



# HOUSE OF KEYS OFFICIAL REPORT

RECORTYS OIKOIL  
Y CHIARE AS FEED

# PROCEEDINGS

DAALTYN

HANSARD

**Douglas, Tuesday, 4th November 2014**

*All published Official Reports can be found on the Tynwald website:*

[www.tynwald.org.im/business/hansard](http://www.tynwald.org.im/business/hansard)

*Supplementary material provided subsequent to a sitting is also published to the website as a Hansard Appendix. Reports, maps and other documents referred to in the course of debates may be consulted on application to the Tynwald Library or the Clerk of Tynwald's Office.*

**Volume 132, No. 2**

**ISSN 1742-2264**

**Present:**

The Speaker (Hon. S C Rodan) (Garff);  
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, Mr Z Hall 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);  
Mr J P Shimmin and Mr C C Thomas (Douglas West);  
Mr G D Cregeen (Malew and Santon);  
Hon. L D Skelly and Hon. P A Gawne (Rushen);  
with Mr R I S Phillips, Secretary of the House.

## **Business transacted**

Leave of absence granted.....	69
<b>1. Questions for Oral Answer.....</b>	<b>69</b>
1.1. Basic state pension – Adopting similar system to UK .....	69
1.2. Treasury policy setting – Minister’s powers .....	72
1.3. UK Counsel and QCs engaged by Attorney General’s Chambers – Envisaged scope and structure of review.....	74
1.4. Dependability Ltd assessments of those on disability benefits – Terms of appointment.....	75
1.5. Dependability Ltd general medical assessments – Criteria used.....	76
1.6. GPs’ assessments of those on disability benefits – Why considered insufficient.....	78
1.7. Use of reserves – Rebalancing revenue budget.....	80
1.8. Louis Group – Recent action by Treasury.....	83
1.9. Bullying, harassment and victimisation at work – Timescale for prevention .....	86
Standing Order 3.5.1(2) suspended to take remaining Questions for Oral Answer .....	89
1.10. Disc parking residents’ permits, Douglas – Impact assessment of proposed charge ....	90
1.11. Disc parking residents’ permits, Douglas – Number of permits issued .....	97
1.12. Car parking in Douglas – Public consultation on increases and charges .....	100
1.13.-14. Horse trams, Douglas Promenade – Plans for relocation or abandoning scheme; cost of placing on walkway .....	105
1.15. Problem vehicles – Policy.....	111
1.16. Callow’s Yard – Planning approval and inspector’s report .....	113
1.17. Financial Ombudsman Scheme – Insurance intermediaries not covered .....	114
<b>2. Questions for Written Answer .....</b>	<b>116</b>
2.1. Rates and sewerage charge – Take up of early payment discount.....	116
2.2. Rates and sewerage charge – Percentage overdue .....	116
2.3. Tax Cap – Declarations.....	118
2.4. Tax Cap – Income lost as a result of.....	118
2.5. Sale of liquor to drunken person – Convictions .....	119
2.6. Cancer treatments – Comparison with England .....	119
2.7. Petitions of Doleance – Details .....	120
2.8. Net neutrality – Policy.....	121
2.9. Traffic management tools; deep packet inspection – Policy .....	121

<b>Order of the Day .....</b>	<b>123</b>
3. Bills for Second Reading .....	123
3.1. Road Traffic (Amendment) Bill 2014 – Second Reading approved.....	123
Procedural – Correction to Written Answers .....	126
3.2. Designated Businesses (Registration and Oversight) Bill 2014 – Second Reading approved.....	126
<i>The House adjourned at 12.35 p.m.</i> .....	129

## House of Keys

*The House met at 10.00 a.m.*

[MR SPEAKER *in the Chair*]

**The Speaker:** Moghrey mie, Hon. Members.

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

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

### PRAYERS

*The Chaplain of the House of Keys*

### Leave of absence granted

**The Speaker:** Hon. Members, leave of absence has been granted to the Chief Minister; the Hon. Member for Rushen, Mr Watterson; and the Hon. Member for Castletown, Mr Ronan.

## 1. Questions for Oral Answer

### TREASURY

#### 1.1. Basic state pension – Adopting similar system to UK

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

*Whether the Island will adopt a similar basic state pension to the UK Government based on 35 years' contributions, and payable to those reaching retirement age from the 6th April 2016 at no less than £148.40?*

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

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

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

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

As Hon. Members are aware, the Treasury is comprehensively reviewing the Island's Social Security and National Insurance systems, including the state pension arrangements. The report from the external consultants, Ci65 Ltd, contains a number of recommendations in relation to  
20 Isle of Man state pension arrangements, and Hon. Members will have the opportunity to hear about these at a presentation tomorrow lunchtime.

Engagement with the public will commence shortly thereafter and I expect to return to Tynwald before the end of this parliamentary year, to seek Tynwald's support to a number of  
25 proposals for change.

I hope Hon. Members will appreciate that I cannot confirm whether or not the Island will adopt the UK's new state pension arrangement from April 2016, and whilst this may form part of Treasury's considerations and proposals, it will be ultimately a matter for Tynwald to decide.

Thank you, Mr Speaker.

30

**The Speaker:** Mr Houghton.

**Mr Houghton:** I thank the Hon. Minister for his reply, Mr Speaker. Of course, we are all mindful of changes in that particular area.

May I ask though, however, that if changes do move away from reciprocal arrangements in the United Kingdom, how does the Isle of Man Government – or how does the Treasury in this particular case – intend to operate those differences that previously did not exist?  
35

**The Speaker:** Treasury Minister.

40

**The Minister:** I think, Mr Speaker, it has to be recognised that the Treasury already administers the Social Security system and the benefits system, so there is no change to the administration of the system.

What will change is the actual basis of the system, and what I feel is that the report which we will be reviewing tomorrow is a good template for the way forward. But as I did say, it is going to be a decision for Tynwald Court as to the way forward.  
45

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

50

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

Can the Treasury Minister advise whether there has been policy to reduce the Manx supplement from 50% in recent years?

**The Speaker:** Treasury Minister.

55

**The Minister:** The current pension supplement I think is 48.6% of the actual main pension. That and all the other considerations for the pension scheme, the benefits scheme, the whole lot in the round are the subject of the Ci65 report, and that is a major decision for Hon. Members going forward.

What we need to do is to arrive at a position where we have, Mr Speaker, a system which is sustainable not only for this generation, but the generations that are following us. We need to give them certainty that what we are doing now will be available for them. What we do not want to leave is a scorched earth.  
60

65

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

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

70 Would the Treasury Minister clarify whether we can just opt out of the state pension side of things and retain reciprocity on the other things that we already have; or is it that we have got to do it on a global basis? It is not very clear what we are able to do. Is it a mix and match? Can we choose which areas we opt out of?

**The Speaker:** Mr Teare.

75 **The Minister:** This will be subject to negotiation. We do have a certain amount of flexibility, and that has been proved so far, because we have a different National Health Insurance rate of contributions than the UK. We have a lower earnings limit and a lower upper earnings limit on NI contributions as well.

80 So we have had a bit of flexibility to date, Mr Speaker. It depends, really, on what Tynwald as a whole decides is the way forward. Once we have an idea of what Tynwald would like to do going forward, then we would discuss it with the UK, to see whether that can be done within the Reciprocal Agreement or not.

**The Speaker:** Mr Houghton.

85

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

90 A similar clarifying question, if I may, as the Member for South Douglas has asked in this particular case: stepping aside from policy, which is yet to be discussed in depth in the report at a future Tynwald sitting, in respect of the reciprocal arrangements with the United Kingdom, what negotiations have to be done with them – what arrangements have to be done with them – with the case of similar contributions arrangements between Manx workers working in the UK and returning to the Isle of Man? And likewise in the opposite direction, what are the arrangements and what complications are there in respect of that machinery of this particular change in arrangements that may happen?

95

**The Speaker:** Treasury Minister.

100 **The Minister:** It is very difficult to say what the complications would be, until Tynwald decided what the proposals are. So with respect to the Hon. Member, who is quite rightly seeking clarification, this is very much a chicken-and-egg situation. So at the moment, we are in the evolution stage considering developments, but there will be negotiations, I am sure, required with the UK on the future of the Reciprocal Agreement, but at the moment, that is hypothetical.

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

110 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh consider that, with the question from the Member for West Douglas about the pension premium and drop in the percentage, a far more sensible way would be that we allow for the fact that 18% or 19% of all pensioners are on over £40,000 a year, maybe the answers that we should be looking at are in that?

Would the Shirveishagh also assure this House that we will not just follow the UK blindly, if it is not based on sound financial reasoning, as far as the new proposals for pensions, allowing for the fact that we are actually wanting people to have to work longer, so the rationale of cutting the years for the contribution for a pension seems rather bizarre?

115 Would the Shirveishagh consider the fact that our past, when we made the decision, before I was a Member of this House, not to follow the UK when they decided to hike the money out of the National Insurance Fund in the United Kingdom into general taxation... that the policy has been there that we have to... where we did not take the UK... and we have gone down the right road on that issue, which has served well the people, so we have seen a unilateral way forward?

120 **The Speaker:** Hon. Member, I am not going to have such long supplementary questions this morning. We have a large Order Paper to get through.  
Mr Teare.

125 **The Minister:** Thank you, sir. He is certainly getting his money's worth this morning from me! Turning to means testing the supplement, that is something that can be considered and we look forward to his contribution to the consultation exercise which will follow the publication of the Ci65 report.

He said that we should not blindly follow the UK, and I think there he is entirely correct. We have to design something which is suitable for the Isle of Man, for its economy, and more importantly for its population – something which will be sustainable going forward.

130 He did mention the qualifying period for a full NHI pension. The UK has reduced it to 30 years, and I do, I must admit, have difficulties with the concept of that, but this is something else we will be discussing.

135 I am pleased that we have a separate National Health Insurance Fund, and part of this exercise is designed to maintain the sustainability of that National Health Insurance Fund so that we can give confidence to future generations.

### 1.2. Treasury policy setting – Minister's powers

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

*What powers he has to implement new policy?*

**The Speaker:** Question 2. Hon. Member for Douglas North, Mr Houghton.

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

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

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

Treasury's own policy setting is informed predominantly by the Treasury Act 1985, in particular section 3. Approval for any new policies is ordinarily sought from the Council of Ministers and in the Branches of Tynwald as required. Where the implementation of a new policy or a change to an existing policy necessarily requires the exercise of statutory powers, and if the powers under the existing legislation, such as the Treasury Act 1985 or the Financial Provisions and Currency Act 2001, are inadequate, legislative change would be required.

150 The Treasury may also influence policy in cases where it is a legislative requirement that its consent be obtained for the exercise of the particular power. Implementation of any policy which has been subject to necessary approval by the legislature would ordinarily fall to civil servants to do as instructed by the relevant Minister, as set out in section 1(4) and (5) of the Civil Service Code 1990, further informed by part 4 of the Government Code of June 2011.

155 Thank you, Mr Speaker.

**The Speaker:** Mr Houghton, supplementary.

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

165 Can I ask the Minister, when he instructs his officers in respect of following a policy, especially a new policy, how does he monitor it; what does he do when no notice is taken of him about the formulation of that policy; and if nothing is done at all over many years, what action does he then take? Does he take action to make sure it is done, or does he simply disregard it?

**The Speaker:** Treasury Minister.

170 **The Minister:** I do not simply disregard it, but there are many demands upon our time, both my time, as the Treasury Minister – or the current Treasury Minister – and the civil servants who work within the Department.

175 The Civil Service Code provides that Ministers have a duty to give fair consideration and due weight to informed and impartial advice from civil servants, as well as to other considerations and advice in reaching policy decisions. I do monitor progress of various facets of the workstreams within Treasury, but what I have to do is take advice from my colleagues in Treasury. If they feel that a particular system or policy, or indeed legislation, is unworkable, that does present a further impediment and it means it takes longer for us to resolve the issue.

180 **The Speaker:** Mr Houghton.

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

185 A final supplementary question in this particular area: if he does find, or he is advised by the officers in his Department, that certain policies that are impinging on what he wishes to do are unworkable, what does he do about it? Does he make them search and find a way forward, or does he let the matter lapse?

**The Speaker:** Minister.

190 **The Minister:** No, I do challenge them. The first question I ask is why: why can't it be done? Because this is something that we want to be achieved, something that we want to be done. Then, once you have fleshed out what the issues are – what the roadblocks are, really, in a way – then you need to decide how to overcome that. In some cases, it is quite straightforward; in other cases, it demands a change to primary legislation. In that case, it then has to be slotted into the Government's order of priorities for the Government's legislation programme. Inevitably, what I might deem as a priority may not be deemed as a priority by my colleagues –

**Mr Quayle:** By Mr Houghton.

200 **The Minister:** – so then there has to be overall prioritisation for the Government's legislative programme. That is how it all works in practice.

**The Speaker:** Mr Karran.

205 **Mr Karran:** Vainstyr Loayreyder, could the Shirveishagh clarify the point that obviously parliament has primacy as far as primary legislation is concerned?

210 Can the Minister inform this House, is he going to make a statement as far as the blockage as far as this piece of legislation is concerned within the House, or within Tynwald Court; and how does he clarify the fact of the reality that somehow he is blaming his political colleagues for not making a decision on this situation, when everybody knows that he makes the decision and the rest have to follow tow as Members of his Department?

**The Speaker:** Minister.

**The Minister:** I do not see it that the rest have to follow tow. (*Interjection by Mr Karran*) It is  
215 a democratic process within Treasury. All Treasury Members have an opportunity to participate  
and I welcome that participation because I do recognise that I do not have a monopoly on being  
right.

As far as the legislative programme is concerned, we discuss the legislative programme. The  
legislative programme has – according to my memory, and I apologise if I am wrong – been  
220 published, and it does set out those areas that the Government will be moving forward on.

What we have to recognise is that legislative drafters are not easy to obtain and we do have a  
resource issue, so it is like other areas of operation: we have to tailor the demands to the  
resource available.

### **1.3. UK Counsel and QCs engaged by Attorney General's Chambers – Envisaged scope and structure of review**

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

*If he will make a statement about the scope and structure of the review envisaged of how and  
under what circumstances UK Counsel and QCs are engaged by the Attorney General's  
Chambers?*

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

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

230 **The Speaker:** Minister for the Treasury, Mr Teare.

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

On 3rd October, I wrote to the Members of Tynwald Court to advise them of the cost of the  
Douglas East by-election, and in that letter I stated:

*'I do, however, believe that the matter of how and under what circumstances UK Counsel or QCs are appointed would benefit  
from a general review.'*

235 I have not therefore made any commitment to undertake a review, and I feel that my  
statement might have been misunderstood. However, since the time of my letter I am pleased  
to say that the Acting Attorney General has already taken action to clarify the circumstances in  
which Chambers engages UK Counsel.

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

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

Would the Treasury Minister agree with me that it would be unfortunate if this review of the  
use of off-Island Counsel and QCs was merged in the public mind with the review of legal aid,  
245 because they are two completely separate issues?

**The Speaker:** Minister.

250 **The Minister:** The hon. gentleman who has just resumed his seat is quite correct: it is entirely  
separate from the review of legal aid.

This is not a review which is conducted by us; this is a matter for the Attorney General's Chambers, and I am pleased to say that the Acting Attorney General has taken action.

**1.4. Dependability Ltd assessments of those on disability benefits –  
Terms of appointment**

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

*Whether Dependability Ltd has been appointed to provide assessments of those on disability benefits in place of Atos and whether the terms of the appointment are broadly the same as before?*

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

255

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

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

260

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

I would just like to be clear at the outset that Dependability Ltd will be conducting assessments of certain persons in receipt of *incapacity benefits* not, as stated in the Question, *disability* benefits. So it is *incapacity* benefits, *not* disability benefits.

265

The terms of Dependability Ltd's appointment are broadly similar to those set out by the former Department of Social Care, when they engaged the services of Atos Healthcare. Dependability Ltd will carry out the same functions as Atos Healthcare and will be paid on a fixed rate, per assessment basis.

Thank you, Mr Speaker.

270

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

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

275

I thank the Treasury Minister for clarifying that is just incapacity benefit that is being looked at. So could he clarify what the broad terms are, that were for Atos and are now for Dependability?

**The Speaker:** Treasury Minister.

280

**The Minister:** The broad terms are in effect, the person has been signed off by their GP as being incapable for medical reasons of undertaking their existing job, or job role, function. So the Dependability review will actually consider whether they would be capable of undertaking some other form of work.

285

So it is actually a different way of looking at it: we are saying, 'Okay, you do have an issue on health grounds from performing your current role, from performing your current duties, but are there other areas that you could undertake with appropriate training?'

So, it is an attempt to be helpful to people and to encourage them to get back into the workplace.

290

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

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

Can I ask the Treasury Minister, what sort of packages would be available to assist those persons who are assessed, maybe, to take up another career?

295

**The Speaker:** Minister.

**The Minister:** We have been working with the Department of Economic Development, and so far the services which have been provided have been very helpful to get those who have been off work for some time back into the workplace. As the Director of Public Health has stated, it is much better for people to be engaged in the workplace for the benefit of their own long-term health, than actually being on sickness benefit or disability.... or *incapacity benefit* as it is called now.

300

### 1.5. Dependability Ltd general medical assessments – Criteria used

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

*What the criteria are for a general medical assessment to be carried out by Dependability Ltd; and whether these criteria are broadly the same as that used by Atos?*

**The Speaker:** Question 5, Mrs Beecroft.

305

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

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

310

**The Minister for the Treasury (Mr Teare):** Dependability Ltd have been contracted by Social Security to provide personal capability assessments for incapacity benefits. The personal capability assessment is prescribed in Social Security regulations. It examines what work, if *any*, a person could perform, and is part of the process of determining whether a person is entitled to incapacity benefit. It is not, as the Hon. Member for Douglas South has alluded to, a 'general medical assessment'.

315

Dependability Ltd's function, as was Atos Healthcare's, is to assess to what extent claimants are able to perform certain activities, and to provide a report to the Social Security adjudication officer who will then decide whether that person has limited capacity for work, and should continue to be paid incapacity benefits.

320

Thank you, Mr Speaker.

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

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

325

Could the Treasury Minister confirm then, that there is no reference to a general medical assessment, and the criteria thereof, in the contract?

**The Speaker:** Mr Teare.

330

**The Minister:** It is actually, as I said before, what people are *able* to do, what their physical circumstances would permit them to do. So in some respects you could say that that is the

335 general medical assessment; but it is an assessment as to what work areas you might be able to perform. It might be, as I said before, that entails further training and investment in that individual, but I think that is a good investment.

**The Speaker:** Mrs Beecroft.

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

A 'yes or no' answer would actually suffice on this one. Is the terminology a general medical assessment in the final contract, or not?

**The Speaker:** Minister.

345 **The Minister:** To be quite candid with the Hon. Member, I cannot recall at this moment – it has been some time since I have read the contract.

**Mrs Beecroft:** Sorry, Mr Speaker –

350 **The Speaker:** Final supplementary, Mrs Beecroft.

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

If the Treasury Minister does not have that information to hand, could I ask him to circulate it to all Members, please?

355

**The Minister:** I will certainly have a look at the contract again, sir.

**The Speaker:** Question 6 –

360 **Mrs Beecroft:** Mr Speaker, sorry I –

**Mr Karran:** Mr Speaker, it is a civil question. This is the House of Keys, the parliament –

365 **The Speaker:** Hon. Member, please do not dispute the Chair. I ask that you do *not* argue with the Chair.

Mrs Beecroft, did you have a further supplementary?

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

Could I again ask the Treasury Minister to circulate it once he has had a *look* at the contract?

370

**The Speaker:** I think the Minister answered that –

**Mrs Beecroft:** No, he has said he would look at the contract; he did not refer to circulating –

375 **The Speaker:** Minister, can I invite you to respond to the *repeated* supplementary question?

**The Minister:** Yes I will, as I said before, certainly have a look at it and see what the contract covers, but I cannot give a guarantee that it will be done in the next day or so because of the other pressures we have at the moment. But yes, I will certainly do it. (*Interjection by Karran*)

380

**1.6. GPs' assessments of those on disability benefits –  
Why considered insufficient**

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

*Why GPs' assessments of those on disability benefits are not considered to be sufficient for establishing entitlement?*

**The Speaker:** Question 6. Mrs Beecroft.

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

385

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

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

In answering I have assumed that the Hon. Member for Douglas South's reference to 'disability benefits' should in fact be to incapacity benefits.

It is most commonly the case that for the first 28 weeks of incapacity, a medical certificate issued by a general practitioner is considered sufficient evidence of a person's incapacity for work for Social Security benefit purposes. During this period it is a person's ability to perform their usual occupation which is assessed, usually by their GP, and it is referred to in Social Security legislation as the 'own occupation test'.

However, after 28 weeks of incapacity, it is the person's ability to perform *any* work which must be assessed. This is referred to in Social Security legislation as the 'personal capability assessment' or PCA for short. Under the PCA, the focus is on what people *can* do, not what they cannot.

A PCA usually takes around 45 minutes, whereas the GP typically only has 10 minutes available in which to examine their patient, diagnose their condition, and to determine what treatment should be provided. During a six-month pilot scheme – the PCA conducted by the Department of Social Care – one-third of all claimants called for assessment who had been signed off sick by their GP, stopped claiming incapacity benefit of their own accord. A further third of claimants called for assessment were found to be capable of work following assessment.

GPs will provide the PCA process, as they are asked to provide information to Social Security about their patient's condition which, together with other information, is taken into consideration when an adjudication officer determines whether that person is capable of work.

Thank you, sir.

410

**The Speaker:** Mrs Beecroft.

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

Given that the Treasury Minister has confirmed that GPs are actually asked for the information about their patients, with regard to the PCA, wouldn't it make more sense to ask the GPs to do the assessment of what their patients are capable of, given that the GPs actually have the detailed knowledge of that person, rather than a company coming over from the UK and going in cold as it were?

**The Speaker:** Mr Teare.

**The Minister:** I think we have to recognise that the GPs are under considerable pressure at times from their patients (**Two Members:** Hear, hear.) and we need to, at times, have an outside

425 person looking in. And I think that is true to life in general, really. Occasionally when we have somebody else looking in, it brings a completely new perspective to it.

If I could just bring this down to a personal level: my mother who passed away a few years ago, her GP at the time was excellent, first-class, but he thought that she had appendicitis. Now, her GP was off for whatever reason and she was seen by a locum, and the locum diagnosed stomach cancer. If that locum had not been there, then she would have died much earlier, 20 years earlier.

**The Speaker:** Mrs Beecroft.

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

435 I am just not quite sure actually where we are up to with that, because I do not think a locum is exactly the same thing – as much as I sympathise with Mr Teare and the predicament that his mother was in.

I still come back to the point, would it not be better to even maybe consider asking another GP to perform the second opinion, if it is felt that maybe somebody is on incapacity benefit for too long?. I still cannot see the rationale for bringing in somebody from the UK, when it could be done with a bit of thought and a bit of time, an alternative plan for keeping it on Island?

**The Speaker:** Minister.

445 **The Minister:** What we need, really, is a consistent appraisal, and at least working with Dependability, we feel that we will get a consistent appraisal.

The various ways of conducting an appraisal have been reviewed, but we think that this is the best way forward. We feel that it would bring benefits to the patients as well. As I did say in answer to earlier supplementary question, it is not what they are incapable of, it is what they are capable of, because the general practitioner is, in effect, the gateway to medical services and he should not be regarded as a gateway to social security.

**The Speaker:** Mr Quirk.

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

Can I ask the Treasury Minister regarding the appeals procedure – and if he has not got the information could he circulate it to Members – is the current appeals procedure from the DHSS the same or will this be an adapted procedure?

460 **The Minister:** I do appreciate the question put down by the hon. gentleman, who has just resumed his seat. Yes, there is an appeals procedure. If the patient is dissatisfied with the original decision then they can ask for another officer to review the file in the Department, and that has to be normally sought within one month of the original decision.

If the adjudication is not as they would wish it to be, then it can go to a separate committee, which stands outside Government. Here again, the patient has to ask for that review within one month.

**The Speaker:** Mr Karran.

470 **Mr Karran:** Vainstyr Loayreyder, can the Shirveishagh explain to the House if there is an assessment where they have a condition, severely disabled or whatever, and they go through periods of remission?

Can the Shirveishagh also explain that if GPs are responsible for your medical care, then what assurances can he give us that the situation we are seeing here is led by finance and not by medical, as far as the patient is concerned? Allowing for the fact where I had a disgusting case

recently – not one of my constituents, but another person’s constituent – where the situation was that the GP was totally ignored, as far as the individual is concerned, and I am considering actually putting down a motion for a public inquiry into that case.

480 **The Speaker:** Minister.

**The Minister:** The Hon. Member has asked a very pertinent question. No, it is not to do with actual finance, although the financial strain is quite heavy.

485 If I could just go back to the press release which was issued by the Chief Minister in August this year, and quote the words of the Director of Public Health, Dr Kishore:

‘There is a body of research which suggests that people are better off in work than out of work, not only financially but in terms of their health and wellbeing, their self-esteem and the future prospects for themselves and their families. Scientific evidence demonstrates that when their health condition permits, returning sick and disabled people to work helps to promote recovery and their rehabilitation.’

**The Speaker:** Mrs Beecroft.

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

490 Just referring to the appeals process and the reply that the Minister gave to a previous question regarding that, could he confirm that with the appeals process you actually cannot appeal the decision? It is only the procedure, the actual process, if you feel that something has been done incorrectly, but you cannot appeal a decision. Is my understanding correct?

**The Speaker:** Minister.

495

**The Minister:** Yes, it is.

**Mrs Beecroft:** There is no appeal then, is there?

500 **The Speaker:** A final supplementary, Mr Thomas.

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

505 The Treasury slightly widened the scope of the original question by talking about Dr Kishore’s statement. Can the Minister advise what procedures are in place, *after* a decision has been made about entitlements, to monitor the continuing health and well-being of the person in question?

**The Speaker:** Minister.

510 **The Minister:** The continuing health and wellbeing will be a matter for their general practitioner.

As I did say, the general practitioner is the doorway, the access point to many services.

### 1.7. Use of reserves – Rebalancing revenue budget

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

*Whether £406 million has been used from reserves since 2009; and how the revenue budget will rebalance given the £137 million of reserves used last year?*

**The Speaker:** Question 7, Hon. Member for Michael, Mr Cannan.

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

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

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

I can confirm that the amounts drawn from reserves in the five years to the end of March 2014, as mentioned in the Hon. Member's Question, are consistent with my Answer to his Written Question in another place just a few weeks ago.

The component parts of rebalancing are as follows.

525 Firstly, we must be in a position where we are not reliant upon the Reserve Fund, and so I feel that in 2015-16 our target objective must be to use investment income only if necessary and not to draw down any of the reserves capital balance.

Secondly, until such time as the Unified Pension Scheme for public sector employees reaches equilibrium, in terms of there being no shortfall between members' contributions received and pension benefits paid out, the Public Service Employees Pension Reserve (PSEPR) will continue to be used to meet the shortfall, which is likely to be in the region of £27 million for 2015-16.

530 Thirdly, use of the reserve fund to top up the Capital Fund will not be necessary in 2015-16. Hon. Members may recall that during 2013-14, the previous external loans taken out by the Manx Electricity Authority were replaced with advances from the internal Consolidated Loans Fund, replacing the more expensive external borrowing with internal loans. The transfers from the Housing Reserve Fund and Land Acquisition Reserve made during 2013-14 for specific purposes will not be repeated in 2015-16.

540 Furthermore, the reintroduction of loan interest charges in 2015-16, through which Departments contribute towards the cost of capital investment, will help to rebuild the capital account and put it on a more sustainable future.

Fourthly, with respect to the other internal funds, which we have used in previous years to provide revenue funding for one-off or contingency projects, Treasury has sought to bring more routine expenditure into the revenue budget as available resources allow. The internal funds are depleting and cannot be relied upon to sustain revenue expenditure beyond the short term.

545 Hon. Members, in summary, and without prejudicing any fiscal plans which I may propose in next year's Budget, I can say that we will achieve a balanced budget in 2015-16 without recourse to the Reserve Fund, although Government will need to draw an element of funding from the PSEPR for pension costs for some time yet.

Thank you, Mr Speaker.

550

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

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

555 I do want to thank the Treasury Minister for his absolute transparency on this issue, because we are not going to get to the bottom of solving the problems unless we do get absolute transparency. So on that basis, can I ask him two very clear questions?

My first supplementary: what is the total he expects to use from *all* reserves this financial year or estimated total, excluding the National Insurance Fund? How much is available in reserves for supplementary use to help rebalancing?

560

**The Speaker:** Minister.

**The Minister:** The total is £137 million, but within that there is £16 million, which has been transferred. As I said in the main part, the Housing Reserve Fund was moved into the Capital Fund and the Land Acquisition Fund.

**Mr Cannan:** This year?

**The Minister:** This year, yes.  
So actually excluding that, that brings it down to £111 million.

**The Speaker:** Mr Cannan.

**Mr Cannan:** Thank you very much, Mr Speaker.  
I have asked the Treasury Minister what he expects to use this financial year, the financial year that we are currently in and not the last financial year. *This* financial year, how much from reserves?

And excluding the National Insurance Fund, Mr Speaker, how much is actually left in reserves?

**The Speaker:** Minister.

**The Minister:** Sorry, I beg the hon. gentleman's pardon. I misunderstood the question and I apologise for that.

Actually for the current year it is projected that we will need to move £65 million from the reserves into general funds. From that, there is a total of £11 million, which is to support our revenue expenditure for the current year. So the rest, which I think was £49 million, has been spent otherwise.

**The Speaker:** Mr Cannan.

**Mr Cannan:** Thank you very much, Mr Speaker, but I will ask again.  
Excluding the National Insurance Fund, how much is available in reserves?

**The Minister:** The reserves are currently in the region of £1.5 billion, but we need to remember that the National Health Insurance Fund is £650 million of that. So it is about £850 million in reserves.

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

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

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

I thank the Treasury Minister for his transparency and his openness with the figures today.  
Does the Treasury Minister have an estimate of how much has been lost this year through using investment income from the funds for revenue? How much has been saved by not charging interest on the borrowed money in the *[Inaudible]* accounts? And also... no, that is sufficient.

**The Speaker:** Treasury Minister.

**The Minister:** These figures are readily available in the Isle of Man Government Pink Book. The figures are there. It is crystal clear, it is transparent.

615 What I would say is that it is not sustainable in the long term that we use our reserve funds in effect to support our revenue expenditure. **(Mr Thomas:** Hear, hear.) This will be dealt with by the fiscal strategy which I hope to bring forward to another place in February.

**The Speaker:** Mr Cannan.

620 **Mr Cannan:** Thank you very much, Mr Speaker.

Will the Treasury Minister accept that the transfer of charges to the population and the current strategy that appears to be followed is not actually solving the problems?

625 What are needed in his fiscal strategy are big picture solutions that will include significant cuts, probably of around £30 million, sorting out the public sector pension issue, which he has already mentioned, and possibly having to raise additional revenue from income tax.

**The Speaker:** Minister.

630 **The Minister:** The hon. gentleman who has just resumed his seat has always been quite clear in his way forward in dealing with this problem. He was wanting – and he said it in the Budget speech this year – a fairly aggressive approach to rebalancing.

635 It was Government policy, and I concede that we do not always agree, that we should not have slash and burn. **(Mr Cretney:** Hear, hear.) It should be a consistent approach, because what we did not want to do was to impact upon confidence in the economy and economic activity would then be depressed and that would affect our revenue. So it is very much a trade-off in a way.

But in general, I do agree with the hon. gentleman's comments.

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

640

**Mr Karran:** Eaghtyrane, would the Shirveishagh explain to this House: here we are three years in, and there is no real strategic policy as far as taxation is concerned? We have a situation where the only people who do not pay tax are the rich.

645 When are we going to see real taxation policies on the real issues instead of these Mickey Mouse policies, like parking charges and things like this, in order to address how we are going to create the sustainability as far as the reserves and Government services are concerned?

**The Speaker:** Minister.

650 **The Minister:** Well, the first part of trying to reach a point of sustainability or equilibrium in respect of our reserves, he will have an opportunity to review that tomorrow when the Ci65 report is published.

655 But I am somewhat perplexed by the Hon. Member's comments that we do not have any strategic tax policy. If my memory serves me correct, I did bring a Tax Strategy policy to another place, earlier this year.

**Mr Karran:** And it's not working.

### 1.8. Louis Group – Recent action by Treasury

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

*What recent action the Treasury has taken over the Louis Group affair?*

**The Speaker:** Question 8, Hon. Member for Onchan, Mr Karran.

660

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

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

665

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

As stated in June 2013, once the final report of the liquidators has been presented to the High Court, we will be able to consider what further action is necessary on the part of the Treasury or the Financial Supervision Commission.

I understand that the FSC has received a report under section 7 of the Company Officers (Disqualification) Act 2009 from the liquidators, and that the FSC is currently determining what action, if any, may be taken.

670

Thank you, sir.

**The Speaker:** Mr Karran.

675

**Mr Karran:** Allowing for the fact that the PWC report came out in 2012, the problem was made clear in 2010 that the Louis Group structure fund, the forensic report showed that the joint inspectors' report... there were never any proper audits done as far as this company is concerned from its arrival in 2002, why has it taken so long for the FSC – when I get complaints about other bodies having to be harassed by them, that somehow this has been allowed to go on for years without any audit?

680

**The Speaker:** Minister.

685

**The Minister:** There is an interesting contradiction in the Hon. Member's comments and the comments of his party here, because on the one side his chairperson of the party is saying that we must follow due process and form. This is exactly what the FSC is doing now: it is following due process and due form.

690

**The Speaker:** Mr Cannan.

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

Does the Treasury Minister agree with me that this whole issue now is starting to drag out; and that particularly when we have a liquidator's final report published that states, on page 6, that they have uncovered evidence of widespread conflicts of interest; hidden fees and commission; new investor capital being used to service interest; substantial payments to Alan Louis and/or his companies, running into millions of pounds; highly questionable transactions; a prolonged apparent deception; highly questionable retrospective documentation – when we have this type of report out in the public environment, there should be unequivocal action and that action should be immediate and quick and most of all, we should have people facing questions on this Island?

695

700

**The Speaker:** Minister.

705

**The Minister:** Yes, I can understand the Hon. Member's comments and concerns, which we all share. (**A Member:** Of course.) This is, in effect – the politest thing I can say is – 'highly unsatisfactory'.

710 I did point out in the response to an earlier supplementary question that the FSC has received a section 7 report, under the terms of the legislation, and then it is within the remit of the FSC to deal with that and to take action forward.

The report is quite clear. My hon. colleague is quite correct in his reading of the report. It is then up to the FSC to take legal advice and to determine the way forward. But the matter in terms of legislation rests with the FSC.

715 **The Speaker:** The Hon. Member for Douglas South, Mrs Beecroft.

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

720 Before my supplementary, could I just ask for a point of clarification? When the Treasury Minister refers to the 'chairperson' of Liberal Vannin is he actually mistakenly referring to me, because I am the leader, or is he indeed referring to Mr Redmayne who is the chairperson?

But going back to my supplementary –

725 **The Speaker:** Well, it is not a question for me. (*Interjection by Mr Karran*) I am sure the Minister will make comment on that when he replies.

**Mrs Beecroft:** Yes, of course.

730 But my supplementary question is about the FSC: what are they doing to protect Manx retail investors? They invest in these things to try and boost their income. What action are they taking to try and protect the Manx retail investors here?

**The Speaker:** Minister.

735 **The Minister:** What action is the FSC taking? The FSC in general puts a regulatory framework in place to protect investors or to try to protect investors. You will never, ever guarantee 100% protection, in any financial transaction. You will never guarantee that. There is always an element of risk and it is up to the investors to decide what element of risk or what level of risk is acceptable to them and what they feel comfortable with.

740 But before I sit down, I would like to apologise to the Hon. Member for getting her title wrong. I do appreciate that she is a big wig in the party, anyway. (*Laughter*)

**Mrs Beecroft:** Dear me!

**Mr Karran:** I know, it is pathetic.

745 **The Speaker:** Mr Karran.

**Mr Karran:** Could the Shirveishagh explain why he says he shares our concern about this whole affair, allowing for the fact that we have a situation where something like £25 million worth of people's money has gone missing as far as the Isle of Man is concerned?

750 Allowing for the fact that there are 10 years of not properly audited accounts as far as this financial product is concerned, why is Mr Louis not being arrested, assets being seized, allowing for the fact that (**The Speaker:** Order! Order!) if it was a pensioner who was shoplifting they would be done?

755 **The Speaker:** Order! Order!  
I cannot permit remarks like that to be made.

**Mr Shimmin:** But he knows that. That is why he has said it already.

760 **The Speaker:** I call the next Member, Mr Cannan.

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

765 Accepting what the Treasury Minister says about levels of risk and what he says about the fact that we cannot have our eyes... or the implication is that we cannot have our eyes on absolutely everything, nevertheless will he agree with me that it is important for the reputation and allegation made directly from the liquidators, that we have a fast and quick and speedy response from our regulators so that people's minds can be put at rest that we are transparent, that this is a well regulated jurisdiction and that we will hold people accountable if there has  
770 been any type of fraudulent or other type of irregular activity?

**The Speaker:** Minister to reply.

775 **The Minister:** I think for the hon. gentleman who has just resumed his seat, his question can be paraphrased that nobody is above the law, and I would certainly agree with that.

**The Speaker:** The Hon. Member Mrs Beecroft.

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

780 Acknowledging that the Treasury Minister said the FSC would try to regulate all the entities correctly, can he confirm whether he believes that they actually did their job properly in this instance or did they not try hard enough?

**The Speaker:** Minister to reply.

785 **The Minister:** I am impressed by the way that the FSC has actually handled this case. It was a difficult case for them and there was a multitude of companies – well over 20 companies involved – only, I think, one or two which were actually regulated by the FSC. So when they actually took enforcement action, and they did take action going back some years, when they actually put the liquidators in – you should remember it is the FSC who actually petitioned the court – and they took the first steps and in effect, through the liquidators, they have now uncovered this information.

790 So I feel that the FSC have acted entirely appropriately and I would like to thank them for that.

795 **The Speaker:** Hon. Members, the breach of order which I referred to in relation to the supplementary of Mr Karran is Standing Order 3.4.3(7) that:

'A Question shall not –  
... reflect on the character or conduct of any person, or make or imply a charge of a personal nature.'

800 So I hope that is clear, Hon. Members.

## POLICY AND REFORM

### 1.9. Bullying, harassment and victimisation at work – Timescale for prevention

The Hon. Member for Onchan (Mr Karran) to ask the Minister for Policy and Reform:

*What the target timescale is to prevent bullying, harassment and victimisation at work, by arranging for Government staff to be able to complain on these issues?*

**The Speaker:** Turning to Question 9, Hon. Member for Onchan.

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

805 **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.

810 The Isle of Man Government has an existing Policy on the Prevention of Bullying, Harassment and Victimisation, which has been in place since July 2006, when it was endorsed by the then Council of Ministers. The policy has been reviewed twice since. Following the second consultation on the policy in 2012, a new document entitled 'Fairness at Work Policy and Guidance' was drafted to replace the current policy and this was endorsed by the Council of Ministers on 29th May 2014.

815 New policy and guidance has been drawn up by a working group made up of representatives from the trade unions, staff welfare and the Office of Human Resources. The new document seeks to provide a balanced approach to handling conflict and unacceptable behaviours in the workplace, with a greater emphasis on early intervention.

820 Additional contact officers to support the new policy were recruited during August and September and the Office of Human Resources is collaborating with the unions and Departments, Boards and Offices and is currently arranging training for the new contact officers. Awareness sessions for all Government staff and training for managers will be rolled out before the end of the year. It is intended that the new policy will go live on 1st January 2015.

Thank you, Mr Speaker.

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

**Mr Karran:** Thanking the Shirveishagh that it will be coming live on 1st January and also where praise should be given, we should give it. I believe this policy is actually a vast improvement on what we have got.

830 Would the Shirveishagh consider – allowing for the fact that one of the complaints of many who have been bullied have is the fact that it is other members of staff who are friendly with the people who are doing the bullying and management – would he consider maybe having a private firm do it from outside Government as far as this issue is concerned, because there is a great fear, and an increasing problem, as far as bullying and harassment at the present time?

835

**The Speaker:** Minister.

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

840 I think the hon. questioner is at a slight disadvantage because I am not sure he has actually seen the new policy yet, so I think it is important for me to circulate these new proposals to him and all Members within the next day or two. Then at that stage I would welcome further feedback on the guidance.

845 One of the things that the new policy endeavours to achieve is to deal a lot more closely with the concept of early intervention and the role of the Contact Officers. And when he gets the Fairness at Work Policy Guidance document I would draw his attention to appendix E of that document where it says specifically:

*'Contact Officers provide independent support and information to Isle of Man Government staff who believe they are experiencing discrimination, bullying and/or harassment or who are accused of discrimination, bullying and/or harassment.'*

But then it goes on to say:

‘The same Contact Officer will not be assigned to both the complainant and the respondent.’

850

which I think is important. And there should be no issue of impartiality with regard to the Contact Officers as they provide a signposting service so that individuals can explore their options better. They are not involved in investigations nor do they sit in on the meetings with individuals.’

855

So as Minister for Policy and Reform and as the Chair of the Civil Service Commission I have a particular and close interest in the development of this policy.

Thank you, Mr Speaker.

**The Speaker:** Mr Karran.

860

**Mr Karran:** Thanking the Shirveishagh for his reply, but as he knows, this Government leaks like a sieve, and the fact is that some of us have already been talking from the union side over the new policy. Will he just take on board the fact that maybe it is not far enough away, allowing for the fact that one of the concerns that people have is intimidation, that once they do make a complaint it actually increases the bullying as far as that is concerned and we need to take action?

865

Will he also take note of the situation as far as the fact that the pressures that are on with management with budget cuts, the pressure as far as bullying is an issue that is becoming a growing factor and maybe there should be some way of trying to get a way forward to reassure people that management has no excuse to bully staff because of the pressures as far as finance is concerned?

870

**The Speaker:** Minister to reply.

875

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

I think the fact that it has been found necessary to review the policies so significantly, so often since 2006, rather honestly indicates that we are not in the right place yet. (**Mr Karran:** Hear, hear.) What I would ask him to do is allow these new proposals to take action and to come into being from 1st January and let’s keep it under review to see how it is working.

880

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

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

885

Would the Minister comment on whether the advice and guidance given to staff also covers that where the bullying or intimidation is taken by a Member of Tynwald, maybe a former Minister or Member when acting in their political role, but actually can be a cause of significant problems both to management and staff within Departments? Will that advice be covered?

**The Speaker:** Minister.

890

**The Minister:** It is unfortunate and rather sad that actually this sort of event takes place at all. The new policy has a much broader scope than the previous Prevention of Bullying, Harassment and Victimisation Policy and covers everyone, including everyone involved in activities directly under the control of the Isle of Man Government on or off Government premises. This includes public sector staff on whatever terms and conditions they are employed, students, contractors, visitors, volunteers, politicians and the users of facilities or services.

895

Specifically to answer the Hon. Member for West Douglas’s point in the terms of politicians, the policy directly covers Tynwald Members, when acting in their capacity as a Minister or a

900 Member. In other circumstances the conduct of politicians is covered by the Tynwald Standards and Members' Interests Committee and the House of Keys Management and Members' Standards Committee, of which I think Mr Speaker is Chairman of both, I believe.

Thank you, Mr Speaker.

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

905

**Mr Karran:** The Minister would agree that we would *all* agree with the Member for West Douglas as far as the issue of politicians bullying people, and I hope it is not a reflection as far as this Hon. Member is concerned.

910 But could the Shirveishagh also not agree that the fact is that leaving it to January as far as your report is concerned... action needs to be taken now? I have to say, I have had several cases recently; I generally get one or two a year, and I have had several in the last month as far as the issue of bullying is concerned.

**The Speaker:** Minister.

915

**The Minister:** I agree with the Hon. Member that it would be nice to introduce it immediately. But we are in the process of training Contact Officers up and I think we have to go through the process rather than rush our fences. Let's all look forward to these new policies working.

920 Thank you, Mr Speaker.

**Standing Order 3.5.1(2) suspended  
to take remaining Questions for Oral Answer**

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

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

925 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.*

And I give an indication that if I lose, I want mine redirected for next week.

**The Speaker:** We will come to that, if that becomes necessary.

930 **Mr Cregeen:** I beg to second.

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

INFRASTRUCTURE

**1.10. Disc parking residents' permits, Douglas –  
Impact assessment of proposed charge**

The Hon. Member for Douglas East (Mrs Cannell) to ask the Minister for Infrastructure:

*What impact assessment he has carried out on plans to charge residents of Douglas £25 under the Disc Parking Residents' Permits Scheme?*

935 **The Speaker:** We turn to Question 10. Hon. Member for Douglas East, Mrs Cannell.

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

940 **The Speaker:** I call on the Minister for Infrastructure, Mr Gawne.

**The Minister for Infrastructure (Mr Gawne):** Gura mie eu, Loayreyder.

Before I answer the Hon. Member for Douglas East's Question, I would like to begin with an apology to Hon. Members and their constituents. I very much appreciate the incredible financial pressure many Manx people are currently facing and it was with deep regret that I announced last week a package of measures which will help my Department meet its budget but place more pressure on our people. Such decisions are not taken lightly and if there had been a way to avoid making these changes then I would have taken it.

Addressing the Question specifically, the parking permit charge is an integral part of a package of measures designed to impact as fairly as possible on all users of my Department's services. The charge is equivalent to the increase faced by a driver from out of town using one of our off street car parks once each week for a year. It is an eighth of the charge being levied on children who wish to travel on a bus to and from school. While clearly unwelcome for Douglas residents, it is by no means the charge with the biggest impact.

955 So the assessment undertaken by my Department was primarily about ensuring that the charges did not impact too greatly on one part of society over another.

I am pleased that the Hon. Member for Douglas West, Mr Thomas, will undertake a process of engaging with those people affected by the permit charge, and I know that he is keen to work with Hon. Members in doing this. As a representative of an area that includes a large number of disc zones, I know that he has a number of ideas as to how a charge may be implemented in combination with other measures which will benefit permit holders. Once Mr Thomas completes his work I will announce the final decision and will, of course, assess the impact of any proposed measure before a decision is made.

965 **The Speaker:** Mrs Cannell, supplementary.

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

Bearing in mind the Minister has said this morning that no impact assessment was considered and we accept his apology, he has said it is purely finance. Does he not agree with me then that the press release issued last week was premature, given that he has now asked a Member of his Department, Mr Thomas, to review it all before it is due for implementation next year? Is this not premature and should there not be an impact assessment done before any announcement of any charge is made?

975 **The Speaker:** Mr Gawne.

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

It would appear that I have not been as clear as I need to be. I have just described the impact assessment that we have done.

980

**Mrs Cannell:** No, you haven't.

**The Minister:** The impact is across the whole of the Island and the impact is as fair as possible across all users and all walks of society that use my Department's services. We have spent some considerable time ensuring that everyone takes a fair share of the pain that we have had to inflict by increasing these charges. So that is the impact assessment, and I think that is fair.

985

Again, I hate to disagree with the Hon. Member for Douglas East: I do not think it is premature and I think the phrase is, 'You're damned if you do and you're damned if you don't.' If we had not announced this at the time that we were announcing the full package, then Members from out of town would be saying, 'Well why are you only picking on people from out of town; why are you not picking on people in Douglas?' So I have tried to get a balance across all walks of life, all society, across the whole of the Isle of Man and this is part of the balance. That is why it had to be part of the announcement.

990

That said, I think that there are some excellent ideas already being generated by my good friend, the Hon. Member for Douglas West, Mr Thomas. I know, for example, that he has three public meetings arranged on 19th November at All Saints Church Hall, 26th November at South Douglas Old Friends Hall and on 3rd December at the Manx Legion Hall, at which he will be engaging with the public. I trust that he will also be engaging with all the Douglas Members as well, in trying to come forward with something which actually provides some benefit for permit holders, not just the charge.

995

1000

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

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

1005

Would the Hon. Minister agree with me that the reason why he has had to stand up this morning and offer an apology to Douglas residents and the people of the Island is simply because this Government and the Council of Ministers are really lacking a cohesive strategy to deal with the overall funding problems (**Mrs Cannell:** Hear, hear.) and that we cannot go on with this scattergun approach because that is what is causing the problems?

1010

People do not understand in which direction this Government is going and the constant passing of charges down to hard-pressed, hard-working families and individuals on this Island is not the way forward. We have to take a much bigger picture approach and put in place much firmer, much more cohesive and much clearer strategies.

1015

**The Speaker:** Mr Gawne.

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

I think the Hon. Member for Michael makes some very good and relevant points; however, my role is Minister for Infrastructure. I have inherited a budget which has been set for the Department. I was part of the Council of Ministers who set that budget, so I am not trying to run away from that particular issue, but I am trying, as best I can, to meet the budget that has been set for me.

1020

I am very pleased that two Members of my Department, who definitely voted against the budget, are behind me and are trying to deliver the very difficult budget that the Department has been set.

1025

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

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

1030 Did the Minister mention that the new resident parking charges were needed to cover enforcement costs in addition to the administration costs? Does he not think that, that being the case, we may actually be looking at paying residents, because enforcement currently appears to make somewhere in the region of £150,000 a year, going from a previous parliamentary Question?

1035 So can he also confirm and comment that there is no cost of resident parking zones when the enforcement income is included?

**The Speaker:** Minister to reply.

1040 **The Minister:** Gura mie eu, Loayreyder.

The enforcement income is not included in my Department's budget. I am responsible for delivering my budget, so that is absolutely clear.

I think it is also important to point to the Hon. Member, and indeed all Hon. Members, to the Douglas Town Centre Parking Study and Parking Policy Development Options document, which was produced last year, in which the document clearly says:

'Residence permits are also currently provided free of charge. We feel that that this is unsustainable and a charge [of £50 per year] to cover administration and enforcement should be introduced.'

So that is what independent experts are suggesting that we should be doing. (*Interjection by Mr Singer*)

1050

**The Speaker:** Hon. Member for Douglas South, Mr Cretney.

**Mr Cretney:** Yes, could I ask the Minister, does he think that his statement properly clarified, for residents who live outside of Douglas, that some of these charges may also apply to them?

1055

**The Speaker:** Minister.

**The Minister:** I felt so, yes.

1060 And certainly judging by my mailbag and inbox and social media, I think everybody in the Isle of Man is aware how much the changes are going to impact on them. So on that whole paying test, generally you can tell if you have got something right if everyone is disgruntled, and certainly everyone appears to be.

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

1065

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

Can the Minister explain what faith the public will have in the consultation with the Member for Douglas West, Mr Thomas, that their views will be listened to when the public consultation was contrary to the imposition of the charges that came out?

1070

**Mr Cretney:** Hear, hear.

**The Speaker:** Minister.

1075

**The Minister:** Gura mie eu.

Well, I trust the Hon. Member for Douglas West. I think he is a sound and a decent man. I also am aware that there were a range of different issues that came out in the Department consultation. Some, for example, strong suggestions that we should charge for on-street

1080 parking: I felt that that was an imposition that we would not be wishing to go for. I did not think it was right to be introducing on-street charging. So we have made the changes instead.

I have every confidence that the Hon. Member for Douglas West will do an excellent job. He has got some really good ideas and I am right behind him and we will – as long as we can come in within budget – be introducing innovative and good ideas, I hope.

1085 **The Speaker:** The Hon. Member, Mr Quirk.

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

Can I ask the Minister: the other Member for East Douglas is Mr Chris Robertshaw – what difficulties have both of you got together within the Council of Ministers, over this issue?

1090

**The Speaker:** Minister.

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

1095 I do not have any difficulties with the Hon. Member for Douglas East and indeed I have no difficulty whatsoever with any Member of this Hon. House representing their constituents. That is what we are actually voted in to do.

The Hon. Member clearly has a manifesto commitment that he has made in regard to this issue and he has every right to defend his constituents' position.

1100 **The Speaker:** Mrs Cannell.

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

1105 How can the Minister say that he felt outraged that a suggestion had been made that people ought to be charged a fee for parking, for on-street parking, and he thought that was crazy, when what he is doing is actually implementing that for everybody who lives in Douglas, particularly in the town? He is implementing just that. That they are going to be charged for parking in an area where they live.

Does he appreciate that they have no guarantee of a parking space in the area where they live because the amount of vehicles *vis-à-vis* parking space is not sufficient to meet demand?

1110 Does he further feel it is fair that if the people of Douglas who have to pay to park near their properties, for the privilege of living in Douglas, then also have to pay if they go to a car park to do an amount of shopping or to collect or to drop elderly relatives to do shopping? Does he not realise that the people of Douglas are being penalised not once, not twice, but three times, and does he think that is fair?

1115

**The Speaker:** Mr Gawne.

**The Minister:** Gura mie eu.

1120 I have said that the package of measures that I have introduced, in my view, is fair. And I have spent a lot of time working with my Members, three of whom are Members representing Douglas. So I am quite sure that they would have made clear, if they felt that we were being overly unfair on the Douglas residents.

1125 In relation to the parking permit, it is absolutely clear that in an ideal world we should have gone out and publicised the final result of what we were going to do. (**Mrs Cannell:** Absolutely.) But, I believe that it is fair to explain to everybody what we propose to do. So when I am introducing a whole raft of charges, and Douglas residents are the only people who are not affected by the charges, everyone would be coming piling in and saying, 'It is not fair; why are you only attacking out-of-town people and not the Douglas people?' (*Interjection by Mrs Cannell*) So that is why we had to include the £25 permit charge announcement, with absolute clarity, in the press release that we are going out to consultation to work out exactly how that

1130

charge could be implemented and how indeed that hole in the Department's budget will be filled.

1135 I believe, as I have said before, the Hon. Member for Douglas West will lead a very comprehensive review. He has some excellent ideas, there are ideas in which we could save money which may result in a reduced charge, there are a whole raft of ideas out there.

I would urge Douglas Members to get involved with that review and hopefully we can come back with something whereby residents would be actually quite pleased to pay a small amount so that they could guarantee certain issues in relation to parking on the streets outside their homes.

1140

**The Speaker:** Mr Hall.

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

1145 Just leading on from my previous supplementary, does the Minister agree with me that it is overall inappropriate and unfair to raise a surplus from resident parking control? Should the objective not be to merely cover costs? What is he doing and what consideration is he going to give about the fact of the raising through enforcement where the Government appears to be making £150,000 a year from this?

1150 **Mr Quirk:** Hear, hear.

**The Speaker:** Minister to reply.

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

1155 I have said before that the Department has to deal with its budget. The Department is not in a position to deal with Treasury's budget, with the rest of Government's budget. We are trying to focus on our specific area.

1160 Now, I can see if I was a resident of Douglas I would be quite pleased to pay a small fee if I could be guaranteed to have parking outside of my home. (*Interjections*) I would be pleased to do that.

**Mrs Cannell:** There is no guarantee.

**The Minister:** I have had out-of-town people saying, 'How is it that – ?

1165

**Mr Quirk:** Nobody is guaranteed.

**Two Members:** There is no guarantee.

1170 **The Speaker:** The Hon. Member has the floor.

**The Minister:** I have had people out-of-town saying, 'How is it that Douglas ratepayers are effectively getting away with so little in comparison to us from out of town?' (**Mrs Cannell:** Rubbish!) So I know that we have got a fair balance here.

1175 I have had hecklers – I know we are not supposed to heckle in the House of Keys – hecklers saying there is no guarantee of parking outside your own home. That is the whole point of the consultation, is to try to find ways in which we can give greater guarantees to just that. That is one of the tasks that the Hon. Member for Douglas West is going to be looking at in his review of this whole permit issue.

1180 And yes, it is going to take us some time, but there are some really important issues that need to be addressed in relation to parking in Douglas – very important issues. We do not have a

budget to address them. This is a way in which we can get a small budget and actually start tackling some of the problems that we currently are not tackling.

1185 In relation to the Hon. Member for Onchan's suggestions that, 'Well, you have got all this extra money in fines,' first of all we do not have the money, but secondly, even if we did have access to that money, we would probably be able to spend most of it tackling the problems of parking in Douglas.

1190 So it is a small step in trying to get a better balance for the people in Douglas. I know that I will not convince Members of Douglas in here, but I do hope that they will at least engage with Mr Thomas's review (**A Member:** Hear, hear.) and that we will get some better solutions, at least in the short term – and hopefully have a longer term objective of really tackling the inequities that currently exist in terms of parking in Douglas.

**The Speaker:** Mr Singer.

1195

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

1200 In a previous Answer the Minister has just said that independent experts had recommended that there should be a charge of £50. Could he tell us please, firstly, who are these or who were these independent experts? And whilst he has not followed their advice this year is there any indication that he might be following their advice in another year?

**The Speaker:** Minister.

**The Minister:** Gura mie eu.

1205 The parking study was published, as I understand, it was the Douglas Town Centre Parking Study – I did actually read all this out in my Answer. (*Interjection by Mr Singer*) So the parking study was published. I have not got a copy of the study, but I am more than happy to ensure that Members get an electronic copy of that study and they can read through at their leisure.

1210 That study, combined with the parking survey that was undertaken by my colleague, the former Minister, Minister Skelly, has helped colour our view. So I am more than happy to ensure that Members get a copy of that, because it has got some very interesting ideas in it. A lot of those ideas involve us charging considerably more than we have actually agreed to at this current round of charges.

1215 **The Speaker:** Mr Karran.

**Mr Karran:** Vainstyr Loayreyder.

1220 Would the Shirveishagh not agree, whilst we support the issue of *beggan ry veggan ny share*, little by little things get better, can he actually inform the House how much increase in revenue this is going to bring about?

Does this not just highlight what I said with Question 7 about these Mickey Mouse taxation policies, and not addressing the real issues?

1225 And would he not also agree that maybe his Department needs to stand up to the Treasury and get them to do their job right and bring about proper taxation policy so that we do not have to bring in these half-cocked ideas that no one really supports, as far as it is concerned?

**The Speaker:** Minister.

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

1230 £1.8 million would result from the announcement that I made... I think actually I said last week, but I think it was the week before, wasn't it? So £1.8 million is the amount. That represents just a little bit shy of 2% of the problem that we are trying to resolve. So I am not sure I would describe it necessarily as 'Mickey Mouse'.

1235 For this financial year it is a much smaller amount, nearer to I think £500,000 to £600,000, but that is just for this calendar year. For a full year from 1st April, it will be about £1.8 million.

**Mr Karran:** Point of clarification –

1240 **The Speaker:** I am going to give *Mrs Cannell* final supplementary on this particular Question.

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

In fact I have three very brief supplementaries, and I will put them together for ease of the time of the House.

1245 Can I ask the Minister, if he will advise what the cost of the current administration is for the residents' parking permits scheme in Douglas? What is the current administration charge to his Department?

Secondly, can I ask him, is this £25 proposed fee for a parking permit going to include those who use a disabled space on the street? Are they going to have to pay an additional £25 as well, or will exemptions be made for the disabled?

1250 And finally, from one of the Members for Douglas who represent the area that pays the highest rates in the Isle of Man – and I do not think the Minister actually fully appreciates that – will he be coming to Tynwald with this policy, once his Member on the Department has conducted the review? Will he come to Tynwald, because this is a *new* policy, to actually charge people for a disc-parking zone? It is a brand-new policy and as such – and the Minister knows my view on this – I believe it should come before Tynwald, with the final review results and that the Minister should sell it to the Members of Tynwald. Will he at least do that?

**The Speaker:** Minister to reply.

1260 **The Minister:** Gura mie eu, Loayreyder.

1265 In relation to the costs, the Answer given by my hon. colleague, the Hon. Member for Douglas South, Mr Cretney, when he was the Infrastructure Minister, in December 2013, indicated £42,000 for administering residential parking permits. However, when you take account of issues relating to ensuring that the zones are properly signed, properly lined and generally in operable and enforceable standard, the figure is nearer £100,000 for the overall operation of the zones.

**A Member:** Do away with the zones.

1270 **The Minister:** Well, 'do away with the zones', one of the hecklers suggests.

**A Member:** The Hon. Member, not a heckler! (*Interjections*)

1275 **The Minister:** Sorry, well, Hon. Members are not supposed to heckle, I suppose is the point I am making.

To do away with the zones: 90% of the respondents to the survey said that they did not want to do away with the zones, so I think we could knock that one on the head. (*Interjection by Mrs Cannell*)

I have forgotten the second question – apologies for that.

1280 But in relation to going to Tynwald, we already have a mandate from Tynwald. That is the 'user pays' principle. We all signed up to the Agenda for Change. It is very, very clear that we have agreed to that. 'User pays': that is certainly what I understood we had signed to, anyway.

So, what I am doing is implementing that overarching policy of user pays (*Interjection by Mrs Cannell*) and I would hope that in a few years' time, the residents in Douglas will see significant

1285 improvements for their on-street parking and they will view paying 50p a week as a reasonable price to pay for a significant improvement on their on-street parking.

**1.11. Disc parking residents' permits, Douglas –  
Number of permits issued**

The Hon. Member for Douglas East (Mrs Cannell) to ask the Minister for Infrastructure:

*How many residents' parking permits are issued in Douglas under the Disc Parking Regulations Scheme?*

**The Speaker:** Question 11, Mrs Cannell.

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

1290 I beg leave to ask the Question standing in my name.

**The Speaker:** I call on the Minister for Infrastructure, Mr Gawne.

**The Minister for Infrastructure (Mr Gawne):** Gura mie eu, Loayreyder.

1295 There are currently 3,808 residential parking permits issued to Douglas residents.

**The Speaker:** Mrs Cannell, supplementary.

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

1300 Disregarding what the Minister said previously about the cost of admin being £42,000 per annum, not including maintenance, would the Minister agree with me that, in fact, maintenance of the roads will be going on anyway, irrespective of whether it was in a disc zone? So therefore with this figure of 3,808, does he agree with me that he is actually making money on the back of these people in Douglas? If the administration is costing £42,000 and there are around... I had it  
1305 at 3,000 residents – (**Mr Anderson:** 3,808!) Well quite, but he is actually making around £30,000 over and atop the cost of administration on the back of the people of Douglas. Does he think that is fair?

**The Speaker:** Minister.

1310

**The Minister:** Without wishing to repeat myself, I have spent a lot of time going through this with my Members in the Department, and we have come forward with a package which fairly shares out the pain across the people of the Isle of Man. So in answer to the first part of the question, I think I have already answered that issue.

1315 No, we are not making money on the backs of the poor people of Douglas! I think that is a fairly nonsensical thing to say. I have not said that this is to pay for the upgrade of the road. What I am saying is that this is about paying for linage and for the signs that are required so that we can properly enforce parking zones. That is what this is about and that is what this charge would deliver.

1320 But I will bring Hon. Members back to the comments that I made earlier in answer to the earlier question. Hon. Member for Douglas West, Mr Thomas, is conducting a full review. I have a hole in my budget which has to be filled and the Hon. Member for Douglas West is aware of that. We will work and try to find ways in which the people of Douglas actually feel as though they are going get some benefit out of some sort of charge, and provided we fill the gap in our  
1325 budget, then I am sure we will all be very happy. (*Laughter*)

**The Speaker:** Mr Karran.

1330 **Mr Karran:** Can the Shirveishagh explain, if there are only 3,800 people under the present system, he needs well over 8,000 to 9,000 in order to bring in his £1.8 million as far as his £25 is concerned?

Does he not agree that the figures may be exaggerated as far as the parking permits are concerned, as far as the figures they are supposed to bring in, if there are only 3,800 people doing it?

1335 Allowing for the fact that this is going to hit the hardest areas, (**Mrs Cannell:** Yes.) where all the flat land is, where all the people are getting ripped off by private landlords, (**A Member:** Oh!) we are going to end up with a situation where it is going to be yet again another tax on the very people who should not be taxed in this place. That is why I say that these Mickey Mouse policies need to be addressed as far taxation.

1340 Will he consider making representation to the Treasury Minister, who I am sure has got his hands on this situation, and let's get some sensible taxation policies that are actually going to address the real issues?

**The Speaker:** We are now being repetitive, Hon. Members. I would ask for succinct questions and replies from now on.

1345 Mr Gawne.

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

Well, I will be as succinct as I can but I am not going to ignore Hon. Members' questions.

1350 **The Speaker:** Yes, carry on.

**The Minister:** I think the Hon. Member... I am glad that he has had the opportunity to raise this. I understood that the question he was asking, in relation to a previous supplementary, was how much the overall package of announcements was going to bring in an annual basis, and that was the answer that I had given.

**Mr Karran:** That wasn't what I asked.

1360 **The Minister:** Okay, so in relation specifically to this charge, the amounts that we are getting in are in the region of £100,000, which is the amount that we believe it costs us to administer and ensure that the lines are in place and all that kind of thing.

1365 But it may be that as part of the review that the Hon. Member for Douglas West – have I mentioned this before? Yes I have! – is undertaking, we *might* just be able to reduce that £100,000 cost to the Department in some way, (**Mr Thomas:** Hear, hear.) in which case, the charge may not need to be quite so high.

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

1370 **Mr Cretney:** Could I ask the Minister in relation to the lines and signs? To the best of my knowledge, there have not been many new disc areas in the last few years (**Mrs Cannell:** Yes...) and the signs, I would have thought, would last more than a few years. So is this an ongoing cost or is this an initial cost for the installation?

I understand that lines may have to be repainted from time to time but is this a steady, consistent cost?

1375 **The Speaker:** Minister to reply.

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

1380 My understanding is that it *is*; but the cost includes enforcement costs, which are not directly associated with paying for officers to go out and do enforcement. It is basically making sure that the areas are enforceable, and that the administrative side of enforcement is also dealt with as well.

So it is not purely about putting lines and signs up. There is a slightly additional administrative element to all that as well.

1385

**The Speaker:** Final supplementary, Mrs Cannell.

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

1390 Can I ask the Minister, what will happen with the situation of those who hold temporary residents' parking permits? Is it envisaged that they are also going to be charged for this?

In hindsight, does he not feel that he should have consulted with all the Members of Douglas, but in particular those who represent Douglas East/Douglas West, before issuing his press release –

1395

**Mr Cretney:** And Douglas South.

**Mrs Cannell:** And Douglas South – well, I said *all Douglas*; (*Laughter and interjection*) those who have an interest in it – that it would have been better to have done that, rather than just issue his press release, making his intentions quite clear of what he was wanting to bring in, which has already been cleared and accepted by Treasury, and that just the very perception of the way in which he has handled it is deemed to be unfair by the people, irrespective of the fact that now Mr Thomas is going to carry out two or three consultation exercises with the public?

1400

Will he at least speak with the Members of Douglas, please, before this *ridiculous* policy actually goes any further?

1405

**The Speaker:** Minister.

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

1410 We are starting to get close to a point of agreement, which is a good thing. Yes, of course, if I had been Minister for the last three years in the Department of Infrastructure, this would not have been introduced in the way it was introduced.

1415 Hon. Members will be fully aware of the circumstances in which I became Minister in the Department of Infrastructure and knowing full well that we had this huge budgetary problem that we needed to deal with, I have had some difficulty, it is fair to say, getting on top of the issues that need to be dealt with. We have had several months of internal discussions to try to get to a position where we felt we had some fairly defensible position which we could announce.

1420 If I could have delayed that until April, and done the right thing by Members and had the opportunity to talk to people, of course that would have been better. It would be much better and it would have been a better way of dealing with things.

And I should say that I am not attacking former Ministers in any way on this. (**A Member:** However!) No, there are no 'howevers' at all, I am not. Circumstances, I suppose, conspired against the Department with the most difficult cuts to try and deliver this year.

1425 So yes, of course we could have done things better and we should have done things better. However, I cannot see how we could have done, bearing in mind the urgency to make some sorts of decisions so that we can actually get our budget into some kind of balance by the end of this financial year.

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

1430 **Mr Cretney:** Yes, thank you, Mr Speaker

Could I ask the Minister, whilst he is not picking on former Ministers of the Department of Infrastructure, that the position taken by *one* of the former Ministers for Infrastructure to *reject* some of these stupid (**Mrs Cannell and another Member:** Hear, hear!) proposals that were put forward, in retrospect, listening to what has been the response from Members for Douglas, might have been the right one?

**The Speaker:** Minister.

**Mr Quirk:** It's an opinion.

1440

**The Minister:** I respect his point of view.

### 1.12. Car parking in Douglas – Public consultation on increases and charges

The Hon. Member for Douglas East (Mrs Cannell) to ask the Minister for Infrastructure:

*When he will publish the results of the public consultation into increases and new charges for car parking in Douglas?*

**The Speaker:** Question 12, Hon. Member for Douglas East.

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

1445 I beg leave to I ask the Question standing in my name.

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

**The Minister for Infrastructure (Mr Gawne):** Gura mie eu, Loayreyder.

1450 The results of the public consultation on proposed changes to public transport and parking provision were uploaded to the consultation section of Government's website yesterday.

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

1455 **Mrs Cannell:** Thank you, Mr Speaker.

How ironic was it that they were uploaded less than 12 hours before this debate today in the House! (**A Member:** Question.)

1460 Can I ask him, has he actually read the results of the consultation himself, in terms of the percentages of people who came back and said to his Department through the consultation that they disagreed with some of the proposals that were being made?

Further, if he has not read it, does he not think he should read it before answering questions on it?

**The Speaker:** Minister.

1465

**The Minister:** Gura mie eu.

I do not think it is ironic at all that this has been published the day before. I had hoped to get it out last week, but for various reasons, we have not been able to do that. So it is published and I would have thought the Hon. Member would have been grateful for us making sure that it was published in advance of this sitting.

1470

And yes, of course I have read it. How condescending to suggest that I had not! Yes, I have read it, but it is not a referendum; it is a consultation. We *know* that people do not want to pay for things that they have never had to pay for before. We know that. I do not need to ask a question. I know full well that people do not want to pay for these things.

1475 But the survey has at least given us some comfort in some of the decisions that we have taken.

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

1480 **Mr Singer:** Mr Speaker, can I just say that that answer is just unbelievable! I have read the consultation results and they show quite clearly that the Minister is totally out of line with the majority views of the public. (**Mrs Cannell:** Hear, hear.)

So firstly, why does the actual report *summary* show what the minority have said and not what the majority have said?

1485 Secondly, how can he justify implementing changes therefore that are *totally* opposite to the majority public view?

And thirdly, can he now follow the clear direction given to him by the majority of respondents to his consultation and reconsider his very damaging parking proposals?

1490 **The Speaker:** Mr Gawne.

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

I suppose the difference is that I have had three months to go through the parking survey and Hon. Members have not had as long. Perhaps when they have had more time to read it, and have more time to –

**Mr Singer:** Answer the question!

1500 **The Minister:** – actually absorb the information – and perhaps also read the parking survey that I referred to in earlier answers, they may understand why we have had to reach the position that we have.

As I said before, I do not want to introduce these charges, either. It is easy for former Ministers to get up and say, ‘Well, I think this was ridiculous!’ I thought it was ridiculous too, but I have got to introduce something. I have got to try and come up with something that is going to deal with this and we are in extraordinarily difficult times. We heard the Treasury Minister earlier today explaining just how difficult those times are.

I will do what I am asked in terms of delivering my budget as best I possibly can. Yes, in an ideal world, we would not be introducing these charges, but we are not living in an ideal world.

1510 **The Speaker:** Mr Cregeen.

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

It is very interesting, the Minister says he has had these results for three months. How come it has taken to now to get these published, if he has had the results for three months?

1515 As he has previously stated, the majority of people said they did not want to do away with the parking zones in Douglas. So why has he ignored the rest of the majority of the people on their questions, when they answered it, and imposed this? Will he be recommending the Member for West Douglas as Minister for Policy and Reform, because he seems to have more influence than the present Minister? (*Laughter*)

1520 **The Speaker:** Mr Gawne.

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

1525 Members seem to be getting very tetchy this morning and I think those comments are unfortunate.

**Mr Quirk:** Maybe true! *(Laughter)*

1530 **The Minister:** They are neither true nor pleasant, and I do not understand why Members are –

**Mr Cregeen:** Mr Speaker, the consultation did say the majority.

1535 **The Speaker:** Hon. Member, the Minister has the floor. *(Interjection)*

**The Minister:** I am at a loss to understand how many Members actually honestly believe, hand on heart, if they went out and asked the public, ‘Do you want to pay more for things that you’ve never paid for before?’ *(Interjection)* how many people do they think were going to say yes? I just do not understand.

1540 **A Member:** So why did you do the consultation?

**The Minister:** Well, I *didn’t* do the consultation.

1545 **The Speaker:** Mr Quirk, supplementary.

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

Can I ask the Minister, I am led to believe he recently met the Chamber of Commerce. Can he explain to us what their view was on this issue?

1550 **The Speaker:** Minister.

**The Minister:** Gura mie eu.  
On releasing the consultation document?

1555 **Mr Quirk:** No, on the parking.

**The Speaker:** Mrs Cannell.

1560 **Mrs Cannell:** Thank you, Mr Speaker.

Does the Minister not appreciate...? He keeps saying, if you ask people, do they want to pay more, nobody *wants* to pay more. Does he not appreciate that many, many people in Douglas *cannot afford* to pay any more?

1565 **A Member:** It is not just Douglas!

**Mrs Cannell:** It is not a case of not *wanting* to; they cannot *afford* to pay any more, on top of the toilet tax, rising rates, charges, electric, gas, everything.

1570 Further, I have dealt with this morning the residents, the people who live here, but does he appreciate the damage to the commercial sector, to the retail sector, to the business sector on the capital of our Island? Not only have you got to pay to live in Douglas now, but if you want to do business in Douglas, your customers are going to have to pay more too than if they go anywhere else and shop on the Island. Does he not realise that the actual impact overall of all

1575 his rafts of changes is really damaging to the whole of the Island, and it is not going to be sustainable in the long term?

**The Speaker:** Reply, sir.

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

1580 Yes, I do realise all that. Of course I realise all that. I have to say, though, my direct responsibility is coming within the incredibly tight budget that has been set for me. There is a Treasury Minister sat in this room, there is an Economic Development Minister, (*Interjection by Mrs Cannell*) various other Ministers who have responsibility for many of the things that the Hon. Member for Douglas East has mentioned. They are fully aware of what I have had to do to  
1585 meet my budget. Had they felt that it was a step too far, then perhaps they could have talked at that stage, and perhaps we could have come up with a different result.

**Mr Thomas:** Hear, hear. (*Interjections*)

1590 **The Speaker:** Now, Hon. Member, the Question has been answered. It related to when the results would be published. That Question has been answered and there have been further supplementaries that have broadened that out.

So I will allow two more supplementary questions. Mr Singer.

1595 **Mr Singer:** Thank you, Mr Speaker.

Further to his reply to me, which I did not get the answers to, is the Minister basically saying or is his belief that you take note of the results of a survey when it suits you, and otherwise you say, 'Well, people are going to say that anyway'?

1600 And to pick up the point made by the Hon. Member for Douglas East, does he not believe that there *will* in fact – particularly, for example, with his one-hour parking decision in the centre of Douglas – that this will have a *disastrous* effect on the town centre retail, and is he really concerned about that?

**The Speaker:** Minister to reply.

1605

**The Minister:** Gura mie eu.

Yes, of course I am concerned about that and actually answering the questions, I now understand the Hon. Member for Onchan's was asking – Mr Quirk, who is not listening.

1610 **Mr Quirk:** I am – I am just listening to the Speaker who has got the Chair.

**The Minister:** Sorry, you were speaking?

**Mr Karran:** No, he wasn't.

1615

**The Speaker:** Carry on, Hon. Member. You have the floor.

**The Minister:** Gura mie eu.

1620 In relation to the retail side, yes, we spoke to the retail sector, and I have given away this year £25,000 more free parking than was given away last year. So that is quite a positive step forward.

**Mr Singer:** For Christmas; what about the rest of the year?

1625 **The Minister:** So £50,000 worth of free parking, as opposed to £25,000 last year.

If you listen to some of the comments that are made by Douglas politicians, both in here and in Douglas Corporation, you would understand why out-of-town people would not want to come in. But actually they are going to get more free parking this year than they have ever had –

1630 **Mrs Cannell:** For Christmas, once a year. (*Interjections*)

**The Minister:** – which I think is a really, really positive step which people should be quite pleased about.

1635 In relation to the two hours going down to one hour, again, I would ask Hon. Members to read the report, which I will get circulated electronically, which was undertaken last year, which clearly suggested that we need more on-street parking and a way to do that would be to reduce waiting times from two hours to one hour. That is what the people who know most about parking have suggested that we should do.

So I am doing my best.

1640

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

1645 **Mr Karran:** Vainstyr Loayreyder, how does he reconcile the policy of Government saying that it will broaden the economic base, trying to get more business on the Island, when the idea of bringing in charges as far as parking is concerned will only increase the amount of internet purchases taking place, (**Mrs Cannell:** Yes.) and will actually counteract the core policy of the Council of Ministers when it talks about wanting to broaden the economic base (**Mr Cretney:** Hear, hear.) as far as the Island is concerned?

1650 Does he not agree that the fact is the Treasury Minister needs to listen to what is being said here, and actually take on board? Let's stop these Mickey Mouse policies and let's get policies that really address the issues and get people off the fence.

**The Speaker:** Mr Gawne.

1655 **The Minister:** Gura mie eu, Loayreyder.

I am sure the Treasury Minister is listening, as indeed will all Members of this House who are present be listening.

1660 Of course, I do understand these things, but I also understand that retail is going to struggle with the onward march of the internet, and unless retailers respond to that, then they are going to go down, whether we put charges up or whether we do not put charges up. (**Mr Singer:** Oh!) So do they do need to address this.

1665 But what I have also said to the Chamber of Commerce – and indeed in a joint meeting that I had with the Economic Development Department, my Department and the Chamber of Commerce – that in my view there should be one parking authority in Douglas. (**Mr Thomas and another Member:** Hear, hear.) I think it is mad having two parking authorities in Douglas.

I also believe that we need a much broader, long-term policy in relation to parking in Douglas (**Mrs Cannell:** Absolutely.) and I believe that if the Chamber of Commerce and Economic Development can put forward a strong case for free parking in Douglas, then that needs to be properly considered.

1670 But as I keep going back – apologies for doing this – I have a budget to meet *this year*, and I got to meet it *this year*. I have been given very, very tough guidelines which I have to follow. The level of policies to implement, to meet those changes were not as clearly worked up as I had hoped when I arrived at the Department, and I have had a lot of trouble trying to work up policies that I can feel comfortable with, in terms of delivery to meet my budget.

1675

**1.13.-14. Horse trams, Douglas Promenade –  
Plans for relocation or abandoning scheme; cost of placing on walkway**

The Hon. Member for Douglas East (Mrs Cannell) to ask the Minister for Infrastructure:

*What plans he has (a) to relocate the horse trams on Douglas Promenade, or (b) to abandon the scheme because of cost?*

The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Infrastructure:

*What the cost to the public funds will be of placing horse trams on the promenade walkway?*

**The Speaker:** We turn to Question 13. Hon. Member, Mrs Cannell – Mr Quirk who has tabled Question 14 has indicated that he is happy to have Questions 13 and 14 taken together. Would you be so content, Mrs Cannell? (**Mrs Cannell:** Yes.)

In that case, Mrs Cannell.

1680

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

I will just move my Question then, Mr Speaker. I beg to ask Question 13 standing in my name.

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

1685

**The Minister for Infrastructure (Mr Gawne):** Sorry, does the Hon. Member for Onchan not...?

**The Speaker:** The Hon. Member, Mrs Cannell has put Question 13.

1690

**The Minister:** Are we not moving them together?

**Mr Quirk:** And 14.

**The Speaker:** And 14 be moved together – Questions 13 and 14 being taken together.

1695

**The Minister:** So the Hon. Member does not need to ask his Question?

**The Speaker:** Yes, you may answer Questions 13 and 14.

1700

**The Minister:** Okay, thank you. Gura mie eu, Loayreyder.

Actually because it is probably easier in the way these things are written, because Question 14 repeated some of Question 13, I will answer Question 14 first.

The figure for relocating the tram tracks has not been finalised yet, but I would expect it to be in the region of £3 million to £4 million. This will be the case whether the tracks are placed at the side of the road or more directly on the walkway. There is no difference between those two figures.

1705

In answer to Question 13, now, I have been delighted by the level of public participation at the recent exhibition in the Sea Terminal on the two main options. We have received constructive feedback from over 800 people and this, in addition to the feedback from other stakeholders including businesses and Douglas Borough Council, has been most welcome.

1710

Hon. Members will be aware that the Department is holding a briefing to Tynwald Members later today and I look forward to your attendance. At that briefing, I will be presenting potential options on the way forward for the Douglas Promenade. I want to hear and better understand the views of my Tynwald colleagues before my Department brings its detailed proposals to Tynwald early next year.

1715

It is clear that the overall promenade scheme will give a very significant benefit to the environment and economy of not just Douglas, but the whole of the Isle of Man, but again I am keeping an open mind about the final scope of that scheme.

1720 **The Speaker:** Mrs Cannell, supplementary.

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

I think the Minister largely focused on Question 14. I do not hear very much about the response to Question 13.

1725 Nevertheless, he said that he thinks the relocation will cost approximately £3 million to £4 million. I am hearing around £5 million or £5.5 million. Can I ask the Minister what it would cost if the horse trams were to remain where they are, with just some of the tracks renewed? Has he looked at that, and what the cost implications would be?

1730 **The Speaker:** Minister.

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

I apologise to the Hon. Member: actually three of the four paragraphs I read out were in relation to Question 13, so I do apologise that that was not as clear as it should have been.

1735 Yes, we could maintain the tracks in the middle of the road. It would then mean that the horse trams could not run for five years, because it is a five-year programme to refurbish and repair the whole of the promenade and you could not do that in any easy way by just doing the middle bit where the tram tracks are, and then doing the bits either side. There just is not enough scope in terms of the size of the road - unless you closed off significant parts of the promenade to traffic bad.

1740 So I do not think that anyone wants the promenade closed. I think we want to try and maintain traffic flows as best we can, so moving the tram track to the side of the road or onto the promenade walkway are the only feasible options to get the works done in advance of 2020.

i  
1745 **The Speaker:** Mr Quirk.

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

Could I ask the Minister regarding the track, who actually owns the track? If we touch the track, do we then become – the taxpayers – liable and responsible for it?

1750 **The Speaker:** Minister.

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

1755 Douglas Corporation – or Douglas Borough Council, I am seeing here – I always thought they were 'Douglas Corpy'. Anyway, Douglas Corpy own the track, and we will shift the track, if they want us to or if they agree with us to shift the track.

It is possible of course, if Tynwald willed it, that we could remove the track without Douglas Corporation's support, but I have a good working relationship with the Council and I hope that we will have support for whatever version of the scheme we eventually come forward with.

1760 **The Speaker:** Mr Cregeen.

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

1765 I was interested there that the Minister said that if we were to leave it down the centre, the track would be shut for five years. That would be a saving of £1.25 million to the Douglas ratepayers. Would that not be of assistance to either the ratepayers or your Department?  
(Interjection)

And has Douglas Corporation actually shared any legal opinion regarding the movement of the tracks with your Department?

1770

**The Speaker:** Minister.

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

1775 Interesting to note that the former Minister responsible for heritage railways believes we should close an essential part of our heritage railways.

**Mr Cregeen:** I didn't say that.

**The Minister:** I do wonder about the sense of that. (*Interjection*)

1780

Yes, of course, we have got excellent working relationships with Douglas Corporation. I have been meeting them on a very regular basis. We had one little blip in relation to the announcement of which option or the review of the two options that took place and I have apologised to the Council for that, but we have got an excellent working relationship and we are hopefully going to be able to move forward with an agreement in the not-too-distant future.

1785

**The Speaker:** Mrs Cannell, supplementary.

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

1790

Can I ask the Minister, with his idea of looking again at the relocation of the horse trams, can I ask him: this other idea of allowing car parking on the promenade walkway, as a consequence of moving the horse trams, is this because we are going to lose a lot of on-street parking otherwise on the seaward side? So is the idea to try and replace that?

1795

What is the idea of charging for people to actually park on the promenade walkway, bearing in mind it is public open space? And also, is it a good use of that site, bearing in mind that it has cost the taxpayers *millions and millions* to actually relay the promenade in that particular section? So what is his idea with using the promenade there, in order to placate his wish for the horse trams to be relocated?

**The Speaker:** Reply, sir.

1800

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

I think the hon. questioner makes some excellent points there, and they tie in quite nicely with some of the previous questions that we have had today.

1805

The purpose of opening up the walkway as a temporary, off-street car park is because both surveys that we have had have identified a need for more off-street parking. Now, it does not take a genius to work out that if we provide one free off-street car park on the walkway and two – well, four – charged-for car parks elsewhere in Douglas, the vast majority of people are going to go for the free car park and not use or pay for the other off-street car parks.

1810

So that is the reason why we have introduced that off-street car park on a temporary basis on the walkway. Again, I would have thought that would be something which would be welcomed by everybody in the Isle of Man.

I think that has answered the Hon. Member's question, but more than happy to answer any others.

1815

**The Speaker:** Mr Singer.

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

I know that certainly the Minister's political Member with responsibility for transport is very keen to ensure that projects only proceed with a proven business plan. Does he agree with this concept?

1820

As clearly the horse trams as they are now are losing a quarter of a million pounds a year, does he believe that by spending £5 million or so on moving the tracks, it will make the project viable and worthwhile?

1825 **The Speaker:** Minister.

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

Well I can tell the Hon. Member for Ramsey right now, I have just saved him a million and a half, because I did not say it was £5 million. It is not going to cost £5 million.

1830

**Mr Singer:** It was before.

**The Minister:** It is between £3 million and £4 million. So I think we have already saved a big chunk of money there –

1835

**Mr Singer:** Answer the question.

**The Minister:** – just in this exchange of questions.

Douglas Corporation run the horse trams. I do not run the horse trams. (*Interjection*) What I do have responsibility for is the electric trams, and the rail that we intend to include – and again Hon. Members will have the full opportunity to listen to all this later on, with all the detail later on today – but what we do have is a multi-use track which could be used for trams, whether they be pulled by horses, electricity or some other form in the future which could actually have a significant benefit in reducing parking problems in the centre of Douglas in years to come.

1845

**Mr Singer:** Pie in the sky!

**The Speaker:** Mr Cregeen.

1850 **Mr Cregeen:** Thank you, Mr Speaker.

I am trying to assist the Minister! Has Douglas Council shared their leading counsel's advice regarding the horse trams?

As the Member for South Douglas has always got to say about priorities, is this a priority in Government's capital programme compared with the roads which are deteriorating?

1855

And how much is actually Douglas Corporation putting into the removing and replacement of the track?

**The Speaker:** Minister.

1860 **The Minister:** Gura mie eu.

I thought I had answered that question – apologies to the Hon. Member (*Interjection by Mr Cregeen*) if he did not understand the answer that I gave. I have *excellent* working relationships with Douglas Corporation. We are sharing all the information that needs to be shared.

1865 **Mr Quirk:** Are *they*, though?

**The Minister:** They have shared with us all the information. We have a really good positive working relationship so I do not really see what the concern is from the Hon. Member.

1870 **Mr Cregeen:** Have you seen the legal opinion?

**The Minister:** I have just said, we have shared all the things that we need to have! So I do not understand what else we would want.

1875 **Mr Cregeen:** Just say, 'Yes, we've shared the legal opinion.'

**The Minister:** Well...

**Mr Cregeen:** No!

1880

**The Speaker:** Mr Quirk.

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

1885 Could I ask the Minister, when he indicated it was £3 million to £4 million, do we have actual defined estimates regarding the cost? Because between £3 million and £4 million, there is at least a million. *(Laughter)*

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

I am delighted that the Hon. Member has spotted that one.

1890

**Mr Henderson:** He should be in Treasury. *(Interjections and laughter)*

1895 **The Minister:** Yes, indeed, there is. What we have is a far clearer picture as to how much it is all going to cost. It is somewhere between £3 million and £4 million, but I am actually, in the presentation this afternoon *(Interjection by Mr Quirk)* going to ask Members for their views on what kind of things we could do with the promenade scheme.

**Mr Quirk:** Call it a day.

1900 **The Minister:** What we know is that we have about a generation or two's worth of promenade that we are going to be investing in here. This is going to be around for 50 to 60 years. So I am going to actually ask Members, in my presentation to Members later today, what their views are on the different aspects of the scheme. If Members collectively decide that they do not want to put a track in, then fine that is Members' choice. I do not have any particular concern one way of the other. I am very fond of the horse trams, I have used the trammers to plough, but ultimately it is down to the Douglas ratepayers and indeed Tynwald Members as to whether they want to proceed with that or not.

1905 I do not really have a strong view either way – in the same way that I do not have a strong view whether the tram goes on the walkway, whether it goes in the middle of the road, whether it goes at the side of the road, or whether it goes on a flyover, for goodness' sake! *(Interjections and laughter)* I do not actually care too much how it works!

1910 Personally speaking, I think it would be a terrible shame if we lost the horse trams, but it will be a matter for Hon. Members to decide, and there will be a range of other options and I do hope Members can attend the presentation, so that they can share their views with us.

1915

**The Speaker:** Right, two final supplementaries.  
Mr Cretney.

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

1920 Could I ask the Minister, in his consultations and his discussions and his great relationship with Douglas Corporation, (*Laughter*) have they made it clear whether or not they consider the moving of the trams-onto the promenade to be a good thing or not?

**Mr Quirk:** Hear, hear.

1925

**Mr Singer:** Good question.

**The Speaker:** Minister.

1930 **The Minister:** Gura mie eu.

I think they, like us – ‘us’, as in Council of Ministers and the Department – were perhaps not as aware as we would have been, had the full designed scheme been available when they were asked to make their decision. They were not aware that the vast majority of the scheme was going to be on the promenade walkway from their war memorial anyway. So I have not yet asked them for a clear view or a clear decision.

1935

What I *have* had is excellent discussion about the concerns that Douglas Corporation members have – I must stop calling them that – Douglas Council. We had a really good exchange of views. It is fair to say that Douglas Council members have a lot of concerns about the tram being on the walkway – I think specifically from the war memorial coming back to the sea terminal – but we have also heard this morning huge numbers of concerns about loss of parking, where the scheme as currently designed, if we go with the roadside option, will lose 88 spaces; if we go with the walkway it will lose 33 spaces. So it will cost us about £1 million to build a car park for 50 spaces.

1940

All these things have to be borne in mind when we are considering (*Interjection*) where we want to go. Quite frankly, the 800 people who responded very helpfully came down about 50:50 either way on both of the options, so I am not entirely sure that I have been given a clear view on that either.

1945

**The Speaker:** Final supplementary, Mrs Cannell.

1950

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

Can I ask the Minister then – very interesting that he has given us the impact of losses in terms of vehicle spaces – on his temporary car park on the promenade walkway, how many spaces does he feel that that area could accommodate in terms of vehicles? He says he might lose 88, otherwise he might lose 33.

1955

Further, can I ask him, how temporary is that site? He said it is a temporary car park. How temporary is it? Is it going to be for one year, two years, five years or longer?

And when he talks about there being a loss of off-street car parking, and unable to utilise areas for such, can he not use the Summerland site? There is a site owned by Government, lying there empty, abandoned, that would accommodate dozens and dozens of off-street car parking spaces, albeit on a temporary basis? Is it not time now to start thinking outside the box?

1960

**A Member:** Hear, hear.

1965

**A Member:** The horse box!

**The Speaker:** Reply, sir.

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

1970 What I have said very clearly to my officers – maybe I need to say it publicly, and here is a good opportunity – any free parking spaces that are lost during the construction of the promenade will be made up by free parking spaces somewhere else. That is absolutely clear.

The Hon. Member is aware of correspondence that we have had in relation to the Summerland site, and clearly, we will use whatever sites are available to us. However, if I were  
1975 driving into Douglas on a commute, I do not think I would want to park quite that far away –

**Mr Anderson:** Unless there was a horse tram. (*Interjection by Mrs Cannell*)

**The Minister:** I suppose, yes, indeed, I could hop on the horse trams, and that would solve  
1980 that problem. (**Mr Quirk:** Or walk.)

I think we *are* thinking outside the box. I think we *are* looking at different ideas and if we had unlimited budgets – apologies to the Treasury Minister – there is a whole raft of different things that we could do, which would make things an awful lot better. But we do not have an unlimited budget. We have very, very tight budgets, and we are doing our best in what I believe to be very  
1985 difficult circumstances.

**The Speaker:** Question 15 –

**Mrs Cannell:** Mr Speaker.

1990 I am sorry, Mr Speaker, I did ask the Minister specifically how many vehicles will be accommodated in the temporary car park and how temporary is it going to be?

**Mr Quirk:** And how long?

1995 **The Speaker:** That part of the answer, Mr Gawne.

**The Minister:** Gura mie eu.

More than happy to answer – sorry, there are so many questions coming in that I do not remember them all.

2000 A hundred parking spaces approximately would be available. We are planning that as a temporary off-street car park, ideally until such time as someone builds another off-street car park. We have seen the Lower Douglas Master Plan, which has a range of options for parking – (*Interjection*) What we are doing is meeting a demand. What we are told is that there is a demand for off-street parking, and we are meeting that demand by doing a bit of out-of-the-box  
2005 thinking, as was suggested. We are actually doing that out-of-the-box thinking. We are taking a piece of land which is currently available to us and allowing people to park there, creating an off-street car park.

**Mrs Cannell:** Thank you.

### 1.15. Problem vehicles – Policy

The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Infrastructure:

*What his policy is on lifting problem vehicles in the Isle of Man?*

2010 **The Speaker:** Mr Quirk, Question 15.

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

2015 **The Speaker:** Mr Gawne to reply.

**The Minister for Infrastructure (Mr Gawne):** Gura mie eu, Loayreyder.

2020 The Department may remove vehicles as provided for by the relevant legislation. That is to say, it will remove from the road a vehicle which is abandoned, parked in contravention of a statutory prohibition or restriction, or left in such a way that it causes an obstruction or danger.

The policy on removing abandoned vehicles is that they be unlicensed, or on vehicles parked in contravention of a restriction or prohibition, that they be subject to unpaid fixed penalty notices. The policy in respect of obstruction and danger is that officers work closely with the Constabulary to determine appropriate action.

2025 Gura mie eu.

**The Speaker:** Mr Quirk, supplementary.

**Mr Quirk:** I thank the Minister and his officers for providing me with the policy on that.

2030 Can I just ask the Minister, would he not review the policy or ask his agent for policy-making, Mr Thomas, to review this very important one? Why should we wait to have five tickets on a vehicle before it can actually be lifted, when it is in an abandoned condition, dangerous and has been classified as such?

2035 **The Speaker:** Mr Gawne.

**The Minister:** Gura mie eu.

2040 Just in relation to the cheap shot, Mr Thomas is dealing with *one* of about six or seven different policy areas, just in relation to the charges that we have introduced. So I do not think it is entirely fair to say that he is leading on all aspects of the Department's policy. A very clever man, somebody I respect and trust (**Mr Quirk:** Hear, hear.) but my other Members are also actively engaged, as indeed I am in relation to the Department.

2045 The specific question in relation to the five vehicles: in my view, that should not happen. I think it is wrong and I would be more than happy to discuss the specifics of that with the Hon. Member.

Added to which, the Hon. Member for Douglas North, Mr Houghton, and myself are working on a Road Traffic Bill, which will look specifically at this area, and we hope to be out to consultation on that in the not-too-distant future – probably towards the end of this calendar year; maybe early in the springtime, depending on how it works out.

2050

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

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

2055 Regarding vehicles which are lifted by the Department and put into a compound, can I ask how checks are done before that vehicle is released?

For example, could I say, is the policy that the fines are all paid and the vehicle is roadworthy before it leaves the compound?

2060 **The Speaker:** Minister.

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

My understanding is that is the case. However, that is one of the areas of the law that we know is weak, and we are looking at that in terms of the legislation, so hopefully, we would be in a stronger position, assuming that Hon. Members support that legislation.

**1.16. Callow's Yard –  
Planning approval and inspector's report**

The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Infrastructure:

*Who is making the decision on the Callow's Yard approval; and when he expects the report from the Inspector of Planning?*

2065

**The Speaker:** Question 16.

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

2070

**The Speaker:** Minister for Infrastructure.

**The Minister for Infrastructure (Mr Gawne):** Gura mie eu, Loayreyder.

2075

The matter was delegated to the Hon. Member for Douglas South, Mrs Beecroft, because I am conflicted. The decision letter was issued last Friday, I think, or maybe Saturday – on 30th October, anyway.

**The Speaker:** Mr Quirk.

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

2080

Can I ask the Minister, with reference to the report that came from the independent inspector, what was the date that the Department actually received the letter?

**The Speaker:** Minister.

2085

**The Minister:** Gura mie eu.

I am not fully aware of the date the Department received the letter. I know that the date on the letter from the inspector was 11th August. I received it on the Friday before the bank holiday Monday at the end of August. (**Mr Quirk:** The 31st.) So that is when it arrived on my desk.

2090

I then had two weeks of trying to find someone who was not conflicted and for various reasons – people were on holiday, there were different issues there – we ended up, it was two weeks before I could find someone who was prepared to take this on. Then it was given to the Hon. Member for Douglas South.

After that point, it was out of my hands, so to speak, because I am conflicted and it is not for me to comment much further.

2095

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

**Mr Quirk:** In two parts, Mr Speaker, if I could.

2100

Can I ask the Minister, then, who assisted the Member in formulating the Report and is he surprised that really it has gone against the independent inspector and his officers' own advice?

**The Speaker:** Minister.

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

2105 It is not for me to comment on the specifics (**Several Members:** No.) of any planning appeal, particularly ones that I have had no involvement with. I would be very surprised, though, if a Member of the Department has not had full support from officers in making a decision.

## OFFICE OF FAIR TRADING

### 1.17. Financial Ombudsman Scheme – Insurance intermediaries not covered

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

*Why insurance intermediaries are not covered by the Financial Ombudsman Scheme?*

**The Speaker:** Question 17. Hon. Member Mr Houghton.

2110 **Mr Houghton:** Thank you, Mr Speaker.  
I beg leave to ask the Question standing in my name.

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

2115 **The Chairman of the Office of Fair Trading (Mr Quirk):** Thank you, Mr Speaker.  
The Answer to the Question as posed by the Hon. Member is in fact already in the public domain.

2120 In late July, the Office of Fair Trading launched a public consultation on proposals to extend the scope of the Financial Services Ombudsman Scheme, including the inclusion of insurance intermediaries.

At the time it was stated, and I quote:

‘Since the introduction of the Financial Services Ombudsman Scheme, the OFT has addressed complaints under the scheme in relation to acts or omissions of insurance intermediaries. In the main, these matters, which are relatively few in number, were aimed to be settled through mediation between parties, although one case was resolved by adjudication. During 2013/14, a complaint relating to the alleged act or admission by an insurance intermediary was referred to adjudication. The matter was considered by the adjudicator, who made an award in favour of the complainant. However, the insurance intermediary which supplied the services exercised its right to refer the matter to the Senior Adjudicator for review. Having considered the matter, the Senior Adjudicator overturned the decision of the Adjudicator and dismissed the complaint on the basis that the financial service provided by the Supplier as an “insurance intermediary” was not within the remit of the Scheme. The complainant did not exercise his right to appeal to the High Court on a point of law.’

The decision of the Senior Adjudicator sets a persuasive precedent in relation to complaints relating to insurance intermediaries and the OFT currently has no option but to reject cases as outside the scope of the Scheme.

Notwithstanding the legal position, the OFT feels that straightforward dispute resolution in relation to insurance intermediaries has been a useful service to consumers and believes that it should continue to offer the service.’

Section 12 of schedule 4 of the Financial Services Act 2008 enables the OFT to widen the scope to widen the scope of the definition of ‘financial services’ to include services provided by registered insurance intermediaries. This is one of the changes proposed in the consultation.

2125 The consultation has now closed and at a meeting later this month, the board will formally consider the responses to the consultation and formally decide whether to make the necessary order.

Thank you, Mr Speaker.

2130 **The Speaker:** Mr Houghton, supplementary.

**Mr Houghton:** I thank you, Mr Speaker, and I thank the Member for his comprehensive reply. One of those insurance intermediaries is that of course of the motor insurance sector. Has that been fully covered by consultation, and if not, will it be fully considered as to being inserted into the scheme buy his board in due course?

**The Speaker:** Mr Quirk.

**The Chairman:** Replying to the Member, I am not fully aware of the consultation, because it has just concluded, Mr Speaker, but I note the comments that the Member is making to me today.

**The Speaker:** Mr Houghton.

**Mr Houghton:** A final question, Mr Speaker, if I may. May I ask the Chairman, with the board's approval, of course, to circulate those additional agencies – intermediaries as we are referring to this morning – amongst all Members of Tynwald, to let them know whether this is going to take place or otherwise?

**The Speaker:** Mr Quirk.

**The Chairman:** I am quite happy to discuss the particular issue at the board meeting which will happen in a few weeks' time, sir.

**The Speaker:** Hon. Members, that concludes Questions for Oral Answer this morning. There are nine Questions for Written Answer and the replies have been distributed.

## 2. Questions for Written Answer

### TREASURY

#### 2.1. Rates and sewerage charge – Take up of early payment discount

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

*Pursuant to his Answer of 15th July 2014, what proportion of those who received a demand took advantage of the early payment discount in respect of 2014-15 (i) local authority rate, (ii) water rate and (iii) sewerage charge; and why he made no statement available to Members at the end of July?*

**The Minister for the Treasury (Mr Teare):** In respect of those ratepayers who received a demand for the current year, 2014-15, the following percentages reflect those who took advantage of the early payment discount.

2160 As calculated at the end of July 2014:

Local authority rates	68.88%
Water rates and charges	69.25%
Sewerage charge	69.01%

2165 It should be noted that since the issue of rate demands in April 2014 and supplemental rate demands dated 1st August 2014, the percentages of those ratepayers taking advantage of the early settlement discount as at 28th October were as follows:

Local authority rates	70.87%
Water rates and charges	70.93%
Sewerage charge	70.13%

2170 In respect of the supplemental rate demands issued in August of this year, the discount period ends on 31st October 2014 and therefore there may be some slight adjustment to these figures once all payments have been accounted for.

Please note that these figures only include those rate demands which are collected by the Treasury and not those collected directly by Local Authorities.

2175 In response to the final part of the Question, I can only apologise for the oversight in not circulating this information to Hon. Members in July. A significant volume of transactions are traditionally made at that time of year and these were still being accounted for within the system at that time.

#### 2.2. Rates and sewerage charge – Percentage overdue

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

*When 2014-15 rate demands became overdue; what percentage of (i) local authority rate, (ii) water rate and (iii) sewerage charge demands became overdue and were sent a notice of arrears of rates for the year 2014-15; and what percentage of each remain overdue?*

2180 **The Minister for the Treasury (Mr Teare):** The Treasury has issued over 44,000 rate demands since April 2014, in respect of which approximately 2,700 reminders have been issued to those now considered to be overdue. The reminder process was initiated in July and August and so far action for the recovery of the debts through the small claims procedures has been instigated against 174 defaulters and is an on-going process.

2185 It is not possible to easily extract information from the rates operating system to determine what percentage of reminders have been issued for the respective component parts of each demand, i.e. whether it relates to (i) sewerage charge, (ii) water rates and charges, (iii) burial rates or (iv) local authority rates. All debts are treated equally and consistently as one amount and reminders issued accordingly whether the outstanding debt is for one of the aforementioned component rates or charges or any combination of all four.

2190 Additionally many of those who received a reminder will now have elected to pay by direct debit or some other means of agreed instalment payment, therefore, whilst their rates may technically be outstanding, they are not regarded as being in default or subject to any further action provided their agreed payments continue to be received.

2195 The issuing of rate demands, revenue collection and processing of payments is a continual process, as such the rates system cannot readily provide the management information retrospectively to ascertain what percentage of the various rates and charges components were outstanding at a given date. This difficulty is further compounded in view of the fact that supplementary rate demands issued on 1st August are not yet outstanding and those formally paying via direct debit or instalment would not be regarded as in default.

2200 However, a more useful indicator is the rate of collection achieved to date. Prior to the first batch of reminders being issued on 21st July 2014 the percentage of rates and charges collected was as follows:

i)	Local authority rates	78.39%
ii)	Water rates and charges	78.47%
iii)	Sewerage charge	77.95%

As at 28th October 2014 the percentage of different rates and charges collected for 2014-15 was as follows:

i)	Local authority rates	88.62%
ii)	Water rates and charges	88.21%
iii)	Sewerage charge	87.76%

As at 28th October 2014 the percentage of rates and charges outstanding, excluding those committed to pay by direct debit was as follows:

i)	Local authority rates	3.43%
ii)	Water rates and charges	3.38%
iii)	Sewerage charge	3.57%

**2.3. Tax Cap –  
Declarations**

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

*How many individuals made a 2014-15 Tax Cap election before 30th June 2014; in total what wealth and income these individuals declared; and how many of these individuals had not previously been resident in the Isle of Man for income tax purposes in (i) and 2013-14 and (ii) in a previous year?*

**The Minister for the Treasury (Mr Teare):** 52 Tax Cap elections were made and accepted by 30th June 2014, and the Assessor has since approved another six, bringing the total to 58 Tax Cap elections for the 2014-15 tax year.

These individuals will not be required to make a tax return to the Assessor for the 2014-15 year until after 6th April 2015 and therefore, although the Assessor is satisfied that their income will be greater than the amount required to be capped, details of their actual income received is not yet known.

As a general matter, the Assessor only has details of an individual's income, as the Isle of Man does not have a wealth tax or capital gains tax and has no intention of introducing either.

Of the 58 Tax Cap elections; one commenced residence at the start of the 2014-15 tax year, one re-commenced residence in 2013-14 and 15 others have commenced residence since the announcement of the introduction of the Tax Cap in February 2006.

**2.4. Tax Cap –  
Income lost as a result of**

2215

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

*What additional income tax would have been payable in 2013-14 if the Tax Cap regime had not been in place?*

**The Minister for the Treasury (Mr Teare):** Assessments for the 2013-14 tax year are not yet complete (the last filing date for tax returns was last month) so the final number of Tax Cap cases and their income is still not known.

However, I would like to reiterate that the removal of the Tax Cap is unlikely to lead to an increase in our tax yield and in fact the opposite could happen. Wealthy individuals always have the option of relocating to jurisdictions which can offer them attractive packages including tax capping and business development opportunities. Whilst our Tax Cap is undoubtedly very attractive, there are other countries with lower caps.

These people make a significant contribution to our economy in addition to the tax that they pay by purchasing goods and services, investing in local financial institutions and setting up businesses to provide local employment opportunities and therefore the overall level of tax revenue that they contribute to our economy is not easily quantifiable.

As I said in my Budget 2014 speech:

'I remain convinced that in order to succeed in balancing our Budget we need to maintain an attractive tax regime which includes a Tax Cap aimed at encouraging High Net Worth individuals to take up residence and support business development on the Island.

Reviews have been carried out to provide details of the economic benefit that our Tax Cap policy brings to the Island. The companies that can be identified employ in the region of 360 staff and for the 2012/13 tax year paid in excess of £27.5 million in remuneration and remitted more than £2.25 million in ITIP and £4.4 million in National Insurance contributions which coupled

with the tax paid by those subject to the Tax Cap brings a total direct benefit of £15.8m to the exchequer. The total economic benefit will be much greater in that additional jobs will be created and supported elsewhere in the wider economy.'

2230

I am therefore satisfied that the Tax Cap regime has brought and continues to bring economic benefits to the Isle of Man and our exchequer.

## HOME AFFAIRS

### 2.5. Sale of liquor to drunken person – Convictions

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

*In each of the past 15 years on how many occasions (a) licensees and (b) designated officials were convicted of supplying alcohol to a person who was drunk on licensed premises?*

**The Minister for Home Affairs (Mr Watterson):** For the offence of 'Sell Liquor to Drunken Person' the following successful convictions have been recorded in each calendar year (eight occasions in total):

2235

Year Prosecuted	Conviction of Licensee	Conviction of Designated Official
1999		
2000		
2001		
2002	2	
2003	1	2
2004		
2005		1
2006	1	
2007	1	
2008		
2009		
2010		
2011		
2012		
2013		
2014		

## SOCIAL CARE

### 2.6. Cancer treatments – Comparison with England

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

*How many types of cancer treatments are available in England under the Cancer Drug Fund that are not routinely on offer to the Isle of Man; how many Isle of Man patient requests for*

*new cancer drugs not on officially approved lists have been denied in each year since the inception of the Cancer Drug Fund in England; and if he will make a statement?*

**The Minister for Health and Social Care (Mr Quayle):** The number of drugs available through the Cancer Drug Fund in England is currently about 40 chemotherapy drugs but this number changes regularly e.g. if NICE approves a drug on the CDF list for use in a particular cancer then the drug comes off the CDF list.

2240 Also it should be noted that a significant number of the drugs on the CDF list are available through the NHS in every UK country for different types and stages of cancer from those indicated in the CDF list.

2245 Under the revised system of audit for the CDF, more drugs will be removed regularly when they are found to be low value clinically and/or low value for money. To-date, the outcomes of the CDF listed drugs have not been monitored in a robust way as done by NICE or other similar appraisal units. Because a drug is given a licence for a particular condition does not mean it has been proven to be either clinically or cost-effective.

2250 The Department cannot provide an accurate Answer to the second part of the Question. Since the Clinical Recommendations Committee policy was introduced, DHSC has dealt with about a dozen enquiries from cancer specialists but, in the majority of cases, the oncologist has decided not to apply to the CRC for consideration on grounds of clinical exceptionality. The Exceptions panel has approved two CDF listed drugs for use on IOM patients since inception because the patients were exceptional clinical cases. Cancer specialists in general are aware of the IOM policy and so most do not enquire or submit a request unless they have reason to believe there is an exceptional circumstance.

2255 If the Isle of Man were to approve the use of CDF listed drugs, the DHSC would have to find the equivalent of £4.20 per head of population (£350,000) per annum based on the English experience of demand for these CDF drugs and because Isle of Man cancer rates and types are not significantly different to England.

2260 The Department believes there are other priorities for the DHSC to spend this amount of new money at the present time, such as tier 1 mental health services and more community services for older people with chronic long term conditions.

## INFRASTRUCTURE

### 2.7. Petitions of Doleance – Details

The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Infrastructure:

*How many Petitions of Doleance his Department is contesting; and what the subject matter of the petitions is?*

**The Minister for Infrastructure (Mr Gawne):** The Department is not contesting any Petitions of Doleance at the present time.

2265 However, as I mentioned at this month's sitting of Tynwald, the Department has had a Petition of Doleance very recently served on it challenging a planning decision.

I cannot comment any further on this petition at this stage due to matters of legal privilege and *sub judice*.

**COMMUNICATIONS COMMISSION**

**2.8. Net neutrality –  
Policy**

The Hon. Member for Onchan (Mr Hall) to ask the Chairman of the Communications Commission:

*Whether the Communications Commission has a policy on net neutrality (a) within the Isle of Man, (b) from the Isle of Man and (c) to the Isle of Man; and to what extent such a policy has been discussed with (a) other regulators and (b) licence holders; and what arrangements are in place to maintain assurances via monitoring and inspection?*

2270 **The Chairman of the Communications Commission (Mr Watterson):** The principle of ‘Open Internet’ allows internet users to access the content, applications and services of their choice, and promotes competition among network, services and content providers. The openness of the internet is closely linked to the application of the principle of network neutrality or net neutrality. Net neutrality is the principle that Internet Service Providers (ISPs) will deliver all  
2275 content requested by a customer, not allowing content producers to have preferential access to subscribers. Net neutrality is the principle that ISPs should give equal access on the internet and not discriminate between different kinds of online content or applications. It guarantees a level playing field so that (i) Internet users do not have to pay ISPs more for wider access to online  
2280 content, and (ii) content providers do not have to pay more to ensure users can access their websites or apps. (This is not the same as broadband speed which is the rate at which information is sent and received and can vary according to the technology deployed and the broadband package purchased by a consumer).

Net neutrality, and the degree to which it should be regulated or enforced, is an important topic of debate for regulators around the world. Most jurisdictions do not have specific  
2285 regulations in place, although the European Parliament in April 2014 proposed new legislation that would provide protections for net neutrality.

Like most jurisdictions, the Communications Commission does not have specific regulations for net neutrality. However, the Commission is monitoring developments in this area and has been in discussions with other regulators and experts. Most recently, the Director attended a  
2290 European Regulatory meeting in October 2014 where net neutrality featured on the agenda. To date, the Communications Commission has not received any questions or concerns from consumers or businesses about net neutrality.

**2.9. Traffic management tools; deep packet inspection –  
Policy**

The Hon. Member for Onchan (Mr Hall) to ask the Chairman of the Communications Commission:

*What the Communications Commission policy is on (a) deep packet inspection and (b) aggressive network traffic throttling; what feedback was received from (i) other regulators (ii) licence holders and (iii) end user consultation; what arrangements are in place via continuing automated reporting and inspections to reassure end users of applications including (A) File Transfer Protocol (FTP), (B) Voice Over IP, (C) Massively Multiplayer Online Games, (D) Massive Open Online Course delivery, (E) emerging Peer to Peer financial services, and (F) digital currency ecosystem services including mining and exchange trading APIs?*

**The Chairman of the Communications Commission (Mr Watterson):** Traffic management tools are used by Internet Service Providers (ISPs) to effectively protect the security and integrity of networks, to restrict the transmission to consumers of unsolicited communication (e.g. spam) or to give effect to a legislative provision.

2295

One of the main objectives behind the use of traffic management is the reduction of network congestion resulting from the continuous growth in data traffic. ISPs commonly apply differential treatment of traffic, in particular during certain times of the day, to ensure that the end user's experience is not disrupted by network congestion. Certain Internet Protocol services or applications, like Voice over Internet Protocol (VoIP) or video services, require a degree of prioritisation in order to provide a good end-user experience.

2300

It is also essential for the delivery of certain time-sensitive services (such as real-time Internet Protocol Television (IPTV) and video conferencing) that may require a prioritisation of traffic to ensure a predefined higher quality of service.

2305

Deep packet inspection (DPI) is the examination of internet data to search for viruses or other issues as well as to help route data and collect statistical information. Network traffic throttling is the slowing down or blocking of certain types of traffic in certain situations. These tools are also discussed in relation to net neutrality (see Answer to Question 8 in relation to net neutrality).

2310

Similar to the principle of net neutrality, traffic management and the usage of DPI and traffic throttling has generally not been subject to specific regulations in Europe. There is a delicate balance between ensuring the openness of the internet and the reasonable and responsible use of traffic management by ISPs.

2315

To date, consumers and businesses have not raised concerns about DPI and traffic throttling with the Commission and the Commission has not currently set out a policy for these tools. As with net neutrality, the Commission is monitoring ongoing developments in other jurisdictions.

The Commission has not mandated 'specific arrangements for continuing automated reporting and inspections to reassure end users of applications including (A) File Transfer Protocol (FTP), (B) Voice Over IP, (C) Massively Multiplayer Online Games, (D) Massive Open Online Course delivery, (E) emerging Peer to Peer financial services, and (F) digital currency ecosystem services including mining and exchange trading APIs,' but the Chairman and the Director of the Communications Commission would be happy to discuss the issues further if required.

2320

## Order of the Day

### 3. BILLS FOR SECOND READING

#### 3.1. Road Traffic (Amendment) Bill 2014 – Second Reading approved

Mr Gawne to move:

*That the Road Traffic (Amendment) Bill 2014 be read a second time.*

2325 **The Speaker:** We turn to Item 3 on our Order Paper, Bills for Second Reading. The first of those is the Road Traffic (Amendment) Bill. I call on the mover, Mr Gawne.

**Mr Gawne:** Gura mie eu, Loayreyder.

2330 I am pleased to be able to promote this short piece of legislation on behalf of the Department of Infrastructure.

The main purpose of the Bill is to make minor amendments to schedule 3 of the Road Traffic Act 1985, and in particular, the provisions that govern the appearance of a driving licence. At the moment, the current driving licence must be in a form consisting of two parts. However, the new provisions will allow the Department to produce the licence in a form that it thinks  
2335 appropriate and will cater for any possible changes to its appearance. The new provisions will also allow for the maintenance by the Department of an electronic database containing information about driver licensing.

The Bill also contains a minor amendment to the provisions in section 25 of the Building Control Act 1991, so that the powers currently exercisable by a local authority under sections 22  
2340 and 23 of the 1991 Act, which allow local authorities to take action with regard to buildings in a dangerous condition, may also be exercisable by the Department in its capacity as the highway authority. The reinsertion of section 25(1) will enable the Highways Division to take action in cases where dangerous buildings or structures may also pose a danger to people using a highway. These powers were inadvertently removed during Government restructuring in April  
2345 2010.

Having outlined the broad principles of the Bill, I hope that Hon. Members will now give it their full support.

I beg to move that the Road Traffic (Amendment) Bill be read for a second time.

2350 **The Speaker:** Mr Houghton, Hon. Member.

**Mr Houghton:** Thank you, Mr Speaker.  
I beg to second.

2355 **The Speaker:** Mr Quirk.

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

2360 Just slightly commenting on the issues there, I welcome the initiative that is coming forward from the Department regarding driving licences, because I wonder how many people actually keep the piece of paper in their wallet or in the glove compartment. I think personally it is an absolute nonsense to have a little bit of paper. You pull your driving licence out, and that is it – that *is* your driving licence.

2365 But for Police purposes, they want to see the other half, and I wonder whether, even as a cost-cutting exercise of trimming that down, at least if we are only producing one particular document, and somebody has to look at it again in the future, they could do that.

That is about it – quite happy about that.

2370 I was surprised, though, on the Bill that the Department did not have the powers regarding dangerous buildings. I just wanted to seek an assurance from the Minister regarding that: that if action is taken, all endeavours are made to contact the owner of the property first, and then the Department seeks to be compensated, and the taxpayers' money is then used to secure a building of that may be unsafe, which may cost a lot of money.

**The Speaker:** Mr Cregeen.

2375

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

2380 I wonder if the Minister could just clarify one point in the Bill there for me, before it goes to clauses. I have concern on section 10A(2). Regarding the database, it says the database will be for a person's official duties by a constable, an officer of the court, an officer of the Department of Health and it goes on:

'(d) such other person, and for such purposes, as may be prescribed.'

I do have a concern that the previous Director of Highways wished to make our database accessible to all European countries, because he wanted to be a good European – except we are not Europeans. I have a concern that I would not wish to see our database being accessed by these countries.

2385 So if he could give a bit of explanation to that, I would be grateful.

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

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

2390 A point on the form now of the driving licence, just being a card, it says here that it will be acceptable throughout the whole of Europe.

2395 Recently I was in the States, and I was asked to produce *two* parts of the licence. Can the Minister say whether this is only okay... because this is okay for Europe, what about people who want to produce their driving licences in other countries, other than Europe?

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

2400 **Mr Karran:** Eaghtyrane, on clause 2, with the Appointed Day Orders, I take it that they will come for approval from Tynwald as far as that issue is concerned.

I think the points that the Hon. Member for Santon and Malew has brought up are very valid and I think it would be interesting to know about the issues of accessibility of this information, as far as outside this jurisdiction. *(Interjection)*

2405 Could I just say, with the Item as far as dangerous buildings are concerned, I do hope that we will see a consistency when we are talking about buildings that are supposed to be dangerous, better than what we have seen as far as the Council is concerned, who it seems to be more on a personal agenda, when it came to some people who are now unfortunately not around to give them a hard time.

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

2410

**Mr Gawne:** Gura mie eu, Loayreyder.

I thank my hon. colleague Mr Houghton, Hon. Member for Douglas North for seconding.

I too support the comments from the Hon. Member for Douglas... for *Onchan*, I should say –  
2415 **(Mr Cretney:** Greater Douglas.) yes, ‘Greater Douglas’! – Mr Quirk, (*Laughter*) in relation to this  
change to the driver’s licence. I think it is a really positive step. It will save us some money. I was  
just looking for the figure... There it is: £103,250 will be saved as a result of this. Now, my  
understanding is that is over a five-year period. It depends how many licences we get in over a  
year, but it is a substantial amount of money that will be saved by moving to this scheme.

2420 The Hon. Member for Onchan was surprised that we did not have the power. We *did* have  
the power, of course, but then for whatever reason, it was not transferred when it should have  
been, when we had the transfers of functions, so that is the only thing.

So there is no policy change in relation to that. It is the same as has been in the past. The only  
difference is, at the moment, only local authorities have that authority. We are trying to  
reintroduce the ability for the Highways Agency to have that authority.

2425 In relation to section 10A(2), I think it is a very important point, but it is nothing to do with  
being anti-European or pro-European. This is to do with practicality, as indeed, the Hon.  
Member for Ramsey has mentioned – the practicality for people using their driving licences. If  
we want to have a reciprocal arrangement across Europe in relation to driving – which I think  
anybody who wants to drive in Europe *would* want –

2430

**Mr Cregeen:** No, they don’t.

**Mr Gawne:** Well, I am amazed that people would not want to have the simplicity of being  
2435 able to drive anywhere they wanted across Europe, without having to change their driving  
licence on every single occasion they reached a border! I think that is absolutely bizarre. It is a  
retrograde step, if we moved back to that sort of situation, and I do find it quite extraordinary as  
a suggestion! (*Interjection*)

2440 So I think it is not at all unreasonable to share information, so that we can allow our citizens  
to have the free right to drive wherever they want in Europe, should they choose to, to change  
that back to a system where it was... not ‘Little Britain’ – ‘Little Isle of Man’, where we only have  
regard to our own direct area and we are not bothered about the international world and we  
are wholly inward looking. I think would be a terrible shame, and it would cost us significant  
amounts of money.

2445 So, maybe I have misunderstood what the Hon. Member for Malew and Santon was talking  
about –

**Mr Cregeen:** You did. I will talk to you about it later.

2450 **Mr Gawne:** If so, I would be happy to hear about that, but really, I think we should be sharing  
the information, so that we can ensure that our drivers have access to be able to drive around  
Europe.

2455 In relation to Mr Singer, I am not absolutely sure, but I am sure we can arrange to have that  
answered, either directly to Members or at the clauses stage, but I would have thought that a  
European-recognised driving licence will have probably more sway, in terms of America, if he is  
driving in America again.

In terms of the Hon. Member for Onchan, Mr Karran’s queries, I think I have addressed most  
of them, with the exception of commencement and that is dealt with in clause 2 of the Bill. I  
think it is reasonably clear there. It is just the normal position: the Department will issue its  
appointed day notice in the same way that would happen with any Bill.

2460 Gura mie eu, Loayreyder. I beg to move.

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

**Procedural –  
Correction to Written Answers**

2465

**The Speaker:** Hon. Members, before moving onto the next Item, just a clarification on the Written Answers that have been circulated.

2470

On the second page, the text of the Question in the name of Mr Thomas is incorrect. It repeats the text of the first Question – just to point that out. The Answer below is the correct Answer to Question 2. It is just the text of what the Question is: it is a typographical error.

**3.2. Designated Businesses (Registration and Oversight) Bill 2014 –  
Second Reading approved**

Mr Teare to move:

*That the Designated Businesses (Registration and Oversight) Bill 2014 be read a second time.*

**The Speaker:** We turn now to the Second Reading of the Designated Businesses (Registration and Oversight) Bill. I call on the mover, Hon. Member for Ayre, Mr Teare.

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

2475

The Designated Businesses (Registration and Oversight) Bill 2014 seeks to provide the Financial Supervision Commission with new powers and duties relating to anti-money-laundering and countering the finance of terrorism. For ease, I will use the term 'AML/CFT'.

2480

The new powers of the Financial Supervision Commission, which I will refer to as the FSC from now on, will enable that body to oversee certain businesses and professions, which I will refer to as 'designated businesses', in respect of their adherence to the AML/CFT legislation.

The core aspects of the Bill are that it will: (a) provide a system requiring designated businesses to register with the FSC; (b) empower the FSC to assess their compliance with the AML/CFT legislation, by means of on-site visits and annual returns; and (c) provide powers of action and enforcement, where these businesses have failed to comply with the legislation.

2485

The Bill contains four parts and three schedules.

Part 1 is introductory and includes the power to delegate certain functions under the Bill to any person the FSC considers appropriate. It is envisaged that the FSC will only delegate the powers of inspection, and only to certain professional bodies.

2490

Part 2 makes it an offence for a person to carry on a designated business in or from the Island unless the person is registered, acts in accordance with the registration and complies with the AML/CFT legislation.

2495

Registration, which may be subject to conditions, remains effective until a person is deregistered or the registration is revoked. When assessing if a person is fit and proper for registration, the FSC will consider their integrity and matters relating to AML/CFT legislation. It will not otherwise consider the conduct of a designated business, or the competence of the persons involved in that business.

2500

Part 3 contains three divisions. Division 1 requires registered persons to submit an annual return and fee each year of registration. It empowers the FSC to carry out on-site inspections and investigations, and to gather information from both registered persons and unregistered persons suspected of carrying on a designated business. The division contains a number of offences for failure to comply and for falsification or destruction of records.

Division 2 relates to information and requires the registered person to ensure that information held by the FSC is correct. It provides that sensitive or restricted information relating to registered persons is disclosed only with their consent or in accordance with schedule

2505 2. Legal professional privilege is not overridden by the requirements of the Bill, and requires auditors to report prescribed matters to the FSC.

It also requires the FSC to maintain a register of registered persons.

2510 Division 3 relates to action and enforcement, and empowers the FSC to make reports of its findings and to require remedial action is undertaken. It also empowers the FSC to issue directions, published statements and civil penalties. It enables the FSC, where necessary to apply to the High Court for injunctions and remedial orders.

Part 4 contains supplementary provisions relating to advice and guidance. It provides for reviews of the FSC's decisions by the Financial Services Tribunal. It also empowers the FSC to make orders to prescribe matters under the Bill and contains transitional provisions.

2515 Schedule 1 relates to clause 4. It defines designated businesses and contains exemptions from the need to register under the Bill.

Schedule 2 relates to clause 22 and specifies the permitted reasons for disclosing sensitive or restricted information.

2520 Schedule 3 makes consequential amendments to the Financial Services Act 2008, the Insurance Act 2008, and the Proceeds of Crime Act 2008.

As a result of comments made by the assessors on behalf of the IMF, by which I mean the International Monetary Fund, following their last visit to the Island in 2008, it is apparent that the oversight of designated businesses in the Island is currently not sufficient to comply with international standards.

2525 The Council of Ministers therefore agreed that the Department of Home Affairs and the Office of Fair Trading should cease to have responsibility for the oversight of designated businesses for AML/CFT purposes. Instead the Bill proposes that the FSC's experience of AML/CFT supervision should be utilised and its remit extended. The Bill gives the FSC responsibility for a new comprehensive regime of AML/CFT oversight, covering designated  
2530 businesses as well as other businesses listed in schedule 4 to the Proceeds of Crime Act 2008 that do not yet fall within an existing regulatory framework. These businesses include those providing financial guarantees and commitments and financial leasing.

2535 The Bill, which has been drafted to comply with Financial Action Task Force (FATF) recommendations empowers the FSC to undertake a role which will enable the Island to meet important international standards on anti-money-laundering and countering the finance of terrorism, and therefore avoid any potential international criticism of the Island, when the Island is reviewed by Moneyval in 2016.

2540 The Bill has been subject to wide consultation, and all comments received have been addressed. The Bill is not expected to increase the expenditure of Government or require any additional public service human resources.

The FSC prioritise the need to administer this regime and to conduct the monitoring required and so divert resources to other areas of work. However, the income of Government will increase by virtue of registration fees, which will be paid by all registered persons, and annual fees that will be paid by those persons directly overseen by the Commission.

2545 The Bill will place some additional administrative and financial burden on the designated business sectors, but it is considered that this burden will be small compared to the likely cost to the Island's economy and reputation of not introducing such a change.

Mr Speaker, I beg to move that the Designated Businesses (Registration and Oversight) Bill 2014 be now read for the second time.

2550

**The Speaker:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.  
I beg to second, sir, and reserve my remarks.

2555

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

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

2560 Just one thing that the Minister for the Treasury mentioned in his speech there: he mentioned the destruction of records. I wonder whether there is another definition of 'data'. I wonder whether that will be included in that particularly clause as well or is there a definition of records which includes data held electronically?

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

2565 **Mr Karran:** Vainstyr Loayreyder, I think we all agree that we do not want the Island to be involved with financing terrorism or money laundering. I would like to know a couple of points as far as the Bill is concerned: the rationale behind the issue of why we are using the currency of euro, when we are still in the sterling area, within the Bill.

2570 With the new fees, will these fees have to go to Tynwald for approval? What safeguards are we going to have that this legislation will not be used for fishing trips for other jurisdictions as far as this piece of legislation is concerned? Allowing for the fact that purely if there is a proven case as far as terrorism financing or money laundering, fair enough; but what safeguards will there be that we will actually protect Manx business on the Island as far as that is concerned?

2575 Finally, there was something else I wanted to ask about this Bill. Can he just clarify as far as the setting up of this tribunal as far as people wanting to appeal the actions as far as this is concerned? What will the costs be as far as the individuals that want to go to this tribunal? How will this tribunal will be set up?

2580 I think it is important that Members understand these points, instead of just nodding it through, so I just think it is important that the Hon. Minister does that, to make sure that there is a recognition that if we are bringing in more powers, there is a way of auditing. I think anything that will help... and I understand the Minister is in a very difficult position, when you look at other things like the Louis Group and the likes, when we have got to find ways of creating better powers for the FSC, but we must make sure that it does not create a power that is not audited and is not accountable for its actions, where it can have a serious detrimental effect as far as a legitimate business is concerned on the Island.

2585 So I would be interested in the Minister's reply as far as that is concerned.

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

2590 **Mr Teare:** Well, thank you very much, Mr Speaker.

I am pleased to confirm that the destruction of records, that is designed to prevent people, in effect, tampering with evidence. But the definition of data does include documents, which includes information which might be held in electronic form.

2595 Going to the Hon. Member for Onchan, Mr Karran: why use the euro rather than the pound? It is linked to the use of schedule 4 to the Proceeds of Crime Act 2008.

2600 He also asked about fishing trips for other jurisdictions. The access to information held within the Isle of Man is tightly controlled, and we do have various channels or conduits as to how this information can be shared, and it has to come from an appropriate authority in a relevant jurisdiction with whom we have an arrangement. The disclosure of information is restricted in a similar manner to those restrictions contained within the Financial Services Act.

In terms of the cost of the tribunal, for those who wish to proceed to a tribunal if they are aggrieved by an action or a decision of the FSC, the cost of that tribunal is free to the applicant.

2605 With that, Mr Speaker, I beg to move that the Second Reading of the Designated Businesses (Registration and Oversight) Bill 2014 now be taken.

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

2610 Hon. Members, that concludes the business of the House today. The House will now stand adjourned until the next sitting, which will take place at 10 o'clock in this Chamber on 11th November.

*The House adjourned at 12.35 p.m.*