



HOUSE OF KEYS OFFICIAL REPORT

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PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 24th March 2015

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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);
Mr J R Houghton (Douglas North);
Mr C R Robertshaw and Mrs B J Cannell (Douglas East);
Hon. J P Shimmin and Mr C C Thomas (Douglas West);
Mr G D Cregeen (Malew and Santon);
Hon. J P Watterson, Hon. L D Skelly and Hon. P A Gawne (Rushen);
with Mr R I S Phillips, Secretary of the House.

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House of Keys

The House met at 10.00 a.m.

[MR SPEAKER *in the Chair*]

The Speaker: Moghrey mie, Hon. Members.

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

The Speaker: The Chaplain will lead us in prayer.

PRAYERS

The Chaplain of the House of Keys

Tribute to Charles Cain, former Member of the House of Keys

The Speaker: Hon. Members, as you are aware, there occurred last week the death of a distinguished Manxman and former Member of this House, Mr Charles Cain.

10 Charles Arthur Cain served as Member of the House of Keys for Ramsey between 1981 and 1986, having previously contested the seat at the Election of 1976. He held Government posts on the Electricity Board, being its Chairman at what was a critical period, the Industry Board and the Income Tax Commission, as well as serving on numerous Committees of Tynwald. His public political service also included a total of 13 years on the board of Ramsey Town Commissioners, where he served as Chairman.

15 Aside from his political service to the Island, Charles was a man whose life was one of wide and varied experience and interest – commercial, academic and cultural.

20 Born in Peel in 1938, he was the son of Deemster James Arthur Cain. He was educated at Marlborough College and was a graduate Master of Arts from King's College, Cambridge, where he was a chorister for five years in their famous choir.

He saw national military service in the Black Watch, whose tartan trews he always remained proud to wear, and was commissioned into the Cameronians.

25 Then a career in banking in East Africa – and when in Kenya he was in the Nairobi Cathedral Choir – and then in England, before returning to his beloved Isle of Man in 1972, where he began a long career in the Island's finance sector, initially in banking, then starting his first, followed by his second, company specialising in offshore trust work, corporate consultancy and management. Charles was a visiting Professor of Business both here and in the United States and an author of financial publications, notably being Editor in Chief of *Offshore Investment*.

30 He had a love of theology and medieval choral music and was a member of Tallis Consort Isle of Man from 1989 until ill health obliged him to retire in 2011.

Charles had an abiding love of Manx history and the Island's cultural heritage and was perhaps one of the first Members of Tynwald in the 1980s to recognise the value of the Manx

language as a powerful symbol of separate national identity when the foundations of its national revival were being laid. He himself had a working proficiency in Manx Gaelic. He served for eight years on the Manx Heritage Foundation and was a past Chairman of Yn Chruinnaght, the annual Celtic festival of music and dance.

Charles Cain was a man of great intellect with views on political, constitutional and historical matters, which he was not afraid to espouse honestly and publicly – often on Manx Radio, on which he would often be invited to speak as a political authority and respected commentator.

To those of us who knew him personally – and I am proud to be one such for some 30 years – there is a sense of great loss but also of a life well lived as a proud Manxman who served and promoted his native land.

To his wife Angela, his sons and wider family this House extends its deepest condolences and sympathy. (**Members:** Hear, hear.)

Hon. Members, please rise for a few moments of silent tribute to our late Keys colleague, Charles Arthur Cain.

Members stood in silence.

The Speaker: Thank you, Hon. Members.

Leave of absence granted

The Speaker: Hon. Members, I have given leave of absence to the Chief Minister and also the Hon. Member for Middle, Mr Quayle, who are away on Government business; and also to the Hon. Member for Douglas South, Mrs Beecroft, who is unwell, as is the Hon. Member for Castletown, Mr Ronan.

Legislative Council elections – Nomination of candidates

The Speaker: I remind Hon. Members that they are now able to nominate candidates for election to the Legislative Council and to do so in writing to the Secretary of the House. The closing date for nominations is Thursday, 16th April at 5.00 p.m. Nominations will be published immediately after that time.

1. Questions for Oral Answer

Procedural

The Speaker: Turning to our Order Paper, we now turn to Item 1, Questions for Oral Answer, and again I invite Hon. Members to read out their Questions for the benefit of the radio listeners.

TREASURY

**1.1. Rates collection –
Efficiency; alternative options**

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

How the Department's collection of rates has been benchmarked for efficiency; and what options for alternative service delivery have been investigated?

The Speaker: I call on the Hon. Member for Douglas West, Mr Thomas, to ask Question 1.

65

Mr Thomas: Thank you, Mr Speaker.

I beg leave to ask the Minister for the Treasury how the Department's collection of rates has been benchmarked for efficiency and what options for alternative service delivery have been investigated.

70

The Speaker: I call on the Treasury Minister, the Hon. Member for Ayre, Mr Teare.

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

75

For the year 20013-14 the amount of rates collected by the Treasury was 98.28%. The collection amount for that period has now risen to 99.19%.

80

Local property taxes in adjacent jurisdictions have been considered as the benchmark for efficiency, and although the processes are not directly comparable, they give an indication of the levels of collection of a similar taxation class. Aggregate community charge collection rates for the financial year 2013-14 as at 31st March 2014 were 97% in England, 96.5% in Scotland and 97% in Wales. The local property tax collection rate in Ireland for 2014-15 was 95%.

85

The Rating and Valuation team in the Treasury has significant knowledge and experience and this enables efficiencies, minimises errors and helps to achieve the collection rate success which we have sustained for a number of years. Treasury has considered alternative methods of service delivery, including merging with other areas of the public service, provision by a non-profit organisation or outsourcing to a private sector organisation. It is unlikely that any of these options will be more efficient than the service which we now have.

Thank you, sir.

The Speaker: Supplementary question, Mr Thomas.

90

Mr Thomas: Thank you very much, Mr Speaker, and to the Treasury Minister for providing the information; and congratulations to everybody involved on having a higher collection rate apparently than everywhere else in the neighbouring islands. (**A Member:** Hear, hear.)

95

Would the Treasury Minister agree with me that efficiency is not only about the collection rate; it is also about the resources expended on the process of collection?

100

Does the Minister accept that, back in January 2013, Treasury offered up this area of its work – along with debt collection, payroll and creditor payments – as one area that it was going to investigate actually seeing how it could reduce Government's enrolment? I would have hoped that the Treasury has actually wholeheartedly and fully investigated the possibility of merging with the local authorities or other alternatives.

The Speaker: Treasury Minister to reply.

The Minister: Thank you, sir.

105 I think it is interesting that the average cost of council tax collections in Scotland was £13.29. The service which is currently being delivered by Treasury is being delivered for less than half of this amount, and also the Isle of Man rates include the non-domestic Water and Sewerage Authority billing, so I think it is good value for money.

110 The Hon. Member has asked why did we not move forward on this at the same time as we are moving forward on debt collection and also central payment of bills. The truth of the matter is that there are only so many things that we can move forward on at the one time, and it comes down to a matter of prioritisation. With the data that we have here I think that there is very little scope for squeezing more cost out of the system, sir.

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

Mrs Cannell: Thank you, Mr Speaker.

120 I wonder if the Minister would advise the House what are the reasons why people do not pay their Income Tax? It is up now to, for the years 2013-14, 99.1%. Does the Minister expect that to come up a little bit healthier towards 100%? And what happens to those in that area where it is not collected, or the people are not willing to pay their Income Tax? Is it written off or is it pursued by Treasury?

The Speaker: Treasury Minister.

125

The Minister: I assume that the Hon. Member who has just resumed her seat, when she was talking about Income Tax, really meant rates.

Mrs Cannell: Rates – sorry, yes. Rates.

130

The Minister: With that rider then, certainly for the rates collection outstanding, in effect what we can do is put a charge on the property for the outstanding rates. When a property is sold, it is normal practice for the advocates acting for the purchaser to ask of the rating authority what outstanding rates there are against the property. So at that time, it does give us an opportunity to recover the outstanding amount.

135

The Speaker: Mr Thomas, supplementary.

Mr Thomas: Thank you, Mr Speaker, and also to the Treasury Minister for adding extra information about the other type of efficiency in the first supplementary answer.

140

145 Did the Treasury ever consider, inside the Council of Ministers or anywhere else, combining rates collection, which is a local authority function, with all the other local authority functions like waste, housing and all the other things that local authorities do, in some sort of local authority transition agency, as proposed in the Scope of Government Report – because that might have shown willing to the local authorities that we were trying to put together a proper new system?

The Speaker: Mr Teare.

150 **The Minister:** The short answer is no, sir, because I might be a bit slow off the mark, but I do not see the synergies there.

**1.2. National Insurance Fund –
Transfer to revenue/capital accounts**

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

Why the transfer to revenue/capital accounts from the National Insurance Fund is expected to rise by over 70% in 2014-15, before returning to a more normal level in 2015-16?

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

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

I beg leave to ask the Minister for the Treasury why the transfer to revenue/capital accounts from the National Insurance Fund is expected to rise by over 70% in 2014-15 before returning to a more normal level in 2015-16.

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

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

165 The Hon. Member has correctly indicated that the expected transfer from the National Insurance Fund has increased by 70% for 2014-15 over the previous year, which is largely attributed to the increases in the level of benefits and payment, which have increased at a faster rate than the National Insurance income.

170 Mr Speaker, I would stress that this figure is still an estimate and it will not be until the end of the current tax year that we will know the final figure. Similarly, in respect of the 2015-16 estimate, we will revise the anticipated drawdown from the fund when next year's Budget is prepared and we have a revised probable figure based on more current data.

175 Hon. Members, as I have stated in this House on a number of occasions, it is not prudent to continue to rely on the interest income from the Manx National Insurance Fund to fund current benefit expenditure, and that is why I strongly believe that we must put in place the necessary reforms to our Social Security Scheme, to put it on a firm financial footing for the next generation.

Thank you, sir.

**1.3. Income Tax –
Resident receipts**

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

Why the Minister expects an increase in resident Income Tax receipts next year of £7.5 million?

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

Mr Thomas: Thank you, Mr Speaker.

180 I beg leave to ask the Minister for the Treasury why the Minister expects an increase in resident Income Tax receipts next year of £7.5 million.

The Speaker: Mr Teare to reply.

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

The projected increase of £7.5 million in resident Income Tax receipts in 2015-16 has two component parts. The first is the effect of the changes to the Personal Allowance Credit announced in the 2015 Budget, and the second is a modest inflationary increase. The reduction in the amount of the Personal Allowance Credit taken with the additional qualifying conditions announced in the 2015 Budget are anticipated to result in a reduction of £2.8 million in payments. This is reflected in the Pink Book as if Income Tax receipts will increase by that amount.

Resident tax receipts have increased from £149 million in 2010-11 to almost £176 million in 2013-14, which is an annual average increase of 5.6%.

195 Excluding the effect of the Personal Allowance Credit changes, we forecast a modest 2.6% increase. This equates to £4.7 million, which, on the data available to the Treasury, I believe to be achievable, sir.

Thank you.

200 **The Speaker:** Supplementary question, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker, and to the Treasury Minister for providing fuller information.

205 Would the Treasury Minister agree that in the new spirit of openness and transparency and telling everybody exactly how it is – as demonstrated in the excellent PAG meeting yesterday evening by the Treasury Minister – it would have been better to draw attention to this increase in take from Income Tax this year, rather than focusing on next year's changes to the increase in the Personal Allowance, so we all know where we stand, because people are paying tax?

210 **The Speaker:** Minister.

The Minister: The presentation of information is always subject to a certain amount of discretion. What I might see may not be seen by another individual. But people are free to come and ask if there is any aspect that they want clarity on, and that offer still remains on the table, sir.

The Speaker: Mr Thomas.

220 **Mr Thomas:** Does the Treasury Minister agree that the take from the Income Tax cappers – the richest people in our Island – is only actually going to be £300,000 next year, whereas normal people – the people who pay at the band of 20%, mostly – will be paying most of the increase in Income Tax? Corporate taxpayers will be declining next year, but regular people out in the streets, who pay tax at 20% mostly, will be paying all of that increase. Does the Treasury Minister agree that that is the way to approach a tax system, especially given the evidence of the income and cost of living in balance that currently exists?

The Speaker: Treasury Minister.

230 **The Minister:** When you have 44,000 taxpayers and, in effect, 69 tax cappers – hopefully 70 soon – really, I would say that the balance is right.

**1.4. TV licences –
Over-75s**

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

Whether he will review his intention to withdraw the rebate system which allows free TV licences to those over 75 following David Cameron's announcement to restore the same privilege to persons in the same age category?

The Speaker: Question 4. Hon. Member for Douglas North, Mr Houghton.

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

I beg leave to ask the Treasury Minister whether he will review his intention to withdraw the rebate system which allows free TV licences to those over 75, following David Cameron's announcement to restore the same privilege to persons in the same age category if the Conservative government is re-elected.

240

The Speaker: Treasury Minister to reply.

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

245

Mr Cameron has not announced that he will restore free TV licences for the over-75s. He could not have done so, as the privilege has not been removed. The Prime Minister promised to continue paying for the free TV licences for the over-75s, as well as the other pensioners' concessions, for as long as he is the UK Prime Minister.

250

Tynwald has agreed, as part of this year's Budget, that automatically granting free TV licences for residents of the Isle of Man who are aged 75 or older should be discontinued from the earliest possible date.

255

All pensioners on Income Support, not just those over 75, will be eligible to receive a payment from Social Security for the full cost of their licence. This commitment is fully in line with the objectives of the Agenda for Change, which states on page 9 that the traditional universal services for all model is not sustainable and some services will be means tested in the future.

Should a tax cap individual or higher rate taxpayer receive a free TV licence simply for being over 75, or should we target our scarce resource more appropriately? I feel that the measures which we have taken are appropriate, sir.

260

The Speaker: Mr Houghton, supplementary.

Mr Houghton: I thank you, Mr Speaker, and I thank the Treasury Minister for clarifying the matter, but still the promises made in the United Kingdom and the factors in the Isle of Man... the Minister, Mr Speaker, has given clear intention of withdrawing that.

265

May I ask the Treasury Minister to take account that free TV licences will give those elderly people the opportunity to offset their additional layout for a TV licence to put towards other stealth charges that have been brought in by this Government, in order for them to be able to keep their head above water? Would he review his policy, Mr Speaker?

270

Mr Watterson: In the DoI – stealth charges.

The Speaker: Mr Teare.

275

The Minister: The short answer is no. It is quite interesting – I have had some feedback on this and basically during the discussion with the callers I said, 'You obviously rely on your

television.' 'Yes, I do.' 'Do you have Sky as well?' 'Yes, of course I have Sky.' 'What package do you have?' Quite a few of them have the full sports package as well, which is something I do not have because I am not particularly interested in it, but that is over, as I understand it, £60 a month. The cost of the TV licence is approximately £14 a month.

280

The Speaker: Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

285 Would the Treasury Minister not consider an approach to the Cabinet Office to pursue the BBC for some additional funding into the Isle of Man, because as the Select Committee came out it said it was £1 million short, and would he not agree now is the time to strike because the United Kingdom unilaterally took money from the BBC to fund its services?

The Speaker: Mr Teare.

290

The Minister: That is certainly one of the things which can be borne in mind, sir.

The Speaker: Hon. Member, Mrs Cannell.

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

Would the Minister do some further research on this – rather than go on anecdotal evidence that he spoke to someone who is a pensioner, who is over 75, who also has the full Sky package – because I have not got one constituent over the age of 75 who can afford (**Two Members:** Hear, hear.) the full Sky package.

300 Can the Minister advise how many people have benefited from it previously in the past? Surely he must have figures and he must have had those figures provided before the decision was taken to withdraw it.

305 Can he explain what actually happens in the case of a residential elderly persons' home where there are several rooms and each room is furnished with a television licence? Will the home have to pay for those TV licences? Is it the individual who is living there? How is that going to work?

At the end of the day... Again, I started off the question; I will finish it this way – will he do some further research? It is being regarded as very mealy-mouthed to remove this essential service to people sometimes who could not step outside their home and are relatively housebound and look forward to the company of their TV.

310

The Speaker: A lot of commentary to that question.
Mr Teare.

315 **The Minister:** Yes, thank you, sir.

Anecdotal? I am just going on the basis of the people who have contacted me directly.

There are 4,000 households who have at least one person aged 75 or over. This measure will save £600,000; so, Hon. Members, do you want this spending on health or do you want it spending on TV licences for those people who can afford to pay for them themselves? The choice is yours.

320

The Speaker: Supplementary, Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

325 By questioning the Minister's answer before he took his seat, can he turn the issue around and think just how many more people have to outlay more and more money before... including this, which was unforeseen from the last year, and the fact that it has to be by application only –

the person over 75 years actually makes an application – so those who are rich enough to be able to sustain the loss of this would not make an application and those who would, would do so?

330

Would he revise this situation? It is very serious. All the additional Government charges, known as stealth charges, are now starting to take serious effect and this would go some way towards aiding those people. And those people certainly do not have Sky packages etc. Many of those people who can ill afford these costs are still on terrestrial TV.

335

The Speaker: Mr Teare to reply.

The Minister: Interestingly enough, the Hon. Member said ‘these people, who cannot afford these costs’: we do have means testing and that will continue to apply.

340

So basically what we are saying is that those people who can afford to pay for it should afford to pay, and I think that that is quite a fair way of approaching it, because we are not in a position to continue with these universal benefits and in my opinion they should be reviewed.

The Speaker: Mr Karran, Hon. Member.

345

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh reconsider that the points the Hon. Member for Malew and Santon brought up about the issue of the UK...? Allowing for the fact that this is a UK tax forced under an imperial order from the Wireless Telegraphy Act 1948, would he reconsider that maybe we should be actually making representation that there should not be (A Member: Hear, hear.) any transfer of funds as far as that section of the community... as far as this money is concerned, over these licences?

350

Would he consider that maybe the time has come, like I have said, where people who are just over the Social Security level... that we bring in some sort of tax certificate, where people who are not well off but are of a reasonable income, who are deemed to not need a tax certificate, would then lose their right to these universal benefits, and that would be a far better way of dealing with it without it being at such a base level?

355

The Speaker: Treasury Minister.

The Minister: It is interesting that we have got these comments here about TV licences – there was not the same level of comment about means testing Child Benefit. Perhaps that is another issue. (*Interjection by Mr Karran*)

360

The bit about the BBC and approaching the BBC, I have already answered that in my response to a supplementary question from the Hon. Member for Malew and Santon.

365

I do feel that there is an issue with the way that benefits operate. There is a cliff edge and we need now to have more of a gradual progression from benefits into, in effect, no benefits – standing on your own feet – because at the moment it does actually act as a very severe impediment.

The Speaker: Final supplementary question, Mr Houghton.

370

Mr Houghton: Thank you, Mr Speaker.

Would the Minister clarify whether this is a benefit or a concession, sir?

375

Mr Watterson: It is a benefit.

The Speaker: Minister.

The Minister: It is a benefit.

380 **A Member:** No.

Mr Watterson: It is a benefit.

385 **The Minister:** It is a benefit that is paid for by the taxpayer at a cost of approximately £700,000 a year.

1.5. Manx Pension Supplement – Proportion of basic state retirement pension

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

What percentage of the Manx Pension Supplement in relation to the basic state retirement pension will be paid with effect from April 2015; and what the difference is between the above and the original 50% previously applied?

The Speaker: Question 5, Mr Houghton, please.

Mr Houghton: Thank you, Mr Speaker.

390 I beg leave to ask the Minister for the Treasury what percentage of the Manx Pension Supplement in relation to the basic state retirement pension will be paid with effect from April 2015 and what the difference is between the above and the original 50% previously applied.

The Speaker: Treasury Minister, Mr Teare.

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

From 6th April 2015 the rate of the Manx Pension Supplement will equate to 46.355% of the basic state pension. The basic pension will be £115.95 per week from 6th April 2015 and the basic Pension Supplement will be £53.75 – the same as it is now and the highest it has been at any point since its introduction.

400 If the Pension Supplement had remained at half of the basic state pension then the weekly rate from 6th April would be £58, sir.

The Speaker: Mr Houghton, supplementary.

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

Mr Speaker, can the Treasury Minister assure this Court that he has Tynwald support for this particular change in the Budget?

410 Does he have Tynwald support for each time the Pension Supplement has been reduced over the last three years to now coming up to 46.355% of the basic pension – or £4 week less than it should be, or £220 per year less than it should be, but that £220 a year would go some way in order to offset stealth charges being brought in by this Government to offset all these additional costs that they are faced with?

The Speaker: The Treasury Minister.

415

The Minister: Thank you.

Yes, Tynwald did support the Budget, but he seems to say it has been reduced: it has not been reduced – it is at the highest rate ever, so the cash payment has *not* been reduced.

420 If we go back to April 1993 when the Pension Supplement was originally introduced, it was intended to be a link between the state pension and operating in terms of average earnings growth. It was brought in at £5, and if we had carried on on the same basis the Pension Supplement now would be just over £11; so I think at five times that figure it has done very well.

425 **The Speaker:** Mr Houghton.

Mr Houghton: Notwithstanding that point, Mr Speaker, would the Treasury Minister not agree that he is playing with words here? The issue set forward in the previous Tynwald Order was 50% of the basic state pension for this Manx pensioners' supplement. That was reduced to 48.8%, from my records, and since then the cash has remained the same but the percentage has reduced – and that is where there is now an opening gap of some £220 per year shortfall in the payment to those pensioners.

430 Can he not qualify – and if he has not got the information in front of him, if he could go and find it – that the Order approved by Tynwald was by a percentage, not by a cash value?

435 **The Speaker:** Treasury Minister.

The Minister: It is quite clear that Tynwald agreement has been given to this figure, so I am quite content with that.

440 What we have to recognise too is that, in the UK, as part of the coalition, they brought in the so-called 'triple lock', which was to increase the basic state pension to a maximum of inflation, average earnings or 2.5%. For the last two years that triple lock has been engaged at 2.5%.

At the reference point in September last year, where we decided the uprating for this April, inflation was 1.2%; so if we had stuck with the inflation figure and had applied that to the Pension Supplement as well, the pensioners would have received less.

445

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

Mr Singer: Thank you, Mr Speaker.

450 Could I ask the Hon. Treasury Minister: if the supplement had been 50% this year, that is £58, how much extra would that have cost Government over what it will cost it this year?

Mr Watterson: The National Insurance Fund.

455 **The Speaker:** The Treasury Minister.

The Minister: The actual extra cost on the National Health Insurance Fund would be £1 million, and we have already reached the tipping point for the NHI Fund and we need to address that.

460 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

465 In answer to my previous supplementary question, the Minister mentioned that it had Tynwald agreement. The Budget certainly did have general Tynwald agreement, but flowing from the Budget are a number of Orders that followed. There was no Order allowing this particular resetting of the Pension Supplement to a lower rate. Every Hon. Member of this House will understand that Orders, where Orders have to be changed, do follow the actual Budget, and in this case that has not been approved by Tynwald – if the Minister would clarify that?

470 And, when he mentions the triple lock agreement in the UK, that has no relevance whatsoever in this matter. Will he clarify that point also, sir?

The Speaker: Minister.

475 **The Minister:** With respect, I feel the triple lock is very relevant because it actually deals with income in people's pockets, and the triple lock has been engaged.

The information I have in front of me – it is an article which appeared in *The Economist* of 28th February this year – says over the past five years the average British household has seen its income fall by about £500. The average two-pensioner household has taken a hit of just £23.

480

The Speaker: Mr Thomas, Hon. Member.

Mr Thomas: Thank you, Mr Speaker.

485 I am just brought to my feet because the Treasury Minister talked about the tipping point of the National Insurance Fund already having been passed, but I think that is bringing it forward about 25 years (**Mrs Cannell:** Hear, hear.) from what Ci65 says. That is why I wanted the Treasury Minister to clarify that, just because the next two years, for whatever reason that is still to be discovered... the fund will go down in value, I wanted the Treasury Minister to confirm that the tipping point in the National Insurance Fund has not yet been reached.

490

The Speaker: Treasury Minister.

The Minister: The tipping point in terms of cash in and cash out has been reached.

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

Mr Cannan: Thank you very much, Mr Speaker.

500 The Treasury Minister mentions the UK. Can I ask him what impact the move to a single tier pension, the increase of the contributions from 30 to 35 years and the increasing of the pension age to 66 by 2020 will actually have on the Manx Pension Supplement? And when these reforms come in on 1st April 2016, what impact will it have in respect of the Manx Pension Supplement and the state pension in general?

505 **The Speaker:** Treasury Minister.

The Minister: These will be subject to negotiations with the UK as to what we actually bring in, closer to 1st April 2016, sir; so at the moment I am not able to give any indication.

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

510

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that the Manx Pension Supplement was actually brought in as a cost-of-living bonus to recognise the fact that there was a higher cost of living and traditionally we were 45% of the Brits' 30 years ago?

515 Would he also not agree that, allowing for that, when you look at people the likes of who are living in council houses – who paid 5% increases in their costs, and many people are having above-inflation costs as far as the cost of living is concerned – this is an important issue?

520 Will he be considering the issue of some sort of tax certificate so that only the people at the very bottom end get something out of these new proposals, and we will actually try and get it at a reasonable level so that we do protect the genuine pensioners who are not just on Social Security but just over Social Security at levels that are unacceptable?

Finally, would the Shirveishagh Tashtee explain to this House that, by voting for this Budget, you voted for these proposals?

The Speaker: Treasury Minister.

525 **The Minister:** I feel that the Hon. Member was making a case – and I apologise to him if I have misunderstood him – for means testing the Pension Supplement, and perhaps that is a good idea.

I have dealt with the issue of cliff edges before and I do feel that cliff edges, in terms of benefits, are disproportionate and unfair.

530

The Speaker: Mr Cannan.

Mr Cannan: Thank you.

535 Can I ask the Treasury Minister why he cannot tell us what impact the UK reforms and significant changes will have from 1st April next year on the Manx Pension Supplement and on Manx state pensions, given that this information has been freely available for five years and was firmed up by the coalition government as early as 2011?

The Speaker: Minister.

540

The Minister: As I said in my original Answer, to which I have got nothing further to add, it depends on negotiations with the UK.

The Speaker: Mr Thomas.

545

Mr Thomas: Thank you, Mr Speaker.

550 As the Treasury Minister has just introduced the new concept of the cash tipping point, and given that the very healthy real debate about the National Insurance Fund and pensions and benefits has really started now, can the Treasury Minister confirm that if the £2 million investment income from the £44 million lent to the Hospital was included in the National Insurance Fund we would not be past that cash tipping point?

And can the Treasury Minister advise whether the £5½ million special settlement with the UK was paid in this last financial year or in the previous financial year, and does that make a difference to the cash tipping point, please?

555

The Speaker: Treasury Minister.

560 **The Minister:** The payment, or the timing of one payment for one year, does not affect the overall outcome. The fact is quite clear that in terms of cash there is more money going out of the fund than coming in.

It would be wrong and inappropriate for us to rely on volatile investment returns because that, I would respectfully suggest, is a fool's paradise. Anybody who buys investments will be given the rider that investments can do down as well as up, so really...

565 The other question he raised was about the £44 million transfer to the Hospital Investment Fund. That would certainly if it was there, but it is not going to alter the ultimate outcome because we have a population that is ageing. The number of pensioners is increasing by about 300 a year and we are at about 18,000 pensioners now. So we are talking about big numbers here and it is not going to decrease.

570

The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask again: the issue of the Manx Pension Supplement was directly brought in as a cost-of-living bonus, recognising the cost of living in the Isle of Man. Allowing for the fact that the costs of living have gone up, could the Hon. Minister just give some

575 straight answers as far as this issue is concerned and not selective hearing, in that the fact is that this is a major factor as far as this benefit is concerned to do with costs? Will he make sure that he keeps vigilant as far as that issue is concerned so that we make sure that we do not just hit everybody but a few at the bottom? There are a lot of people in the middle who are getting hit quite severely.

580 And would he answer the question about the Budget? People who voted for the Budget voted for these proposals that have taken place now.

The Speaker: Treasury Minister.

585 **The Minister:** The cost of living, yes. The Hon. Member –

Mr Karran: It's much dearer here.

The Minister: The Hon. Member will appreciate that in the Budget I flagged up a proposal that, if we were able to get it through, would take 10,000 people out of the tax... *[Inaudible]* lower-earnings people, so that has got to be good news. That is going to help them as well. (**A Member:** Hear, hear.) It is definitely aimed at the people at the bottom of the economic pyramid, so I think that is very helpful.

595 **The Speaker:** Mr Houghton.

Mr Houghton: Thank you, Mr Speaker.

Notwithstanding the Treasury Minister's reply to the Hon. Member for Onchan's question, would he promise this House that he will go away and check whether he has the vires to peg – what he calls it; his word – the cash sum of the Manx Pension Supplement, rather than operate by the application of a percentage, which is 48.8% of the pension? (**Mr Thomas and another Member:** Forty-six.) It is now 46%. I am asking for 48.8%, which is what was approved originally, from 50%, about two years ago – if he would check that he has the vires to do that. Rather than working on an overall vote on the Budget in the fact that there was an Order which was approved by another place for 50% and then going down to 48.8%, and therefore that is leaving those pensioners, who are entitled to this under the Scheme, with a shortfall of £220 per year, would he simply promise to go away and check whether he has the vires for this? Because I do not think he does.

610 **The Speaker:** Minister Teare.

The Minister: We certainly make sure that everything we do is legally well founded, sir.

The interesting thing here is that the point raised by the Hon. Member for Onchan, Mr Karran, is that the Pension Supplement should be means tested, and I take that away with me this morning.

1.6. Sefton Group payments to suppliers and staff – Question not asked

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

When Treasury last asked the Sefton Group if they were paying suppliers and staff when bills became due and payable?

ECONOMIC DEVELOPMENT

**1.7. Isle of Man country brand –
Question not asked**

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

What efforts have been made to promote the Isle of Man country brand; and what results have been achieved?

POLICY AND REFORM

**1.8. Life expectancy –
Calculation; changes**

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

What the current life expectancy in the Island is; how the figure is estimated; and how the estimate has changed in recent decades?

The Speaker: We turn to Question 8. Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

620 I beg leave to ask the Minister for Policy and Reform what the current life expectancy in the Island is, how the figure is estimated and how the estimate has changed in recent decades.

The Speaker: I call on the Minister for Policy and Reform, Mr Shimmin.

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

Life expectancy figures are calculated in the form of life tables produced following each census. Over the last two decades we would estimate that average life expectancy in years at birth has increased by around five years, with the figures as follows: 1991, 75.6 years; 1996, 76.77; 2001, 78.64; 2006, 80.85; and 2011, 80.94.

630 The calculations to arrive at these estimates are complex and technical, but in basic terms life expectancy figures are estimated using the age distribution of the resident population in a particular census year and the respective ages at death of those persons who died within that year. From these data sources a series of calculations are conducted in a progressive series which result in a calculation of the expectation of further life for those at each individual age.

635 The figures quoted represent life expectancy at birth, which is the most common figure used. The calculation of the expectation of life for the residents of the Isle of Man follows standard techniques from international demographic research.

If the Hon. Member wishes further details on the methodology, then I am sure the officers of Economic Affairs can assist.

640

The Speaker: Mr Thomas, a supplementary.

Mr Thomas: Thank you, Mr Speaker, and to the Minister for Policy and Reform for that very helpful Answer.

645 Can the Minister confirm that the life expectation, and indeed population data more generally, which is vital in the Isle of Man at the moment given our consideration of the National

Insurance Fund, of housing and of planning... Can he confirm that the accuracy of the base year data is vital and also the number and age distribution of migrants is vital, and in actual fact at the moment we do not have very solid data about that in the Isle of Man and we are relying on
650 UK figures supplemented by our Census data in 2011? Does the Minister agree we should do more investigation of this if we are going to change our pensions and our Strategic Plan based on this population data?

655 **The Speaker:** Mr Shimmin.

The Minister: Thank you, Mr Speaker.

I think the Hon. Member, my colleague in West Douglas, highlights the real conflict that we suffer at the moment. In historic terms, over the nearly 20 years I have been in this House the data on which many of our decisions have been based has been less than perfect. We have
660 spent a lot of time in recent years trying to make that better, but there are still areas where there are weaknesses, whether it be in Health Services or population census.

To gather the good baseline information he requires will be extremely bureaucratic and expensive, so we have to balance up the need and the benefit against the cost involved. I would agree with him wholeheartedly that any decisions, particularly the long-term decisions being
665 made with regard to welfare reform – those regarding what my colleagues Mr Robertshaw and Mr Teare have been working on for some years... It is essential that that is proven to be evidence based. Therefore we will have to incur costs moving forward, and we have to make sure that those costs are proportionate to the benefits and the decisions that we ultimately take.

670 **The Speaker:** Further supplementary, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker, and to the Minister for Policy and Reform from West Douglas.

Can the Minister advise why it was that our Health Minister or the staff chose to put down 'not applicable' in the British-Irish Council report on age recently in terms of life expectancy? Is
675 that because of hesitancy about the validity of our data on life expectancy and population demographics?

Moreover, can the Minister agree with me that... I am holding here the very confidential, highly private and confidential, ageing population report put together in November 2013, and
680 would he not agree that it would be very helpful to publish the analysis in this so that we can have better data and discussion in respect of all these issues, given the vitality of this issue for the National Insurance debate and also the planning debate about where houses are going to be and how many houses we need?

685 **The Speaker:** Mr Shimmin to reply.

The Minister: Certainly on the first issue I am unaware of the reasons for the Health Service having made that statement, but I would surmise that he is quite possibly correct that if the data is going to be circulated it should be accurate. That identifies areas of vulnerability and therefore
690 the previous answer explains we are going to have a cost incurred. The Hon. Member has got to get the balance between getting the best data in the world or actually making decisions and doing things.

With regard to the report of the Ageing Population Working Group, I believe that has been circulated to Members and it does state that on the Isle of Man we predict that there is a life
695 expectancy, for a baby born last year, of 79 years for males and 83 years for females, very much in line with the United Kingdom's statistics. The change in life expectancy mirrors very closely the United Kingdom's statistics; therefore, it is a level of predictability that we can do. If we want to get accuracy in all of these matters, there will be a significant cost involved.

TREASURY

**1.9. Central Contingency Fund –
Competing claims; decision-making**

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

What criteria will be applied to decide between competing claims on the Central Contingency Fund; and what role (i) Treasury (ii) Council of Ministers and (iii) Tynwald will play in deciding use of money in this fund?

The Speaker: Question 9. Hon. Member, Mr Thomas.

700

Mr Thomas: Thank you, Mr Speaker.

I beg leave to ask the Minister for the Treasury what criteria will be applied to decide between competing claims on the Central Contingency Fund and what role Treasury, Council of Ministers and Tynwald will play in deciding use of money in this fund.

705

The Speaker: Treasury Minister, Mr Teare.

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

710

Departments will be required to submit a robust and detailed business case when applying for funding from the Government Contingency Reserve, which is intended to cover exceptional unbudgeted costs. The business case will need to demonstrate that the expenditure is unavoidable, unforeseen and essential; the additional cost is measurable and accurately calculated; the Department has the legal power to incur the additional expenditure; funding is not available from elsewhere within the Department budget and the cost cannot be absorbed or offset through other measures which the Department could introduce; the Department has considered the consequences of not incurring the additional cost; and the Department will plan to modify future budgets to provide for any recurrent excess expenditure arising from the application.

715

Hon. Members should note that the contingency provision is finite with allocation determined on a first-call basis. Once it has been exhausted, Departments will have to use the supplementary vote process to secure additional funds. Treasury will retain full delegated authority for the approval of applications for the central contingency with the exception of applications from Treasury itself, which will require endorsement from the Council of Ministers. Treasury may also seek direction from the Council of Ministers where an application is not supported.

720

Council will receive a quarterly update on all Treasury approvals given.

Tynwald will receive an annual update on how the central contingency has been applied.

Treasury has given a commitment that the operation of the central contingency provision will be reviewed after 12 months.

725

Thank you, sir.

730

The Speaker: Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

735

The Treasury Minister recently has made a very persuasive case that it is better to let Departments see the real cost of pensions and the real cost of employment and the real cost of their capital schemes. Does the Treasury Minister not agree that this is going in a different direction? Because I believe we have set up a fund of approaching £10 million this year, with further transfers of £15 million, perhaps £20 million in following years, and we are actually

740 giving Treasury a huge amount of budget outside the control of Tynwald to spend on what it believes are emergency risks.

The Speaker: Treasury Minister.

745 **The Minister:** No, the actual amount is £8.2 million, around about, in this year's Budget. What we want to do is to instil more financial discipline. What we have found in the past – and there is no reflection on any of the Ministers – is that what tends to be in the overall budget tends to get spent. So what we are doing is we are keeping some back to cover contingencies – unexpected events – and it means exactly that.

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

Mr Thomas: Thank you very much, Mr Speaker.

755 In the light of that answer, can the Treasury Minister circulate, if he does not have it available now, the amount that is actually being budgeted in Treasury for future contingency budget commitments in coming years?

The Speaker: Mr Teare.

760 **The Minister:** That has not been decided yet, sir, because that will be dependent upon the negotiations at that time.

The Speaker: Hon. Member, Mr Cannan.

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

Will the Treasury Minister agree with me that the last time Tynwald approved a sort of contingency fund we promptly used it to bail out the Sefton?

Does he think that it is appropriate for Treasury to have control of such a large fund?

770 Also, can I ask him to clarify to the Keys this morning exactly why at this precise point in the life cycle Treasury have decided that a contingency fund of this nature is actually needed to assist Departments with the budgeting process?

The Speaker: Mr Teare to reply.

775 **The Minister:** We felt that it was appropriate, and that is a matter of judgement really. What we have seen and what we are trying to avoid is the so-called acceleration of spending as the year goes on in Departments. Treasury monitors the actual rate of spend as well, so the actual rate of spend against the profile annual spend we monitor now going forward. We feel that this is an appropriate way of actually continuing to support Departments when there is a real genuine need, sir.

780

1.10. Local authority loans – Government guarantee

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

What the impact on Government is of its guarantee of local authority loans; and whether this is a greater impact than providing a letter of comfort to the lender?

The Speaker: We turn to Question 10. Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

785 I request leave to ask the Minister for the Treasury what the impact on Government is of its guarantee of local authority loans and whether this is a greater impact than providing a letter of comfort to the lender.

The Speaker: Treasury Minister to reply. Mr Teare.

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

790 The effect of providing a guarantee in respect of local authority loans is that in the event of any default by one of the local authorities the Treasury will be obliged to step in and, if needs be, make the necessary payments on the loan. A letter of comfort creates a moral obligation upon the Government rather than a legally enforceable obligation, which a guarantee provides.

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

Mr Thomas: Thank you very much, Mr Speaker, and to the Treasury Minister for that initial response.

800 Does the Treasury Minister agree then that now this local authority loans system with the new provider has actually become national debt more than it was previously, given it is guaranteed by Government?

Can the Treasury Minister advise whether local authorities would now be able to go outside the Government scheme to borrow money in their own name after their own negotiations and making their own arrangements?

805

The Speaker: No, there has been no change in the structure and the analysis of this from the credit ratings perspective. The credit ratings regard any debt which is covered by a letter of comfort in the same way as any debt which is covered by a guarantee; so no, there is no issue there.

810 The second point that he raised – can local authorities now go out and raise their own borrowing: that is an option which is available to them, but they would still have to get agreement from the Department of Infrastructure, as I understand it, and they may be surprised at the terms upon which they are able to borrow.

815 **The Speaker:** Hon. Members, that brings us to the end of Questions for Oral Answer.
Item 2, Questions for Written Answer: 35 Questions and the replies will be distributed.

Questions for Written Answer

CHIEF MINISTER

2.1. Equalities Bill – Progress

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

What progress is being made on the Equalities Bill?

The Chief Minister (Mr Bell): As Hon. Members are aware, the draft Equality Bill was subject to an extended period of public consultation last year which ran until the start of December.

820 Over 60 responses were received; all require careful consideration and a number of those responses were very lengthy and detailed. This process is ongoing but it is going to take some time before we are in a position to publish the Government's response to the consultation exercise and have a revised draft of the Bill ready.

825 Nevertheless, accepting that it is going to take longer than I had originally hoped, it remains my target for the Equality Bill to be introduced into the Branches before the summer recess.

2.2. Polling stations – Accessibility for wheelchair users

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

Whether polling stations will be accessible to wheelchair users and people with other disabilities in time for the next elections?

The Chief Minister (Mr Bell): Given the wide range of buildings used as polling stations, it is possible some may not be accessible to wheelchair users and people with other disabilities in time for the next elections – which will be a matter of weeks away.

830 What is certain though is that no wheelchair user or any person with other disabilities will be denied their right to vote at the next election or indeed at any election, providing that they are on the electoral register, which as the Hon Member will be aware is currently being updated.

2.3. UK Cabinet Office National Risk Register – Isle of Man equivalent

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

Whether there is a document equivalent to the UK Cabinet Office National Risk Register in the public domain; and, if not, why not and when he intends to introduce one?

835 **The Chief Minister (Mr Bell):** The Department of Home Affairs holds an Emergency Planning Risk Register, the Isle of Man equivalent of the UK Cabinet Office National Risk Register for Civil Emergencies, which identifies critical services for the Isle of Man Government and key risks to those services.

This risk register was first compiled in 2011, and the Isle of Man Constabulary holds bi-monthly meetings with a tactical steering group, a multi-agency committee, which periodically reviews the risk register and ensures it is up to date.

840 The risk register is an internal working document and is not currently published, but at the next meeting of the tactical steering group, the Department of Home Affairs will consider if it is appropriate to be published.

2.4. Service charges – Increases by Department

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

Which services or charges have been increased; what the overall equivalent percentage increase was in each case; and what the average overall increase of charges was per household, broken down by each Government Department and for each year over the past three years to date?

845 **The Chief Minister (Mr Bell):** It has proved impossible to collate all the information requested within this Question within the time available. A list of all services attracting charges was provided in the Keys on 25th November 2014. Some of these apply to businesses only, and some to businesses and households and in many cases we are unable to easily distinguish between the two (eg vehicle excise duties) without additional analysis.

850 If the Member is able to narrow his Question to a more specific group, time period or Department then an Answer can be more quickly prepared. Otherwise we will continue to work with Departments to collate as much information as possible, and would anticipate being able to get a substantive response to the Question by 26th May 2015.

HOME AFFAIRS

2.5. Police vehicles – Numbers procured and decommissioned

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

How many police vehicles have been (a) procured and (b) decommissioned in each of the past five years?

The Minister for Home Affairs (Mr Watterson): The Answer to the Question is as follows:

2010	purchased 5 and disposed of 4 (1 retained as spare van)
2011	purchased 5 disposed 5
2012	purchased 4 disposed 4
2013	purchased 6 disposed 6
2014	purchased 6 (all due to be delivered therefore no disposals until after TT then 6 for disposal)

**2.6. Online criminality –
Police officer training**

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

What training is being provided to police officers on how to deal with online criminality?

The Minister for Home Affairs (Mr Watterson): All new recruits are given general training about offending online. New detectives are given training as part of their ICIDP (Initial Crime
855 Investigators' Development Programme) package; neighbourhood officers are updated by way of continuing professional development; and specialist officers receive nationally accredited
cybercrime training. The Isle of Man Constabulary is currently in dialogue with a variety of specialist training providers, including the College of Policing, in order to upgrade its training.
This is all part of a comprehensive digital strategy, which will address both the use of technology
860 by the Constabulary and the policing of the online world.

**2.7. Isle of Man Prison –
Library service**

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

What library service provision is available to prisoners; what importance he attaches to library services for prisoners in the process of rehabilitation; and what budget has been allocated for prison library services in each of the past three financial years?

The Minister for Home Affairs (Mr Watterson): The library is available to prisoners on Wednesday afternoons and Sunday mornings. It is also available to any prisoner attending a class. In addition, if any prisoner needs to access the library outside these periods he/she can be accommodated.

865 The library is an integral part of the Education Department and valued as such. Any purchase of specialised resources, stock, etc are made from the education materials budget. A set figure is not set aside for the library and as result no specific budget is allocated for the Prison library service.

870 The Mobile Library Service loan the Isle of Man Prison about 200-300 books every three-four months to maintain variety. In addition the Prison receives generous donations from members of the public, staff and prisoners.

INFRASTRUCTURE

**2.8. Post offices –
Removal of services**

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

Whether he intends to remove any services from the post offices and supply them only from his Department; what these services are and when he will implement the changes; where customers will be able to have access to them other than online; and what the annual reduction in income to the Post Office will be?

The Minister for Infrastructure (Mr Gawne): The Department has been identifying a number of areas of its operations which it considers may not be being provided in the most efficient and effective way. The Post Office currently provides two types of service to the Vehicle and Driver
875 Licensing Section.

The over the counter facility provided via post offices across the Isle of Man is valuable to the public and offers good value for money. There is no intention to make any changes to this. However, the back office facility is, we believe, expensive and the functions could be provided by the Licensing Section of the Department with fewer staff and at a lower cost.

880 As a result of the stretching financial targets placed on the Department, we must continue to explore every opportunity to reduce our operating costs. As a result, the Department has stated the intention to take the back office administration work back in house as it has concluded that this will be in the best interests of the taxpayer. The Department is currently working through the details of how to achieve this with the Post Office and the expectation is that the service will
885 transfer by April 2016.

It is important to stress that only the back office functions are to transfer and that there will be no impact on customers using post office counters.

Customers will continue to be able to access the services via post offices and on-line as currently is the case.

890 The payment to Isle of Man Post Office for the provision of the back office service is £312,000 p.a. and this is the income which the Post Office will no longer receive. The Post Office is paid a fee per transaction for accepting applications over the counters at post offices which, while dependent on volumes of transactions, will continue to be paid to the Post Office.

This service represents only a part of the overall role of the Post Office and the way it
895 provides services to Government and the wider community. The Council of Ministers is keen to review the position of the Post Office to give clarity to the future of this important institution and the role it should play in delivering services to our people.

ECONOMIC DEVELOPMENT

2.9. TT World Series – Branding and rider licensing

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

What implications are envisaged if FIM rules are not observed in relation to TT World Series branding and rider licensing; and how much has been spent on promoting this initiative to date?

The Minister for Economic Development (Mr Skelly): The Department is adopting a proactive approach to the Federation of International Motorcycling (FIM) in respect of their
900 rights and regulations in order to ensure there are no breaches of the FIM's rules in relation to the potential Series branding and rider licensing, or indeed in any other areas.

We have contracted a specialist consultancy to oversee this initiative and one of the reasons for doing this was to get specialist advice on how the Series can be structured and implemented without falling foul of governing body regulations nationally or internationally. We do not, at this
905 stage, believe that the proposed Series will be in conflict with the FIM's interests or regulations.

Turning to the second part of the Question, the total expenditure committed to progress of the initiative stands at £218,975. This includes fees to the Sports Consultancy of £202,193 (and a further payment of £9,000 due in mid-April); £2,699 for a market advertisement and production of an expressions of interest brochure; and expenses and other professional fees.

EDUCATION AND CHILDREN

**2.10. Teacher Continuing Professional Development –
Spend; continuity**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

How much his Department spent on teacher Continuing Professional Development in each of the previous three financial years; whether this spending is categorised as primary and as post-primary; what proportion this spending is of the total primary and post-primary budgets; what activities are funded through this spending; and what plans he has to ensure that Continuing Professional Development is provided at an adequate level for teachers?

910 **The Minister for Education and Children (Mr Crookall):** It is exceptionally difficult to identify a specific figure for Continuing Professional Development of teachers. The Department encourages teachers to undertake a number of activities, which it regards as important in enhancing their skills, expertise and understanding. These include specific training courses and conferences (accredited and 'stand-alone'), staff meetings, visits to other schools, reading
915 academic texts, action research activities within schools, coaching and mentoring and open opportunities to share good practices.

The overwhelming majority of this work is undertaken by teachers themselves, school leaders or members of the Department's Education Improvement Service. As such, no discrete costs would be incurred – rather the work would be undertaken as part of colleagues' normal
920 roles.

Schools are, however, provided with a specific budget for 'In-service training' and the expenditure on this is included in the table below:

	Primary Training costs	Secondary Training costs	College Training costs
2011-12	£19,755	£88,210	£43,859
2012-13	£15,826	£90,806	£48,058
2013-14	£10,796	£83,603	£49,523

925 The proportion of total budgets, for each phase, represented by the above, is shown in the table below:

	Primary Training costs	Secondary Training costs	College Training costs
2011-12	0.09%	0.34%	0.47%
2012-13	0.07%	0.35%	0.53%
2013-14	0.05%	0.31%	0.53%

The Department of Education currently publishes a programme of professional development activities for its staff, at the beginning of each calendar year, based on the identified needs of schools. It is the intention that this process should continue into the future.

**2.11. Languages in schools –
French; languages strategy**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

Why the Education (Curriculum) Order 2011 states that French should form part of the curriculum for pupils aged 11-14; whether he intends to review this during the current parliamentary term; whether he has a national languages strategy; and if he will make a statement?

930 **The Minister for Education and Children (Mr Crookall):** The Education (Curriculum) Order 2011 establishes French as an optional subject in Key Stage 2 (ages 7-11 years) but requires the inclusion of French in the curriculum in Key Stage 3 (ages 11-14 years). In Key Stage 4, the Order requires that a modern foreign language should be included in the subject options available to pupils.

935 There are four main reasons why the Curriculum Order requires French in the curriculum. The first two relate to the study of a language in general and the second two relate to the selection of French as the core language:

i) It is important for pupils to study a second language. This is not just about how useful that language might be on its own but about pupils having a better understanding of languages and language structures. This not only raises the pupils' awareness of their own language but makes it significantly easier to learn any other language when circumstances require it.

940 ii) A common language core across the five secondary schools helps facilitate collaboration between schools and movement of staff. If the Curriculum Order did not specify any language, there might be no commonality of languages taught between some schools.

945 iii) There is greater availability of French teachers in the British Isles than any other language.

iv) Many experts claim that French is the easiest second language to learn for English speakers. English speakers who have never studied French already know many French words.

950 There are broader arguments as well. French is an official language in 29 countries and in a study in 2008 was ranked as the second most influential language in the world (after English and ahead of Spanish). It is the second most frequently used language on the Internet. The sphere of French language is large, especially in Africa as well as Canada. People from the British Isles make over 11 million visits to France each year, which support the learning of the language. The case for French is strong.

955 The Department accepts that there could be a case for Spanish being given this core language role on the grounds of its wide use as a first language in parts of Latin America. Spanish is the second largest foreign language within Manx schools, but there are fewer qualified Spanish teachers in the British Isles and recruitment is an issue in this area. The case for any other languages would not be as strong. Mandarin, for example, is very difficult to learn as a first foreign language for English speakers with very few qualified teachers available. German is less widely spoken than French or Spanish. In summary, the identification of a core foreign language across the five schools in Key Stage 3 brings advantages and, on balance, French is the most appropriate second language for our pupils to learn.

960 Having said that, the Department is monitoring closely the changes in language learning taking place here as well as further afield.

965 Our schools offer over 50 subjects at GCSE between them and we do not have subject-specific strategies but we do have ongoing continuous professional development, which currently includes training in new exam specifications in French, German and Spanish. We meet regularly with Heads of each subject and collaborate with them about key issues related to their particular discipline. We are also looking to establish a Confucius classroom on the Island, which will provide some teaching of Mandarin.

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**2.12. Special needs education –
Allocation of budget; breakdown of expenditure**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

What percentage of the education budget was allocated to special needs education per annum each year since the 2008-09 financial year; whether the total allocation was spent each year; and if he will provide a breakdown of expenditure on (a) special needs assistants and teachers (b) special schools?

The Minister for Education and Children (Mr Crookall): The table below provides a summary of the education budget since 2008-09 to date (as shown in the Pink Book), and the actual allocation made to special educational needs (now Services for Children). The actual allocation varies slightly from the Pink Book once revisions are made.

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	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Education (Pink Book)	£103,802,000	£104,252,000	£99,375,000	£95,685,700	£95,850,000	£94,337,000	£90,248,427
Actual (SEN)	£7,986,148	£8,060,027	£8,092,800	£8,296,965	£8,426,454	£8,386,412	£8,385,500
%	7.69%	7.73%	8.14%	8.67%	8.79%	8.89%	9.29%

The total allocation was spent in each of the financial years, with the exception of 2008-09 and 2013-14 where there was a slight underspend.

The table below provides a breakdown of special needs payroll, including teachers, education support staff (ESO and NJC), and ancillary staff (Manual), working in schools over the given periods. As the Department does not maintain a special school - providing instead Special Units attached to schools and a dedicated provision at the College - the payroll breakdown covers both mainstream and Special Unit staff.

980

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (to Feb 2015)
Teachers	£2,658,835	£2,755,435	£2,739,563	£2,677,410	£2,476,482	£2,148,424	£1,912,739
ESO	£2,509,392	£2,866,833	£3,044,901	£3,324,123	£3,488,102	£3,883,229	£3,860,928
NJC	£1,670,690	£1,498,943	£1,400,976	£1,389,484	£1,347,321	£1,312,236	£1,217,048
Manual	£196,250	£217,019	£205,586	£220,466	£209,172	£196,881	£125,646

The expenditure breakdown provided covers only the Department's special needs provision (arranged via Services for Children Division). However, schools themselves have delegated and discretionary budgets available to supplement special needs provision but the Department does not require schools to report how much of their delegated and discretionary budgets are spent on supplementary special needs provision.

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It may also be of interest to note that the Treasury Financial Reports website (<http://financereports.gov.im>) can be filtered to provide a breakdown of spending by the Division in each financial year from April 2012, on a month-by-month basis.

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HEALTH AND SOCIAL CARE

**2.13. Autism –
Training of clinicians**

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

What steps he is taking to ensure that sufficient numbers of clinicians capable of diagnosing and treating autism are being trained in the Isle of Man?

The Minister for Health and Social Care (Mr Quayle): In the MHS CAMHS service there are two clinicians qualified in using ADOS (autistic diagnostic observation schedule) as per NICE guidelines. We are currently running a waiting list of several months for children with suspected ASD to engage in a comprehensive assessment and have a diagnosis confirmed.

In September 2014 we made a bid for additional resource which was approved for one year and as a result we are currently recruiting for three extra staff, one of whom will be dedicated to the assessment and treatment of neuro developmental disorders, of which ASD comes under.

As part of the delivery of MHS adult services we fulfil the recommended criteria for diagnosis of autistic disorder for those not diagnosed in childhood by having visiting consultant psychiatrist in intellectual disability, Dr Roger Banks, and consultant psychologist in intellectual disability, Dr Eileen Sherrard, who perform joint assessments.

Following diagnosis adult patients are then followed up if required by community psychiatrists.

**2.14. Cannabis –
Link with psychosis and schizophrenia**

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

What research his Department has evaluated on the potential relationship between cannabis and skunk cannabis and psychosis or schizophrenia; and if he will make a statement?

The Minister for Health and Social Care (Mr Quayle): Mental health services have not evaluated or carried out formal research on the potential relationship between drug misuse and mental ill health.

This service is moving forward with the identification of the 2015-16 clinical audit programme which in turn will inform the basis for pushing forward with research that will support future service developments. At this point we cannot say if this will include this particular subject matter.

**2.15. Cannabinoids –
Hospital admissions**

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

How many people were admitted to hospital with a primary diagnosis of mental or behavioural disorder due to the use of cannabinoids in each of the past five years?

1015 **The Minister for Health and Social Care (Mr Quayle):** Nobles Hospital have reported five admissions to hospital in the last five years who meet the criteria above and outlined by year below – Primary Diagnosis

2010 – 0
2011 – 1
2012 – 1
2013 – 1
2014 – 2

In Noble's there were the following admissions to Hospital with a secondary diagnosis of mental or behavioural disorder due to the use of cannabinoids

2010 – 0
2011 – 2
2012 – 1
2013 – 3
2014 – 0

The Mental Health Service has had 145 admissions across the same time period broken down as:

2010 - 15
2011 - 20
2012 - 20
2013 - 42
2014 - 47

1020 These 145 admissions were attributed to 33 patients with the majority gaining admission three times, with one patients being admitted 11 times

N.B. the information for mental health was gained by interrogation of the RiO database and currently there are 89 Patients open to the MHS awaiting diagnosis. Some of these may be attributed to this cohort

ISLE OF MAN POST OFFICE

2.16. Department of Infrastructure services – Effect on post offices and sub-post offices if withdrawn

The Hon. Member for Ramsey (Mr Singer) to ask the Chairman of the Post Office:

For what services the Post Office acts as agent for the Department of Infrastructure; and what the effect would be on the post offices and sub-post offices if they did not supply these services?

1025 **The Chairman of the Post Office (Mr Cregeen):** The Isle of Man Post Office provides the following services for the Department of Infrastructure:

Administration of the driver and vehicle databases
Issuing driving licences, vehicle licences and vehicle documentation
1030 Provision of an emergency counter for driving licence applications
Provision of a trade counter for vehicle licence changes
Sale of Bus Vannin tickets via post office counters

Should the Post Office no longer supply these services then it would suffer a significant and detrimental impact upon its revenues and profitability. The Department of Infrastructure is the
1035 second largest customer of our retail network and therefore the loss of these transactions may impact on the viability of post offices in the community

We estimate that these services provided on behalf of the Department of Infrastructure generate £575k revenue per year in transaction payments and fees for the back office administration.

1040 The closure of our central licensing operation would put at risk up to seven jobs, and of course incur restructuring costs in the form of redundancy payments to affected staff.

With respect to the individual post offices which provide a face to face outlet for the Departments services, a loss of these transactions would reduce transaction payments made to the post office network. This impact on offices would vary but we estimate that all but two of
1045 the retail network of post offices would lose between 15% and 30% of their transaction based income, with the worst hit losing more than 33% of its transaction based income. The impact of a reduction of income and footfall across this network is obviously a matter for the individual businesses that make up the sub post office network, but the Post Office believes it would have a material and damaging impact on the viability of some sub post office businesses.

1050 Whether this would lead to post office closures is difficult to predict but the loss of any income from the network carries real risk that the consequences could include a reduction in the network of post offices serving the Island.

MANX UTILITIES AUTHORITY

2.17. Manx Electricity Authority – External debt

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

How much external debt is owned by the Manx Electricity Authority; how much external debt was paid off last year; when this debt will be paid; whether the Manx Utility Authority has used the £80 million water bond to repay part of this debt; and if so how they intend to repay that money?

The Chairman of the Manx Utilities Authority (Mr Cannan):

How much external debt is owned by the Manx Electricity Authority?

1055 The Manx Electricity Authority (MEA) no longer exists following the merger of the MEA and the Isle of Man Water and Sewerage Authority (WSA) on 1st April 2014 to create Manx Utilities Authority (MUA). It is assumed therefore that the Question relates to the debt that was owed by the MEA prior to the merger which has since been transferred into the merged entity. By 'external' debt it is assumed that this refers to debt owed to parties external to Isle of Man
1060 Government.

At 1st April 2014, when the entities merged, the MUA held £3m external debt payable to the Local Authorities that was previously with WSA. There are two bonds in existence, in the name

of Isle of Man Government Treasury, one transferred in from WSA of £75m, and one transferred in from MEA of £185m.

1065 In addition, there is a finance lease arrangement with Bord Gais Eireann relating to the spur pipeline totalling £41m.

How much external debt was paid off last year?

1070 For the purposes of this Answer, it is assumed that 'last year' refers to the period from the merger at 1st April 2014 to date. No external debt has been paid off during that period.

A loan of £35m which was owed by the former MEA to Barclays Bank was repaid during 2013-14 by Isle of Man Government Treasury.

When this debt will be paid?

1075 The two Isle of Man Government Treasury bonds are payable as follows:

'MEA' £185m – 14 August 2034

'WSA' £75m – 29 March 2030

All other internal debt with Government which amounts to £267m is repayable over a 30 year period. The finance lease will be repaid by September 2023.

1080

Whether the Manx Utility Authority has used the £80 million water bond to repay part of this debt?

1085 It is assumed that this Question refers to the Bond Repayment and Contingency Fund, formerly of the WSA, which currently stands at £31m. This fund has not been used to repay any debt.

If so how they intend to repay that money?

This is not applicable, as per previous answer.

HOME AFFAIRS

2.18. Isle of Man Prison – Education budget

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

What the budget for education was at the Isle of Man Prison in the financial years (a) 2005-06 (b) 2006-07 (c) 2007-08 (d) 2008-09 and (e) 2009-2010?

1090 **The Minister for Home Affairs (Mr Watterson):** The budget for education in the Prison was as follows:

2005-06	No figures available
2006-07	£157,000
2007-08	£206,200
2008-09	£231,000
2009-10	£236,000

EDUCATION AND CHILDREN

**2.19. Children with special educational needs –
Numbers in primary and secondary schools**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

How many children there are with special educational needs in (a) primary and (b) secondary schools; what percentage of school children have special educational needs; and if he will make a statement?

The Minister for Education and Children (Mr Crookall): In the current 2014-15 academic year, 976 primary pupils and 948 secondary pupils have been identified as having special educational needs – overall 18% of pupils have been identified as having special educational needs.

**2.20. Children with special educational needs –
Adequacy of support**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

Whether all children with special educational needs are being adequately accommodated and supported by the current educational options; whether his attention has been drawn to any children who have withdrawn from the education system as a result of their special educational needs not being met; and if he will make a statement?

The Minister for Education and Children (Mr Crookall): The Department makes suitable educational provision for all pupils, including those with special educational needs. Special needs provision is made either in mainstream school settings, or Special Units attached to schools. Alternative provision is available for children who are ill, or children with behavioural difficulties. All provision areas are supported by specialist services including: educational psychologists, hearing and visual support, special needs advisers and a specialist teacher – and partner agencies provide assessments and services as appropriate. Pre-school children with special educational needs and disabilities are assessed and supported by the Pre-School Assessment Centre as they transition into primary school.

With regards to children being withdrawn from the education system, if 'withdrawn' means parents withdrawing their child to home educate, this is always an option for any parent, whether their child has special educational needs or not. Where special needs is the reason for home educating, and this reason is brought to the Department's attention, my officers would seek to explore with parents the issues that had led to their decision. If, alternatively, 'withdrawn' means children disengaging from the education system as a result of their needs not being met, schools would seek to better understand the needs and tailor provision accordingly. This can be an issue where children and young people are high-functioning autistic, or have medical / mental health issues. In such cases, it is a question of continually monitoring provision arrangements, prioritising resources to meet their needs, and seeking to fill any provision gaps once they become apparent. In many cases there is a multi-agency team working with such young people.

My officers are happy to meet to explain further how the Department goes about assessing needs and making provision.

**2.21. Students with mental health difficulties –
Education services available**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

What education services are available for persons with mental health difficulties between the ages of 12 and 18; and if he will make a statement?

The Minister for Education and Children (Mr Crookall): The Department makes a range of services and provision available for children and young people with mental health difficulties, including:

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- Pastoral support from the form tutor/head of year/key stage director.
- Dedicated key worker (to ensure young person has a clear and effective plan of support) where appropriate.
- Tailored programmes, enrichment activities and specialist interventions in school.
- Offsite teaching at the Education Support Centre and youth centres.
- School nurse.
- Listening Service (in schools, supplemented by Youth Service and other providers).
- Educational psychology assessments, advice and therapy.
- Education liaison officer support (where mental health issues affect attendance).
- Wellbeing teacher (curriculum delivered at the Education Support Centre).
- Hospital education (where a child is receiving off-island medical care for mental health issues).
- Co-ordinating teacher for children who are ill (i.e. arranging home tuition, liaison with CAMHS/school etc.).
- College students experiencing mental health difficulties have access to:
 - Personal tutor support.
 - Enrichment programmes to promote wellbeing and community integration.
 - Facilities in the Annie Gill Wing and Student Services Centre (e.g. quiet room, multi-sensory room, medical room).
 - Welfare officers working in Student Services.
 - Level 1 courses (where students have missed out on education at school due to illness).

School and College staff attend multidisciplinary meetings and /or meetings with parents, mental health professionals or other agencies to support or develop strategies.

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My officers work closely with the Child and Adolescent Mental Health Service (CAMHS) to consider what education provision might be suitable for children and young people experiencing mental health difficulties. My educational psychologists meet regularly with CAMHS staff to assess and discuss shared cases to find the best way forward for the child or young person and their family.

1130

The education services listed above are all underpinned by regular safeguarding training and ongoing training on topics related to supporting good mental health e.g. cyber-bullying, mindfulness, understanding mental illness. My officers are currently planning to train some school staff in emotional first aid in order to pilot this in one school as part of our contribution to early intervention.

HEALTH AND SOCIAL CARE

**2.22. Fixed-term management contracts –
Number; cost; recruitment procedure**

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

How many people at management level have been appointed on fixed-term contracts in his Department, broken down by direct and indirect contracts; what the annual cost is and where this cost is shown in the departmental accounts; and whether the standard recruitment procedure was used when filling these roles?

The Minister for Health and Social Care (Mr Quayle): For the purposes of the Answer, we have interpreted ‘management level’ to be grades HEO and above for Civil Service, Band 7 and above for MPTC and all medics.

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We have interpreted ‘direct’ contracts/costs as being those paid through the payroll and ‘indirect’ contracts/costs as those being paid through the creditor system.

Additionally, we have interpreted ‘standard recruitment procedure’ as being the process where a position is advertised, applications are received and shortlisted then candidates are interviewed by a panel which makes the final appointment.

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On this basis we currently have 16 people under direct contracts on the payroll appointed on limited term appointments. The total annual cost is £920,000 although one of the posts is funded by Macmillan. The costs are shown within ‘Employee costs’ in the appropriate payroll codes (basic pay, allowances, national insurance, superannuation) across a number of cost centres:

1145

Division	Sub division
Adult Services	Adult Services - General Management
Chief Executive's Office	Chief Executive's Office
DSC Corporate Services	DSC Corporate Services
Finance Directorate	Finance Directorate
Housing Division	Housing Administration
Noble's Hospital	Diagnostics Division
Noble's Hospital	Medical Division
Noble's Hospital	Operations Division
Noble's Hospital	Surgical Division
Noble's Hospital	Women, Children & Outpatients Division
Public Health Directorate	Public Health Directorate

Of the 16, two are currently effectively on secondment to another post and will revert to their substantive permanent post when the limited term ends. These two were recruited through the standard recruitment process.

Of the remaining 14, ten were appointed through the standard recruitment process and are covering vacancies in permanent roles.

1150

Two were appointed to the Department after having been identified for redeployment within Government when their substantive posts were removed elsewhere. It was identified that their skill set fit a particular requirement for a specified period so the standard recruitment process has not applied to these two people for their current roles but they had previously been through a standard recruitment process with Government. One will be funded from the Medway upgrade project which Tynwald approved in 2014.

1155

One was appointed after having been on Noble’s bank staff for a period and then transferred to the limited term appointment covering a vacancy in a permanent role.

1160 One was appointed following a formal meeting with the Minister and Chief Executive during which it was identified that their experience and skill set would be of particular value to the Department, so the standard recruitment process has not applied for this person in this role. Their cost is being met by a vacant post.

1165 Additionally we currently have five posts appointed under 'indirect contracts' paid through the creditor system. Three of these are interim managers appointed for a six-month period to Noble's Hospital through an approved recruitment agency. These are currently covering vacant posts within their respective divisions. The recruitment of these three posts was a standard process in that the agency was approached for candidates to be identified and a number of CV's were sent through. Telephone interviews were then conducted. The costs for two of the posts are captured within Noble's Overheads Division and the cost for one post is captured within the Mental Health Division.

1170 The other two posts were contracted following a mini-competition of the select list for Project Management and Consultancy Services in the Isle of Man undertaken by colleagues in Treasury Procurement. Their roles are to collate and manage the vast number of projects being identified within the Department which will ultimately see service improvement, cost reduction and greater efficiencies.

1175 The project charges related to these consultancy services are commercially sensitive and confidential to the call off agreement signed between the Department and the successful contractor.

**2.23. Part-time managerial contracts –
Number; cost; days per week worked**

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

What part-time managerial contracts there are in his Department; what they cost; and how many days are worked per week under them?

1180 **The Minister for Health and Social Care (Mr Quayle):** For the purposes of the Answer, we have interpreted 'managerial contracts' to be grades HEO and above for Civil Service, Band 7 and above for MPTC and all medics.

On that basis there are currently 101 part-time posts on the payroll within the Department.

1185 The number of days worked per week varies by contract and according to operational demand in some cases. The hours per week per person range from 2.2 hours (visiting consultant) up to 37.13 hours (0.99 of a full-time equivalent post). The total hours per week undertaken by part-time workers is 2,588, which is an average of 25.63 hours per person per week.

The basic salaries of the posts range from £4,500 to £74,400 per year, with an average cost of £30,821. The total annual cost including employers national insurance, superannuation etc. is £3.4m.

1190 Additionally, we currently have one part-time contractor paid through the creditor payment system. This person was contracted through a mini-competition of the select list for Project Management and Consultancy Services in the Isle of Man and undertaken by colleagues in Treasury Procurement. The consultant works three days per week and their role is to collate and manage the programme of work resulting from the West Midlands reviews of our service and the Francis Report.

1195 The Project charges related to consultancy services are commercially sensitive and confidential to the call off agreement signed between the Department and the successful contractor.

**2.24. Healthcare in the prison system –
Audit tools**

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

Whether standard audit tools to measure healthcare equivalence in the prison system have been developed; whether these tools have been implemented and audits carried out; what the results of such audits are; whether changes have been made in line with any audit recommendations; and if he will make a statement?

1200 **The Minister for Health and Social Care (Mr Quayle):** Her Majesty's Inspectorate for Prisons stipulates that:

'Prisoners should be cared for by a health service that assesses and meets their health needs while in prison and which promotes continuity of health and social care on release. The standard of health service provided is equivalent to that which prisoners could expect to receive in the community.'

<http://www.justice.gov.uk/downloads/about/hmipris/adult-expectations-2012.pdf>

The Prison Health Care service was last audited in March 2011 by Internal Audit and by HM Chief Inspector of Prisons. All applicable recommendations made at those inspections have now been implemented.

1205 In addition, the following audit tools are used to assess standards on a planned programme basis:

All patients are monitored using the Quality and Outcomes Framework (QoF) as they would in the community. Based on NICE guidelines, QoF promotes the delivery of quality care to patients thus improving the outcome of conditions. QoF is fully audited and benchmarked each year, and is comparable to that for the rest of the population.

1210

Prisoners receive a service on par with that in the community, in that:

- They have access to a GP and are normally seen within a week.
- They have access to dental and optical services.
- They have access to mental health and substance misuse services.
- They can be referred to secondary care service providers (either as emergency, urgent or non-urgent cases including out of hours if necessary.)
- They can receive wound care, minor procedures, vaccinations, health education, screening and advice from healthcare practitioners.
- They can receive treatment for minor wounds/injuries and ailments.

Regular community health audits are carried out on topics such as infection control, prescribing, reception process for drug dependant prisoners, methadone induction monitoring, mandatory training for staff, and record keeping.

1215

All audit results are reported to and scrutinised by the Primary Care Patient Safety and Governance Committee and the Prison Healthcare Management and Governance Committee. Any audit results requiring action are followed up by the above groups. Specific audit results are available on request.

EDUCATION AND CHILDREN

**2.25. People with mental health difficulties –
Number receiving formal education**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

How many people with mental health difficulties are receiving formal education to prepare for examinations; and if he will make a statement?

1220 **The Minister for Education and Children (Mr Crookall):** The scope of what constitutes a mental health difficulty is very broad in both the nature of the difficulty, and the duration of time for which such difficulties are evident. In addition, some families may choose not to share medical information with our schools and the College so it is not possible for my officers to give a figure in Answer to this Question.

1225 However, as a matter of everyday practice, schools will consider what support pupils require, and make specialist referrals as appropriate, to enable pupils with mental health issues to prepare for examinations.

**2.26. Organisations supporting children –
Department contact**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

To what extent his Department maintains regular contact with organisations involved in the support of children, with particular reference to voluntary groups; and if he will make a statement?

The Minister for Education and Children (Mr Crookall): My Department works with a wide range of organisations, including voluntary groups, with regards to supporting children.

1230 Much of this contact occurs as voluntary groups go about running their activities. Regular contact might occur when voluntary groups:

- Run clubs and activities.
- Deliver PSHE (Personal, Social, Health and Economic) sessions.
- Attend training and events – training offered includes safeguarding and child protection training.
- Run charity/fund raising activities.
- Deliver commissioned services.
- Deliver programmes and interventions.
- Provide parental advice.
- Contribute to working groups.
- Undertake partnership working.
- Respond to consultations.
- Offer feedback regarding government plans and strategies.

My Department's Youth Service maintains an informal register of voluntary organisations – the register is used to invite the organisations to attend events, training and activities.

**2.27. Student-teacher ratios –
Efforts to reduce; steps to reduce teachers' administrative work**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

What the current ratio of students to teachers is in (i) primary and (ii) secondary schools; what efforts are being taken to reduce this ratio further; and what further steps are being taken to relieve teachers of ancillary administrative work to enable them to focus their attention on teaching?

1235 **The Minister for Education and Children (Mr Crookall):** According to our most recent records, the current ratio of pupils to teachers (including headteachers) in primary schools is 19.7 pupils to each teacher. Numbers of pupils in secondary school classes varies far more on a lesson by lesson basis, but simply dividing the number of students by the number of teachers results in a ratio of 14 pupils to every teacher.

1240 Given the financial pressures on the Department, protection of 'front line services', such as teachers, has been prioritised as much as possible. Even despite this, pupil-teacher ratios have shown slight increases (rather than decreases) over the last few years. The Department will continue, as much as it is able, to maintain good pupil-teacher ratios, as a priority.

1245 In seeking to reduce the 'administrative' work required of teachers, all schools are allocated a specific budget for reducing teacher workload. Schools use this in a wide variety of ways but there is a long-standing agreement with professional associations that it should be used to prevent teachers from undertaking clerical or administrative functions.

HEALTH AND SOCIAL CARE

**2.28. Local authority housing rent –
Liability whilst serving a prison sentence**

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

Whether a person who has been sentenced to prison is liable to pay rent on local authority housing while serving their sentence; and if he will make a statement?

The Minister for Health and Social Care (Mr Quayle): A tenant is liable to pay rent on local authority housing while serving their prison sentence.

1250 The tenancy is a legal contract, and it is a requirement under 1(b) of the standard public sector tenancy agreement that:

'(b) The Tenant shall pay the Rent in weekly instalments in the sum of £..... ("Rent" which expression includes any increase) (inclusive of rates), such rent being payable in advance on Monday of each week.'

The tenancy is a weekly tenancy expressly requiring a weekly payment of rent and, as with any typical private sector tenancy, provides no terms to exclude a tenant from paying their rent whilst serving a prison term.

1255 If a tenant does not pay then they are in breach of contract and action would be taken to rectify that breach via the standard public sector arrears procedures.

In some circumstances relatives or friends may step in to meet the rental payments, but where a tenant cannot pay, or has a long sentence to serve, the Department would seek to end the tenancy by negotiation or via the courts.

1260 However, as this can take many months it does not really impact on those serving shorter sentences, as part of the debt recovery process, repayment plans are often agreed in those circumstances.

**2.29. Respite to family caregivers –
Availability to those caring for children with special needs**

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

What respite services are available to provide for temporary breaks from caregiving for family caregivers of children and youth with special needs; what budget has been allocated for respite services in each of the past five financial years; and if he will make a statement?

The Minister for Health and Social Care (Mr Quayle): The DHSC's Children and Families Division offer overnight respite care, block breaks (for holidays etc.), day and weekend respite breaks and shorter term respite arrangements (such as teatime breaks) for children with disabilities and their parents.

These are currently provided in two children's resource centres (CRCs): one in Ramsey and one in Braddan.

Currently 40 children and families receive temporary breaks/respite services from the centres.

On average; the centres provide just over 100 overnight sessions per month, about 160 morning sessions and about 170 afternoon sessions per month.

In addition, staff from the centres provide support to parents in their own homes and run a number of clubs and groups and holiday schemes which are not reflected in the data provided above.

The CRCs are developing their service at present and in future and will be supporting children and young people in developing skills for living, skills in communicating, skills in managing challenging behaviour and providing support towards independence and transition to adult services.

The budget which has been allocated to these services is as follows:

2014-15	£949,000
2013-14	£985,000
2012-13	£978,100
2011-12	£975,440
2010-11	£995,200

In addition, DHSC support Crossroads via grant aid to provide some respite care for children with disabilities and their families.

EDUCATION AND CHILDREN

**2.30. Expenditure on education –
Comparison as a percentage of GDP**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

How the Isle of Man's annual Government expenditure on education as a percentage of GDP compared with (a) OECD average (b) England and Wales (c) Scotland (d) Northern Ireland (e) Jersey and (f) Guernsey in each of the past three financial years; and if he will make a statement?

The Minister for Education and Children (Mr Crookall): Unfortunately, Isle of Man GDP data is not yet available past 2012-13. The Department has been unable to obtain OECD past 2011 and UK data later than 2012-13. In addition to this, GDP figures are not readily available for countries within the UK or the Channel Islands. Instead, these countries publish the alternative

measure of GVA (Gross Value Added). This would not provide a direct comparison with the GDP figures used for OECD and the IOM.

1290 With regard to education spend it is not clear what other jurisdictions include within their total spend figures and there would be a risk that any statistical comparisons would not be comparing like with like. Whilst the Department is keen to develop benchmark comparisons with other jurisdictions it is essential that such measures are reliable and comparable. If the Hon. Member for Onchan would like to meet with the Department, we would be more than happy to discuss the matter further.

**2.31. Male to female teacher ratio –
Efforts to increase number of male teachers**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

What the ratio of male to female teachers is broken down by each primary, secondary, and post-secondary (Isle of Man College) school; whether there are plans to increase the number of male teachers in our schools and to make the teaching profession more attractive to men; and if he will make a statement?

1295 **The Minister for Education and Children (Mr Crookall):** The ratio of male to female teachers across the Department's schools and services is as follows:

Primary	1:7
Secondary	1:1.67
Services for Children	1:4.3
ICT	1:1
Manx Language Service	1:2
Music Service	1.8:1
IOM College	Male teachers only

The ratio of male to female IOM College lecturers is 1:1.07.

1300 Whilst female primary teachers significantly outnumber male primary teachers, at headship level the ratio is 1:1.

1305 Males and females are equally encouraged to consider teaching as a career. The Department is currently supporting three male and 30 female students on teacher training courses, one male and six female students on postgraduate primary teacher training courses and three male and four female students on postgraduate secondary teacher training courses.

It would be desirable to increase the number of male primary teachers, not least as male role models, but a genuine occupational qualification cannot be claimed. The Department does not generally experience difficulty recruiting to primary teaching posts, hence there are no incentives presently offered to make the teaching profession more attractive to men.

**2.32. A-level students –
Numbers in last five years**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

How many students continued their education to A-level, out of the cohort of GCSE students in each of the last five years?

1310 **The Minister for Education and Children (Mr Crookall):** The data on this are more complex than they might at first seem. Some students leave the Island and others move into the Island. Some students continue into 6th Form and begin to study A-levels but leave after one or two years having re-sat some GCSEs and completed some AS levels but without completing any A levels. Some 6th formers complete three years in the 6th form. Students sometimes change school when entering 6th Form. Some students complete A-levels at the Isle of Man College – possibly after studying some other course for one or two years or after a gap year from education. All of these situations break up the cohorts of students passing from GCSE to A-Level. Students are tracked, both by schools and by the College, within their new groups and not against their previous cohorts.

1320 Table 1 shows the number of pupils from the Year 11 cohort who stayed on to 6th Form Education in the Island's five secondary schools in each of the last five years. The great majority of these, but not all, will have started A-level courses.

Table 1 Number of Year 11 pupils staying on to 6th Form (percentage of Year 11)

2010 –	497 out of 974 (51%)
2011 –	503 out of 932 (54%)
2012 –	501 out of 964 (52%)
2013 –	503 out of 915 (55%)
2014 –	516 out of 939 (55%)

1325 An additional 30%, approximately, of the Year 11 cohort each year will have continued in further education at the Isle of Man College. Relatively few of these students will have been following A-level courses but some will have been studying A-levels and some will have been following Level 3 courses (equivalent to A-level) in mixed age groups.

**2.33. Autism spectrum disorders –
Numbers diagnosed in under 18s**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

How many autism spectrum disorders have been diagnosed in each of the past five years for persons under the age of 18 years; what proportion this represents out of the entire cohort of persons assessed; and if he will make a statement?

1330 **The Minister for Education and Children (Mr Crookall):** Child and Adolescent Mental Health Services (CAMHS) within the Department of Health and Social Care have traditionally diagnosed autistic spectrum conditions (ASC), except in cases where preschool aged children present with autism - in these cases the Pre-School Assessment Centre (PSAC) and the Educational Psychology (EP) Service make the diagnosis. A new multi-agency pathway has now been established so assessments are regularly undertaken jointly with colleagues in CAMHS, and are robust in terms

of the screening and assessment tools used in clarifying the diagnosis. Following the assessment of need, a multi-agency plan is put in place to support the child or young person and their family.

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Reporting the number of diagnoses of autism made per year is not, however, straightforward. This is because the CAMHS case management system does not report trends in diagnosis over the 5 year period, and nor does it capture cases where a diagnosis has been made in the specified time period, but the child/young person has subsequently been discharged. Furthermore, current cases could be reported as receiving a diagnosis from the point the child/young person receives treatment, whereas the actual diagnosis could have been made years before any treatment from CAMHS was required - this again reflects the way cases are recorded on the case management system. Given these issues it is not possible to give an accurate number of the diagnoses made - officers from CAMHS report, however, that they currently have 517 open cases, of which approximately 13% involve treatment for ASC.

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My officers would be happy to arrange a meeting with you to discuss this further in person.

2.34. National examinations – Evaluation of requests for special allowances

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

What process is in place to evaluate requests for special allowances (e.g. having extra time) for students sitting national examinations over the last five years; whether there has been any change in trends in such requests annually; and what the typical allowances given for approved requests are?

The Minister for Education and Children (Mr Crookall): The Department follows arrangements made by the Joint Council for Qualifications (JCQ), which represents the main English exam boards (but not Cambridge International Examinations - for the IGCSE). JCQ access arrangements guidance is revised annually and details of the current procedures are available online at: <http://www.jcq.org.uk/exams-office/access-arrangements-and-special-consideration/regulations-and-guidance/access-arrangements-and-reasonable-adjustments-2014-2015>. Cambridge International Examinations publish similar guidance.

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In terms of processes, each exam centre is expected to register at the beginning of the course (usually Year 10) those students who require exam access arrangements because of their learning difficulty. Access arrangements must reflect the pupil's 'normal way of working' in the classroom, and the 'normal way of working' must itself be evidenced and recorded. Pupils are assessed by specialist assessors (which can be the school's special educational needs coordinator) and they must have relevant standardised assessment scores below certain levels to qualify for some types of exam access arrangements (see JCQ guidance for details). Schools also submit a pupil's 'portrait of needs' to present a holistic view of the young person. Access arrangements can vary between exam subjects and, indeed, between components of an exam. Once the application is made, the exam board will confirm whether access arrangements can be made for the pupil. Exam centres are regularly audited to ensure that evidence used to request access arrangements is valid.

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In terms of trends, a preliminary analysis of current Year 10 and Year 11 exam entries suggests there is an increase in the number of students requiring access arrangements, but the trend is variable across schools. Anecdotally, schools and the Isle of Man College feel they are assessing more students for access arrangements.

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Typical arrangements for exam access include:

- Alternative accommodation (away from centre)
- Computer reader
- Examination on coloured/enlarged paper
- 25% extra time
- Extra time over 25%
- Modified papers
- Oral Language Modifier
- Practical Assistant in practical assessments
- Practical Assistant in written papers
- Reader
- Scribe/voice recognition technology.

**2.35. Examination special allowances –
Annotation of results slips and certificates**

The Hon. Member for Onchan (Mr Hall) to ask the Minister for Education and Children:

Whether the results slips and certificates of students who are given examination special allowances (e.g. having extra time) are specially annotated; if so, what the rationale is for such annotation; and whether such annotation will adversely affect the student's progression and employment prospects?

The Minister for Education and Children (Mr Crookall): Exam boards make decisions regarding the information contained on exam statements and certificates. However, neither statements of examination results nor examination results certificates are annotated to indicate that a candidate has been provided with exam access arrangements.

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Order of the Day

3. CONSIDERATION OF COUNCIL AMENDMENTS

3.1. Designated Businesses (Registration and Oversight) Bill 2014 – Council amendments considered

The Speaker: Item 3 on our Order Paper: Consideration of Council amendments, Designated Businesses (Registration and Oversight) Bill.

I call on the Hon. Member for Ayre, Mr Teare.

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Mr Teare: Thank you, sir.

At the request of the Financial Supervision Commission (FSC) the two amendments to the Designated Businesses (Registration and Oversight) Bill 2014 were made in another place.

1385 The first amendment was to add a definition of 'person' in clause 3. This amendment was required as a result of the Interpretation Bill, which is currently progressing through Tynwald. The Designated Businesses (Registration and Oversight) Bill, which I will refer to as the Designated Businesses Bill, will enable the Financial Supervision Commission to oversee how certain businesses and professions, known as 'designated businesses', comply with the Island's
1390 Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) legislation. Many of these designated businesses are unincorporated associations. In the Interpretation Act 1976 'person' includes unincorporated associations. However, under the Interpretation Bill 'person' does not extend to such associations. As the Interpretation Bill will affect the interpretation of both new and existing legislation when it is enacted it is important to add to the Designated
1395 Businesses Bill a definition of 'person' that continues to include unincorporated associations. This is important because it enables unincorporated associations to register as designated businesses rather than have each individual member of such associations having to register in their own right.

The second amendment corrects a drafting error in paragraph 1 of schedule 3 to the Bill. Schedule 3 details minor and consequential amendments to other pieces of legislation. The
1400 amendment in paragraph 1(9) in schedule 3 to the Bill was intended to extend the FSC's investigation powers in paragraph 3(1) of schedule 2 to the Financial Services Act 2006, which relate to regulated activities, so that they would also include the assessment of compliance with AML/CFT legislation so far as it is relevant to any regulated activity. However, the drafted amendment erroneously replaced the FSC's investigation powers relating to regulated activity
1405 with powers that relate solely to the assessment of compliance with AML/CFT legislation. It is therefore crucial that this error be corrected in order that the FSC may continue to undertake this core function of oversight of regulated activity.

Mr Speaker, I would appreciate the support of my hon. colleagues and beg to move that the two amendments to the Bill proposed in another place be approved.

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The Speaker: Mr Shimmin.

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

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The Speaker: Mr Karran.

Mr Karran: Vainstyr Loayreyder, I am deeply concerned. Obviously when we did this Bill... it gives tremendous power as far as investigation is concerned, and obviously we want to be in the flagship as far as being a low tax area. But I am just a little bit concerned about 'person' – how

1420 far this goes as far as whether it could be a fishing expedition as far as individuals who are not
anywhere directly involved as far as business is concerned. How far can it go with this definition
as far as 'person' is concerned?

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

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Mr Teare: Thank you.

The FSC does not engage in fishing expeditions. It would go in as part of the normal review
process, the inspection process, and actually talk to the licence-holders and at that time review
their procedures just to make sure that they were compliant with AML/CFT regulations.

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Overall I think that this is legislation which is going to help us to comply with the regulations
that are now coming out from the OECD, amongst other areas, and it will put us in a good
position when we are going to be inspected by the OECD towards the end of next year.

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This proposal is going to help to reduce costs falling upon industry, because instead of each
individual having to register, the organisation – the unincorporated body – can register as a
single unit. So it should simplify events and make it easier and less bureaucratic, and I think that
is what we should be doing in the circumstances.

With that, sir, I beg to move.

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The Speaker: Hon. Members, I put the question that the amendment to clause 3 made by the
Legislative Council be approved. Those in favour, please say aye; against, no. The ayes have it.
The ayes have it.

Mr Teare, the amendment to paragraph 1, schedule 3, would you wish to formally move?

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Mr Teare: Yes. I wish to formally move that that amendment now take place, sir. It is building
on the work that has been done by the Legislative Council and it is supported by the Treasury
and the Financial Supervision Commission.

The Speaker: Mr Shimmin.

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Mr Shimmin: I beg to second, Mr Speaker.

The Speaker: I put the question that the amendment to paragraph 1 of schedule 3 be
approved. Those in favour, say aye; against, no. The ayes have it. The ayes have it.

Thank you, Hon. Members.

4. BILL FOR SECOND READING

4.1. Legislative Council Reform Bill 2015 – Second Reading approved

Mr Karran to move:

That the Legislative Council Reform Bill 2015 be read a second time.

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The Speaker: We turn now to Item 4 on our Order Paper: Bill for Second Reading, Legislative
Council Reform Bill.

I call on the mover, the Hon. Member for Onchan, Mr Karran.

1460 **Mr Karran:** Vainstyr Loayreyder, Hon. Members, in moving the Legislative Council Reform Bill 2015 for its Second Reading I am trying to address two fundamental issues.

Those principles in this piece of legislation are... One is the issue of who the electorate should be: whether it should be us, as MHKs, electing MLCs; or should it be the people of the Isle of Man. I believe that it should be the people of the Isle of Man. I believe that the MLCs have a fundamentally different role to MHKs. That is why I have started with... The voting should be on an all-Island basis by STV, which means that all voting in different communities will have equal ability in terms of representation and the value of votes. In my experience as a Member of this House in 1985 for the ancient sheading of Middle, I can see the importance of an STV voting system with the fact that it would take me a week to canvass less than 300 votes in Santon. In that same week I could do 1,500 votes in the Ballachurry polling area with the same timescales. *(Interjection by Mr Watterson)* The danger will be that... We must not allow a situation where urban areas will have all the representation but rural areas will not. That is why I believe that the election of MLCs should be giving everyone the chance to vote on an equal basis. I hope Hon. Members will support the electoral structure which I suggest for a nationally elected Legislative Council by the people for the people.

The second part of the Bill deals with the equally important issue that is the role of an MLC in Tynwald and in its own Chamber. Legislative Council has always been known as a revising Chamber, and to that end no MLC can be a Minister or Chief Minister. They would be paid as Members of Departments anyway in order to take up the role of Scrutiny Committees and the PAC, which I believe has been a fundamental weakness with us not being able to expose and hold to account the actions of bad governance over the years. There is an important role of a revising chamber. There is that vital role of scrutiny and I believe that revisiting the Chamber of the Legislative Council should make it more robust in its role as a revising... and scrutinising the legislation and the actions of executive Government. There are many examples of ways to create audit and accountability to develop the good systems of government which our citizens deserve. We can look at different structures throughout the world. We have the United States Constitution with its President and its executive. We have the Faroe Islands, which got into dire financial difficulty some time ago now, where they had to change the whole system of government where Ministers are out of the... *[Inaudible]* of the parliamentary process.

1490 Hon. Members, I do not intend to move the clauses of this Bill until after the Easter break, as I want to let you have that input. I may have had 30 years – and years before that as part of the old Manx Labour Party – as an MHK, but I do not say that I have got all the answers. I believe that this is the way forward, this piece of legislation. However, I believe that what I am proposing is the correct way forward and I hope that you will take the opportunity to come up with your suggestions for my Bill. Let's discuss them through the ability at the clauses stage and let's have that detailed debate on each of the seven clauses of this Bill.

I hope Hon. Members will accept the fact that it is now unacceptable that the Upper House of Tynwald, a Branch of Tynwald, is not acceptable to be elected by us as the electoral college. I believe that we need to address this issue sooner rather than later.

1500 I hope you will back the Second Reading of this Bill. Many people do believe that the way we vote for MLCs is totally wrong. I hope Hon. Members will support the Second Reading of this Bill and I do move.

1505 **The Speaker:** Mr Cannan, Hon. Member for Michael.

Mr Cannan: Thank you, Mr Speaker.

In light of the absence of the Hon. Member's colleague and leader of the Liberal Vannin Party, Mrs Beecroft, I am happy to second the Second Reading today.

1510 I cannot agree with everything the Hon. Member has said or intends with his Bill but I do think there is a strong case for reform of the Legislative Council and, particularly given the proceedings that we sat through last week, which I think the electorate generally viewed with

1515 great concern and indeed amazement, the way things are operating at the moment is not satisfactory, probably has not been satisfactory for some considerable time, and I hope that, by supporting the Second Reading, when we get to the clauses stage there may be some sensible proposals from the Keys for some changes which will make the process of election to the Legislative Council in the least a more acceptable process for the electorate.

I beg to second.

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

1520 **Mr Singer:** Thank you, Mr Speaker.

I have to start off by saying I have always supported reform to bring about public election of the Council, but it has to be in a form that is workable and feasible (**Two Members:** Hear, hear.) and ensures that we do end up with problem-free legislation, with the right people in the job to achieve that. After so many attempts over the years to produce an acceptable product, and I congratulate the mover for making yet another attempt, I have to say to him that I do not believe that the Bill before us is satisfactory in those regards. (**A Member:** Hear, hear.) I am therefore of the opinion that the Bill will need considerable amendment.

1530 It has always been that supporters of reform see that reform in different ways, and that is a problem. What kind of Chamber do we need? What sort of person will ensure that Council works efficiently? How do you attract those candidates for the job? The first priority of a Legislative Council Member is scrutiny of legislation, but you cannot, in my view, make those Members, as is in this Bill, second-class Members of Tynwald, (**A Member:** Hear, hear.) accepting that the views of this House should take precedence over the Legislative Council, despite the latter being an elected Chamber. Either we appreciate the need for the Legislative Council, which I do, or you become a unicameralist – and I think that would be a massive mistake in such a small legislature as ours, which limits options.

1540 So what do I see wrong with the Bill presently before us? First of all, one constituency electing eight Members means that the candidates cannot reasonably be expected to visit all the areas of that constituency before the election. Secondly, eight seats in one constituency means at least 16 candidates or even more on one ballot paper; a nightmare for both the electorate and the returning officer and staff, totally unwieldy. I personally favour the eight constituencies. The general public of the Isle of Man expect the candidate to knock on the door in order to get their vote, and this would be impossible in a single constituency election. Even if you were to get one free postage, running a full election might be so costly and time-consuming as to rule out other than those of means. Hon. Members, the possibility of therefore limiting candidates to those who can afford to finance their elections and not those most suited to be there will likely be back to the old days, which the Hon. Member often refers to, of elected Members only being representative of part of the community, not all of it. In my view, running the Legislative Council as a single constituency would not engage the enthusiasm of the voters. I think it would be damp squib and the most deserving candidates would probably not be elected. I have to say here I am also an opponent of STV.

1550 I cannot support also the payment to a Legislative Council Member solely as a Department Member, because I believe they should be able to contribute in Government Departments and Committees, and whilst I agree that a Minister should in principle come from the House of Keys I cannot rule out a circumstance which might necessitate a Minister coming from Council, especially as they will have a public mandate. In saying that, I am cognisant of the possibility that, following the next Election in 2016, after retirements and the effect of boundary changes have taken effect, it may well be that half the elected Members are new and only perhaps three of the current Council of Ministers might be returned, and the Chief Minister will need flexibility under extraordinary uncertain circumstances to run the Government. So, in relation to this proposal is the Hon. Member saying that Legislative Council Members should also not be elected to Tynwald Committees? Perhaps he could explain that.

1565 I look forward to seeing amendments at the next stage of this Bill, so that we can have a Bill that can be supported, is workable and is probably formulated to have elected Members of Council who can undertake the job of thorough legislative scrutiny whilst not being excluded from contributing to the future prosperity of the Island.

1570 To sum up, Mr Speaker, I would say that without considerable amendment the content of the Bill is neither to the advantage of the electorate nor the good government of the Island. I am minded to support the Second Reading but will carefully consider its contents and the amendments put forward at the clauses stage.

Thank you, Mr Speaker.

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

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Mrs Cannell: Thank you, Mr Speaker.

1580 I am inclined to agree with a lot that the previous speaker, the Hon. Member for Ramsey, Mr Singer said; but I am also minded to support this Bill, because we are being asked to support or otherwise the principle of the Legislative Council being elected and one has to approve that. I approve that.

1585 I am a little bit concerned about the complexity in here though, in terms of how and in what way members of the public are being asked to vote for the Legislative Council, and indeed I share the concern of Mr Singer in terms of the all-Island impact, because it seems an oddity that we would in fact provide for that on a Legislative Council basis but when it came to Members of the House of Keys we would have a totally different system, and I think it would be bureaucratic and problematic.

1590 I do, however, support unicameralism and I always have, and I think there are still one or two Members – and I think Mr Speaker still does – who approve of that method of parliamentary process and election. But we have not got that. I do not think we are too small a parliamentary setting to do it and be successful, but that is not before us.

I am a bit concerned about the single transferable voting. I have never supported it. I followed the debates in the early days when first past the post was changed in favour of STV, and I also viewed and shared the unpopularity of it and followed the process of the House of Keys changing it and returning it to first past the post.

1595 It will require heavy amendment, and rather than having to just deal with the amendments and the purpose of the Bill on the floor of the House of Keys I am going to ask the mover a big favour. He says that he does not intend taking the clauses until after the Easter recess and I think we all appreciate that, but I would ask him if he could convene a meeting with Members to discuss the Bill and to air their concerns, to see if a way forward can be mapped. If there is a will there is a way, and what I am asking the Member to do is to canvass the will of the House to see if we can find a way to make this Bill work, albeit heavily amended.

1600 Thank you.

The Speaker: Hon. Member, Mr Thomas.

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Mr Thomas: Thank you, Mr Speaker.

Again, I share the sentiments of the previous two speakers, so I will not summarise those.

1610 I have got a series of questions for the hon. mover. The first one: given the discussion already of unicameralism, which seems to be becoming increasingly popular from the statements in support of it, my question is does the hon. mover have advice that this Bill could be amended such that it would bring about a unicameral situation; or is that beyond the short-term title of this Bill? I say this because obviously parliaments in neighbouring islands, Jersey and Guernsey, operate successfully with unicameral legislatures, using a well-developed committee system. Scotland, Wales and Northern Ireland have a unicameral system. The Faroes and Iceland have a unicameral system; and New Zealand, which has become very popular for investigation these

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days, moved to a unicameral system in 1950. So, if the mover can assure me that this Bill can actually be used to move in that direction, I think it could be a very rewarding, satisfying and helpful process to actually consider that debate.

1620 The second point is that I wanted the hon. mover to advise whether he shared my belief that in actual fact he can achieve a number of the things he is trying to achieve without legislative enhancement, especially primary legislation. For instance, the role that Members of the Legislative Council have in Government is obviously, as has been described, a function of the political environment at the time. The process of nominating Members of the Legislative Council could change. Section 7 of the 1919 Act, which covers these things, would allow other processes
1625 to develop outside the statute or inside the statute but extending the possibilities that the statute allows. Also, the system of allowances – I think in 2011 the Hon. Court tried to change the percentages paid to different Members using an Order, so I do not see how that necessarily needs primary legislation to change it.

1630 My next question is about the scope and the advice he has received about the scope for this Bill in connection with the single constituency and the STV. Has the hon. mover received advice that, for instance, we could use the existing 12 constituencies and double their size or triple their size to get to larger constituencies; or would that be going beyond the title of this Bill that we have got in process? It seems to me that if you want to focus Manx politics on policy more, the larger the constituency the better and the Council of Ministers having larger mandates
1635 would be a better thing to focus attention on policy, and conceivably this Bill could actually be used to create some super-constituencies – perhaps one for each of the... perhaps six super-constituencies, (*Interjections*) based on the existing 12 ones, in which case it would be obvious that Members elected on this basis would have to be Members of the Council of Ministers. In fact, it would be a good starting point to be a Member of the Council of Ministers, so you would
1640 have to get a great many more people to vote for you. That is the situation in Jersey, for instance. I think you will find the Council of Ministers Members in Jersey have about 15,000 votes. They have not visited every one of those 15,000 people, and that perhaps leads to a focus on policy rather than personality, which in my view cannot be a bad thing.

1645 My final, fourth, question for the hon. mover is about whether he can actually give us any examples in the world where we have two elected chambers with roughly similar electoral bases, because to me it seems flawed. Obviously, the US and Germany have a system whereby there are federal electees and then there are representatives and there is a clear different boundary. In the UK we have a system and in the parliaments of the Commonwealth more generally we have a system that we have in the Island, that works. I would like examples of
1650 where we have two chambers elected in parallel with roughly similar electorates. It seems to me that is fraught with difficulties, as has come up in previous attempts to change the situation in this way.

1655 **The Speaker:** Hon. Members, before I call on the mover to reply, just in reference to the comment by the Hon. Member for Douglas East, Mrs Cannell, the assumed or presumed views of the Speaker will, of course, not be allowed to influence the debate in any way this morning, and I am sure that is fully understood. It would be most improper if that were to happen, Hon. Members.

1660 I call on the mover to reply. Mr Karran.

Mr Karran: Vainstyr Loayreyder, I would like to thank Hon. Members for their views as far as the House is concerned, and I would like to thank my seconder.

I will be very interested to see what amendments come up as far as individual Members are concerned.

1665 I find it quite concerning that the Hon. Member for Ramsey... about it being workable. As I told him, as far as the payments are concerned, the issue of payment was that they would get that, the Department, and the pay of an MHK as an elected person, just to try and get them

1670 away from the executive function. There is no idea of creating this second-class Member and I think the Hon. Member needs to realise that the problem we had from the 30 years we have been here, is everything that has been... gone through being part of the executive process, but the results of that executive process have meant that things like the MEA, like the new Hospital, like IRIS and many other things and many contracts, have had –

1675 **The Speaker:** Could you come back a bit closer to the Bill itself, please.

Mr Karran: Well, I am. What I am saying is the role of the Bill is that I am trying to create a revising chamber that is not part of the executive process. The problem you have got is that, because everybody is virtually in the executive process, it is very hard for the scrutiny committees and PAC to actually work effectively.

1680 The issue is that it is not about creating a second-class Member in Tynwald. They have a role, an important role. As many people have said over the years, a good democracy is only as good as its opposition. So this idea that somehow, because they are doing the audit and accountability and doing the primary legislation... We see in the very near future maybe a very hostile future government in the UK. The role of a Legislative Council being a revising chamber, being more to do with primary legislation, will never be more important, to make sure that there are not loopholes in there that affect our constitutional defence of protecting the rights and privileges of our small nation... that we have a responsibility to the Manx nation. So I do not see it as a second-class role. It is a role that I have been quite proud to do for many years within this Hon. House.

1690 The issue that the Hon. Member for Ramsey brought up about have six, eight seats... The very reason why I believe we should try to keep to one parliamentary seat for the whole Island is that it does not get in... If you do not have this dutch auction and you do not start with one MHK, and you go to the next MHK and then they go off to an MLC... There is a very important role there, as a revising chamber, a very important role, and that is something that I think people need to realise. They are not there to be a rubber stamp. They are there to scrutinise and to make sure that there are not those landmines in primary legislation, and that is why I believe that it is important to try and get them as away as possible from the sort of stuff that ties so many of us up in this Hon. House, dealing with issues that are of major important to the individual but are not important as far as the national perspective is concerned. That is the reason why I believe that going for eight single areas would be the wrong way forward. I believe that, but I am happy to see the amendments and we will debate the issues.

1695 The Hon. Member raised the issue that MLCs should not be in Government. Well, I actually think there is never going to be a more important role. We have seen, with the issues of these international financial organisations, the issues of different governmental... EU, the United Kingdom... that the primary legislation is so important... role there, and I believe that often we have had more good luck than good management as far as many of the opportunities that have come along, and I believe that that role for an MLC, not being tied into the Government... there is flexibility to a certain degree.

1700 Obviously, a Tynwald committee is open to any Member of Tynwald to be on that committee, so they would have that opportunity.

1710 I totally agree with the Hon. Member for Ramsey that we are more than likely going to find a substantial land change as far as the membership in this Hon. House. I can remember the land change in 1976. I actually was still, even at a very young age, involved. I saw one of the sadnesses of a good friend of mine who lost his seat in 1976 – somebody I looked up to. That actually maybe brought about the opportunities to bring about the evolution of major changes. I believe that it is not going to be easy after the next Election. You are going to have the first administration for 30 years that is not going to be able to run without having loads of money to throw at problems. It is going to be a very difficult time, but what this Bill will do is actually augment and help to change the environment so that we will actually bring about more effective

1720 government in those difficult times. The difference will be... like in 1976 with the changes which did happen, there were not the expectations of the general public in those days like there are today. It is going to be very difficult for a future administration, and I believe that the MLCs will have their role as the parliamentary scrutinisers to deal with that.

1725 I thank the Hon. Member for East Douglas about the issue of there should be a clear declaration about the public mandate as far as MLCs are concerned. We have only got to look at issues, like at the present time with the PAC, where you have conflicts where half the PAC cannot, because they are part of Government Departments... If MLCs were outside that, their role would be a lot more robust, a lot more independent, and they would not be part of an executive party function that has been allowed to deliver.

1730 The Hon. Member says she is opposed to the STV system. Well, to be perfectly honest with you, as I think the Member for Ramsey, your Chief Minister, and I are the only ones left who have been elected under STV... I have to be honest with you – there are points that people do not like about STV, but I think most people would now recognise there are also advantages. If we are to make sure that we have that all-Island national constituency for national election of
1735 MLCs... I believe that that is the way forward. Otherwise, what we will end up with is people just canvassing in Douglas, Ramsey and Port Erin and no-one will go out... I can always remember, in 1981, when I first canvassed a constituent in Santon, I popped at his door and I said, 'I'm canvassing for the Election', and he said, 'Oh, I haven't seen a canvasser since 1848!' The point is the STV would make sure that there was not that block vote. Everyone's vote would be equal.
1740 That person's vote would be used first and transferred down. I am happy to have a discussion with Members. I am happy to do that because this is important. It is very important. The present structure of how the MLCs operate is totally dysfunctional as far as most people outside this Hon. House are concerned. We have only got to see that with the last election that we had only last week. I believe that STV would be a much fairer way to make sure that the person who
1745 represents... who lives in Bride, in Dalby or down in Cregneash... his vote is not just lost in the block vote, and that is why I believe STV is important.

I will be happy to concede to the fact of having a meeting and discussing and mapping a way forward to see if there is a way forward. I will arrange that, even though I tend to think it should all be done in public, but I am happy to do that because there is an awful lot of vested interest in
1750 the present system that we have got and we have got to try and rise above that vested interest – the issue that many regard the MLCs as a medieval form of redundancy for unelectable MHKs, and that needs to stop. I hope that the Hon. Member for East Douglas will support that.

As far as the Hon. Member for West Douglas is concerned, if he wants a unicameral parliament then I am happy to look at that, but what I am interested in at the moment is... I
1755 think the danger will be that they will be starting to try and look at the numbers that are in the legislative assemblies in the Branches of Tynwald, and I actually think that will be dangerous – that we end up with fewer Members – because I believe to do the robust work of a micro-state like us... there are still many functions that... just because we are a small nation, there has to be a critical mass of numbers to do that. So the idea that... he needs to realise that he might find
1760 himself opening up a Pandora's box of... where it would be very populous... to see the membership of Tynwald being cut severely, which I actually think would be counterproductive because I believe, with the way the world is going now, small states like us have never needed to be more on the ball, especially with the legislative process as far as primary legislation is concerned. So I am sure that it can be adapted if... [*Inaudible*] at a later date.

1765 He says that the issue under the... I think it is the Constitution Act 1919, about primary legislation changes. There are opportunities to change things. We have already done that. We do not see Ministers now as MLCs. To be perfectly honest with you, if a Minister goes to the Upper House and is still in the electoral period of having a mandate, then that is an issue that is fairly flexible with me, but I personally think that MLCs... but that is not in tablets of stone. So
1770 the issue is that there is a certain amount of flexibility. I do not see the will in here to actually bring about fundamental changes. What I do not want to do is... I do not want the doors being

1775 bashed down by an inexperienced next Government that is going to have to pick up the legacy
of what this administration and the previous administration... before change is brought about. I
believe that that is the danger that you will have if you do not. So there is no excuse that
somehow we can do this by secondary legislation. It is important. And I hope that he will realise
the reason why I have not gone... I would have gone for four-seat constituencies far better than
two-seat constituencies. (**A Member:** Hear, hear.) I am totally for that. I am horrified that I am
going to lose 18% of my constituents. The bigger the constituency the better the mandate, (**Two**
1780 **Members:** Hear, hear.) the better the flexibility that we need in the House to make sure we
represent the different walks of life. Believe it or not, I do know that 24 Peter Karrans in the
House of Keys would not be the recipe for success, (**Several Members:** Hear, hear.) but a few
more Peter Karrans might be a recipe for success. But the problem you have got is that the issue
as far as the larger constituencies... I would not want to see MLCs identified as doing the role of
an MHK, so when your housing does not come through and you are getting nowhere with your
1785 MHKs you go to your MLC, because I believe the value of parliamentary scrutiny is as important
as the executive function. It has not been sexy for the last 20 years I have been in here and I
think we are paying the price for that. I hope the Hon. Member would support that.

1790 He talks about the fact of having two elected assemblies. Well, you have in the US: you have
got the Congress and you have got the Senate. Alright, they will not have as distinct roles as
what I am proposing within this legislation.

1795 Hon. Members, people outside this Chamber want to see the Upper House elected by the
people. Fundamentally, we are a democracy. I believe that we should support the Second
Reading of this Bill. I am happy to arrange a meeting at the request of the Hon. Member for East
Douglas in the Millennium Room to try and get people together, maybe get the drafter in. I am
as keen as anyone else as far as getting this legislation correct. I fundamentally believe that what
I have put in this Bill is the way forward. It is the way forward for putting in that audit and
accountability that has been so lacking in the past. I hope Hon. Members will support the Second
Reading of this Bill.

1800 **The Speaker:** Hon. Members, the question is that the Legislative Council Reform Bill be read
for the second time. Those in favour, please say aye; against, no. The ayes have it.

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

In the Keys – Ayes 15, Noes 3

FOR

Mr Anderson
Mr Cannan
Mrs Cannell
Mr Cregeen
Mr Crookall
Mr Gawne
Mr Hall
Mr Houghton
Mr Karran
Mr Robertshaw
Mr Shimmin
Mr Singer
Mr Skelly
The Speaker
Mr Thomas

AGAINST

Mr Quirk
Mr Teare
Mr Watterson

The Speaker: Hon. Members, the motion carries, with 15 for and 3 votes against.

5. BILL FOR THIRD READING

**5.1. Income Tax Bill 2015 –
Motion not moved**

Mr Teare to move:

That the Income Tax Bill 2015 be read the third time.

The Speaker: Hon. Members, Item 5, Income Tax Bill: the Member in charge of the Bill has indicated it will not be moved this week.

6. CONSIDERATION OF CLAUSES

**6.1. Representation of the People (Amendment) Bill 2015 –
Motion not moved**

The Speaker: Item 6, Representation of the People (Amendment) Bill: the Member in charge of the Bill, Mr Shimmin, has indicated he will not move the Bill this week in order to allow Hon. Members time to put down further amendments.

Therefore, Hon. Members, that concludes the business of the House today. The House will now stand adjourned until the next sitting, which will take place at 10 o'clock on 31st March in this Chamber.

The House adjourned at 11.43 a.m.