Department or Statutory Board;'

So I just wonder, will there be any involvement at the interview stage from the Statutory Board or the Department?

2370 Also, in terms of subsection (5), it says that if there is an appointment of a new Chief Secretary, the Chief Minister has to concur with it and consult with the Governor about it. Again, will the Chief Minister have any influence, in terms of will he – or she, in the future, possibly – be able to sit on the interview panel at the time, when going through the screening process for the next Chief Secretary, which is an *extremely* important position in terms of of Isle of Man Government?

2375

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

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

2380 I think that the simple answer to both questions posed really is that what I have articulated here effectively simply replicates what is happening now, other than it is under one jurisdiction rather than two.

So, in terms of disputes, the same... similar process that applies now would apply afterwards, except in relation to the Public Services Commission and not, as it is now, Whitley Council.

2385 Again, with regard to appointments and the importance of the involvement of Departments and Boards, and the Chief Minister with regard to the Chief Secretary, the same process would apply in future as applies now.

With that, Mr Speaker, I beg to move.

2390 **The Speaker:** I put the question that clause 7 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 8.

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

2395 Clause 8 provides a level of protection for members of staff who are in an existing central Government employment or office and, by order of the Council of Ministers, become employees of the Public Services Commission. In such circumstances, they would be employed on the same terms and conditions of employment that applied immediately prior to them becoming employees of the Commission. This, though, does not preclude the Public Services Commission from subsequently implementing changes to applicable terms and conditions following collective bargaining agreement or other arrangement applicable to the employees concerned.

2400

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

**The Speaker:** Mr Shimmin.

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

**The Speaker:** I put the motion that clause 8 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

2410 Clause 9.

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

Clause 9 provides that an employee of the Commission must perform such duties and observe and comply with such reasonable instructions as given by the Department, Board or

2415 Office to which they are assigned – referred to in the Bill as the ‘stationed employer’ – or any person duly authorised by the said stationed employer for that purpose. This empowers the stationed employer to manage those employees of the Commission assigned to them and to delegate to relevant levels of authority through their respective management chains.

2420 Subclause 9(2) confirms that terms and conditions are governed by the employee’s contract of employment and instructions given cannot go beyond the boundaries of that contract.

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

**The Speaker:** Mr Shimmin.

2425 **Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the question that clause 9 stand part of the Bill. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Clause 10.

2430

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

2435 Clause 10 addresses matters relating to liability in tort. A tort is a civil wrong, rather than a criminal act and includes, for example, defamation, negligence, nuisance, restraint of trade; and specifically provides that where an employee of the Commission, in the performance or purported performance of their functions, commits a tort, then the stationed employer, where it is a Department or Board, would be treated as joint tortfeasor, or wrongdoer, along with the employee concerned, and may therefore become subject of civil action. Where the stationed employer is not a Department or board, then it is the Treasury that will be treated as the joint tortfeasor.

2440 Mr Speaker, I beg to move that clause 10 do stand part of the Bill.

**The Speaker:** Mr Shimmin.

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

2445

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

Clause 11.

2450 **Mr Robertshaw:** Thank you, Mr Speaker.

Clause 11 places an obligation on the Public Services Commission to provide a report to the Chief Minister with respect to the carrying out of its functions. Such a report must be provided at least at the end of each financial year, or more frequently if required so by the Chief Minister.

2455 It is a requirement that any such reports must be laid before Tynwald, as is currently the case with the reports submitted by the Civil Service Commission to the Chief Minister.

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

**The Speaker:** Mr Shimmin.

2460 **Mr Shimmin:** I beg to second and reserve my remarks.

**The Speaker:** I put the question. Clause 11: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Finally, clause 12 and schedule 1.

2465

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

Clause 12 deals with consequential amendments and repeals and includes specifically the repeal of the Civil Service Act 1990 and the Civil Service (Amendment) Act 2007.

2470 As can be seen, a number of amendments are dealt with and set out in the schedule to the Bill. These deal primarily with the necessary changes brought about by the creation of the Public Services Commission. Also included are a number of missed amendments consequential on the Public Sector Pensions Act 2011.

It will be noted that within the schedule reference is made to the deletion of the entry:

2475 'The Civil Service Appeals Tribunal.'

from part 1 of schedule 2 to the Tribunals Act 2006. While the tribunal was established as a consequence of the Civil Service Act 1990, there is no provision contained within the Public Services Commission Bill for a parallel body to consider appeals against dismissal from employees of the Public Services Commission.

2480 It will be for the Public Services Commission, as referred to in clause 5(1)(l) of the Bill, to amongst other things provide for the termination of employment of its employees, and within such provisions to ensure that the requirements of employment legislation are properly adhered to, including, as part of an internal process, the right of appeal against dismissal. Employees of the Public Services Commission would, as is the case with other employees, have the right to make a claim to the employment tribunal with regard to wrongful and unfair dismissal.

Mr Speaker, I beg to move that clause 12 do stand part of the Bill.

**The Speaker:** Mr Shimmin.

2485

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

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

#### **Procedural – Interventions**

2490 **The Speaker:** Hon. Members, that brings us to the end of the business of the House today. I noted, during the course of the morning, that one Member intervened in debate and availed themselves of the opportunity of the fairly new procedure to intervene without it being a point of order. It was Mr Watterson, in fact. In my experience, this is only the second occasion that this has happened.

2495 I remind Members that this is a relatively recent procedure that is open to Members and does not require a point of order to be allowed by the chair, but for the Member who is speaking to give way; and provided the Member rising to their feet asks the Member speaking to give way, that is allowed and the debate can continue. I remind Members of that particular opportunity.

2500 I have also been asked to remind Members of the presentation at one o'clock in the Barrool suite by the Department of Health and Social Care.

The House will now stand adjourned until the next sitting, which will take place at 10.30 in Tynwald Court on 17th June.

*The House adjourned at 12.35 p.m.*