



HOUSE OF KEYS OFFICIAL REPORT

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PROCEEDINGS

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HANSARD

Douglas, Tuesday, 4th December 2018

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Present:

The Speaker (Hon. J P Watterson) (Rushen);
The Chief Minister (Hon. R H Quayle) (Middle);
Mr J R Moorhouse and Hon. G D Cregeen (Arbory, Castletown and Malew);
Hon. A L Cannan and Mr T S Baker (Ayre and Michael);
Hon. C C Thomas and Mrs C A Corlett (Douglas Central);
Miss C L Bettison and Mr C R Robertshaw (Douglas East);
Hon. D J Ashford and Mr G R Peake (Douglas North);
Mr M J Perkins and Mrs D H P Caine (Garff);
Hon. R K Harmer and Hon. G G Boot (Glenfaba and Peel);
Mr W C Shimmins (Middle);
Mr R E Callister and Ms J M Edge (Onchan);
Dr A J Allinson and Mr L L Hooper (Ramsey);
Hon. L D Skelly (Rushen);
with Mr R I S Phillips, Secretary of the House.

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House of Keys

The House met at 10 a.m.

[MR SPEAKER *in the Chair*]

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

Members: Moghrey mie, good morning, Mr Speaker.

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The Speaker: I call on the Chaplain to lead us in prayer.

PRAYERS

The Chaplain of the House

Leave of absence granted

The Speaker: Hon. Members, leave has been granted to Mrs Beecroft and Mr Malarkey.

1. Questions for Oral Answer

TREASURY

1.1. Government reserves – performance updates

The Hon. Member for Arbory, Castletown and Malew (Mr Moorhouse) to ask the Minister for the Treasury:

How frequently his Department receives updates on the performance of Government reserves?

The Speaker: We turn to Questions for Oral Answer, Question 1, and I call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

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Mr Moorhouse: Thank you, Mr Speaker.

I would like to ask the Minister for the Treasury how frequently his Department receives updates on the performance of Government reserves?

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

The Minister for the Treasury (Mr Cannan): Mr Speaker, Treasury officers oversee the activity as part of their day-to-day responsibilities and receive daily valuations and a list of holdings from the master custodian. The Treasury Investment Committee receives a detailed quarterly investments and banking report. This is prepared by the Investments and Banking

20

Section based on audited data from the master custodian who is the Bank of New York Mellon. Additionally, the Investment Committee meets directly and formally with each investment manager at least twice a year to review performance, investment strategy, asset allocation, stock selection, global markets and any pertinent investment-related matters. If the Investment Committee is concerned with any aspect of the performance and/or management, it will meet

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The Speaker: Supplementary question, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr Speaker, and thank you, Minister.

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That is incredibly reassuring. Given all the turbulence and uncertainty ahead of Brexit, we should feel slightly more happy about the situation, but has our appetite for risk been reduced to reflect the uncertainty?

The Speaker: Minister to reply.

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The Minister: Thank you, Mr Speaker.

I think the Hon. Member needs to remember that our investments are broadly spread and not just focused on the UK stock market but also international stock markets as well and international performance; and indeed when investing in the United Kingdom the stocks and businesses that are being invested in are often performing internationally-based and internationally-focused business. Therefore I am satisfied that we have a broad, diverse and secure base of investments in order to satisfactorily protect ourselves in the event of adverse performance on the British stock market.

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The Speaker: Further supplementary, Mr Moorhouse.

Mr Moorhouse: No, that is fine.

POLICY AND REFORM

1.2. TV licence payments for over-70s – Plans for public consultation

The Hon. Member for Arbory, Castletown and Malew (Mr Moorhouse) to ask the Minister for Policy and Reform:

What plans he has to consult the public about the future of TV licence payments for the over-70s?

The Speaker: I turn to Question 2 and call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse again.

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Mr Moorhouse: Thank you, Mr Speaker.

I would like to ask the Minister for Policy and Reform what plans he has to consult the public about the future of TV licence payments for the over-70s? Sorry, over-75s!

55 **The Speaker:** I call on the Minister for Policy and Reform to reply.

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

60 The Isle of Man Government currently has no definite plans to consult the public of the Island about the future of TV licence payments for the over-70s or indeed the over-75 years. However, on 20th November, the BBC launched a consultation to decide how licence fees for the over-75s should be paid for when the current arrangements come to an end in June 2020, and the BBC takes on full policy and funding responsibility for such age-related concessions. The BBC's director for England and the Crown Dependencies wrote to the Chief Minister to highlight the consultation which is open until 12th February 2019.

65 Mr Speaker, as Hon. Members know, the Isle of Man Government has an agreement with the BBC on the Corporation's financial contributions to the cost of the universal concession by which households in the Island that include a person who is aged 75 or older receive a free TV licence. This agreement runs until 31st March 2022. When the BBC takes on the full responsibility for the age-related concession in June 2020 it can reform this arrangement. This will not preclude the Isle of Man Government from supplementing any age-related concession which the BBC may operate from that date. In other words, even if the BBC decided, for example, to increase the age at which the concession became available in the UK or it became means-tested in the UK, it would be open to the Isle of Man Government to consider whether or not to top up the concession in the Island so that, in effect, all over-75s would continue to benefit from a free TV licence.

70 Of course everything I have said is without prejudice to any actions that follow the debate on the report of the Select Committee on public service media.

The Speaker: Supplementary question, Mr Moorhouse.

80 **Mr Moorhouse:** Thank you, Mr Speaker, and thank you, Minister.

Is the Minister aware that in the year 2019-20 the on-Island costs will be over £500,000 a year? Does the Minister recognise the need to consider a possible consultation with the people, given the important role this played as an issue through the 2016 Election?

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

The Minister: Thank you, Mr Speaker.
Yes.

ENTERPRISE

1.3. Manx National Heritage sites – Sunday opening

The Hon. Member for Arbory, Castletown and Malew (Mr Moorhouse) to ask the Minister for Enterprise:

Whether Sunday opening at the Manx Museum has been a success and whether this initiative can be extended to cover the Manx National Heritage sites in Castletown?

90 **The Speaker:** We move to Question 3 and I, again, call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr Speaker.

I would like to ask the Minister for Enterprise whether Sunday opening at the Manx Museum has been a success and whether this initiative can be extended to cover the Manx National Heritage sites in Castletown?
95

The Speaker: I call on the Minister for Enterprise to reply.

The Minister for Enterprise (Mr Skelly): Gura mie eu, Loayreyder.

100 When Manx National Heritage prepared its business case for a one-year trial of Sunday opening for the Manx Museum it identified a number of criteria against which success would be measured. These included the criteria that increased footfall would not be displaced, that income was sufficient to offset half of the operating costs, and visitor satisfaction was increased. In addition, the criteria specified that the impact on other days at the Museum, the impact on
105 the wider Douglas economy, and increased promotion and accessibility, should also be taken into account.

Manx National Heritage will be considering a report on the future of Sunday opening at the Museum at its meeting on 6th December. This is an important matter to which Manx National Heritage has reacted positively and undertaken this one-year trial with funding support from our
110 Department. I shall ask the Director of Manx National Heritage to update Hon. Members on the outcome of the trustees' decision.

It is worth noting that in accordance with the Manx Museum and National Trust Act 1959 any permanent change to the opening hours of the Manx Museum will require Tynwald approval. Manx National Heritage has advised that it has no plans to increase Castle Rushen opening hours
115 outside the current season other than already taking place for specific events. Castle Rushen is already open seven days a week during the season, whereas prior to April 2018 the Manx Museum did not open on Sundays.

Gura mie eu.

120 **The Speaker:** Supplementary question, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr Speaker, and thank you, Minister.

Is the Minister aware that probably the most important key heritage sites on the Island, being located so close to the heart of Castletown, the doors were closed on 5th November 2018 and
125 will not open until 1st April 2019? What a joke!

In terms of opportunities, the Castle has undergone a lot of change in the last 18 months – things like the shop offering have changed tremendously. Given the success of the pod in the Steam Packet building, would it be possible to look at alternates opening a full offering during
130 the winter periods?

The Speaker: Minister to reply.

The Minister: Gura mie eu, Loayreyder.

Yes, I am aware of the opening hours. They have been closed for winter and that has been
135 standard policy for Manx National Heritage for quite some time.

Clearly, they do need to close at those periods for remedial works that they must undertake. In terms of opportunity, yes, there have been opportunities and most recently there was a private event in Castle Rushen, which I think was very successful and generated income and revenue for Manx National Heritage which I am sure was very welcome.
140

In terms of extending the opening hours, that really is a matter for Manx National Heritage to discuss this with the trustees and consider their fiscal responsibility because they must manage that as well at the same time.

The Speaker: Supplementary question, Mr Moorhouse.

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Mr Moorhouse: Thank you, Minister, and thank you, Mr Speaker.

In terms of the change that has been offered, in terms of those new opportunities, I would encourage the Minister to continue to push and encourage for change.

Thank you.

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The Speaker: Minister to reply, if there is a question there.

The Minister: Yes. Obviously, we will work very closely with Manx National Heritage. They are obviously a key asset in terms of our tourism offering and part of our visitor economy, and we work very closely and we will be supporting them hopefully with adding new, enhanced services.

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The Speaker: Item 2, Questions for Written Answer. Those will be circulated in the usual manner.

2. Questions for Written Answer

TREASURY

2.1. Common Purse Agreement – Advantages and disadvantages of Island's withdrawal

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

What the advantages and disadvantages would be if the Island were to withdraw from the Common Purse Agreement?

160 **The Minister for the Treasury (Mr Cannan):** The Common Purse arrangements were replaced by the Customs and Excise Agreement ('the Agreement') between the UK and the Isle of Man in 1979.

Under the Agreement, the Island keeps its indirect tax regime largely in line with that of the UK, allowing the free movement of goods between the Isle of Man and the UK. Without the
165 Agreement there would be a border between the Isle of Man and the UK and goods would be unable to move freely and could be subject to tariffs/duties.

For the year 2017-18 the Isle of Man's share of the consolidated revenue receipts through the Agreement was £357 million, which is considered a substantial source of government revenue. The Agreement provides a degree of assurance and stability when planning for
170 expenditure on vital services.

Some of the key implications which would arise if the Island was to withdraw from the Agreement are as follows:

- Any goods exported from the Isle of Man to the UK would be subject to UK Customs Duty, VAT and Excise Duty where applicable. This would potentially increase the price of
175 goods supplied by Isle of Man businesses to UK customers, due to the increased administrative cost in declaring such goods to HMRC;
 - The UK would need to apply border controls for all goods entering the UK from the Isle of Man which may slow the movement of goods and increase administration, compliance and cash flow costs for Island businesses;
 - Importers of goods to the Island would need to complete customs declarations, and safety and security declarations would need to be made by carriers of the goods. Such controls would be necessary, even if the method and rates of taxation were to remain identical to the UK as there would be no legislation in place to allow the Government to treat goods as neither imports nor exports. The increases in the administrative burden and the likely cost to implement new systems to deal with such declarations could make
180 the Island a less attractive place to supply to, and slow down the movement of the goods to the Island. When considering perishable goods such as food, delays could be extremely costly. Considering most of the goods consumed on the Island come from the UK this could have a considerable impact;
 - The Isle of Man would need to apply border controls at the ports, airport and the post office to facilitate the collection of duties and other taxes on goods coming to the Island, as well as continuing to enforce prohibitions and restrictions. Customs controls are already in existence for goods entering the Island from outside the EU; however, the increase in the volume of goods requiring inspection would require considerable
185 government investment in technology and staff and the provision of inspection facilities at the sea terminal and airport, and extension of facilities at the post office;
 - Additional customs controls would need to be adopted for travellers to and from the UK;
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195

- 200
- If the Isle of Man adopted its own customs, excise and indirect tax regimes aimed at replacing the revenue received through the Agreement there would be an additional cost to collection due to the loss of support (including technology, training, technical expertise etc.) currently provided by the UK. It would also take time to introduce any new indirect tax regimes which would be needed to raise the revenue necessary to continue to provide Government services. Businesses that trade in both the Island and UK would need to be registered for indirect taxes in the UK and for any indirect taxes in the Island (this would include VAT if the Island retained that tax).

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 - It should be noted that if the UK negotiates a deal with the European Union which includes a customs arrangement, the Island may not be included within such a customs arrangement if the Agreement is terminated, which would again increase the costs of Island businesses doing business with EU businesses and customers, potentially restricting access to the EU and disadvantaging traders compared to their UK competitors;

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 - Withdrawal from the Agreement would however, provide the Isle of Man with the potential to determine its own indirect tax regime, but would need to raise revenue to match (or potentially exceed) the amounts received currently, in order to continue to provide Government services, such as the NHS, transport, education and infrastructure;

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 - It is also possible that withdrawal from the Agreement could stimulate more locally produced goods, rather than relying on imported goods from the UK, for example food. There is no certainty about this though or that the impact of withdrawal would be minimised by such a measure which would be limited in scope and unlikely to provide all the Island's needs.

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HEALTH AND SOCIAL CARE

2.2. West Midlands Quality Review – Standards of governance

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

Whether the standards of governance, reported in each of the West Midlands Quality Review reports, was considered a risk; and if, not, why not?

The Minister for Health and Social Care (Mr Ashford): The West Midlands Quality Review Service (WMQRS) undertook a review of clinical governance in order to review compliance with the WMQRS standards for clinical governance specific to the care of children and young people and adults and standards relating to workplace health and safety.

225 The standards assessed did not include, management of risk associated with screening procedures; legal cases; occupational health; detailed aspects of governance of ambulance, maternity and mental health services as these were included within the specific quality standards for each of these services.

230 It is acknowledged by WMQRS that the review of the governance of health services on the Isle of Man which took place in spring 2014 was at a time of significant change in the senior management of the island's health service.

The review found many examples of achievements and good practice within the three operational management units across health, hospital, mental health and community.

235 However, the main findings of the review were the lack of an overall governance framework within which the three operational management units were expected to work, and the lack of clear arrangements holding the operational management units to account for delivery.

These risks were recognised by the Department of Health and Social Care (DHSC) and consequently remedial action has been taken such that the three operational management units now report under one senior executive, namely, the Deputy Chief Executive at the DHSC.

240 Furthermore, there have been a number of improvements made in relation to the membership and the working of the Executive Leadership Team which has expanded beyond the Chief Executive Officer, Deputy Chief Executive and Executive Director of Finance to include the key Directorate leads representing the Hospitals' Directorate, the Community Directorate and Children & Families Directorate. In addition the Medical Director and Director of Public Health are also key members of Executive Leadership Team.

245 The purpose of the Executive Leadership Team is to provide governance oversight of each of the services delivered by the DHSC and to hold to account each member of the leadership team for the delivery of their designated portfolios of responsibility. These portfolio responsibilities include safety and quality; financial management; and activity performance.

250 Since the WMQRS reviews, much work has been done to evaluate the purpose of and output from each sub-committee of the DHSC in order to ensure that the business of the Department can be carried out in a more time efficient way and across as small a number of committees as needed.

255 More recently a comprehensive review of the Departments Risk Register has been carried out. Risks are reviewed at a local level as a minimum on a monthly basis and issues of concern are escalated to the Executive Leadership Team, which meets fortnightly, and to the monthly Department meeting at which the risk log is reviewed as a standing agenda item.

Owing to time constraints and given the number of WMQRS reviews that have been undertaken, a more detailed response will follow once further analysis of each of the WMQRS reports has been completed.

2.3. Noble's Hospital – Special measures

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

On how many occasions Noble's Hospital has been placed in special measures or similar; when this was done; and what the reasons were for such measures?

The Minister for Health and Social Care (Mr Ashford): The concept of special measures is a feature of the regulatory regime in the UK, and is a possible outcome of poor inspection ratings given by the Care Quality Commission.

265 As that regulatory regime is not in place on the Isle of Man, Noble's Hospital cannot be affected by it and, as a consequence, has never been placed in special measures or similar.

**2.4. General Medical Practitioners –
Number broken down by age**

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

How many General Medical Practitioners there are broken down by age: (a) less than 50; (b) 50 to 55; (c) 56 to 60 and (d) over 60?

The Minister for Health and Social Care (Mr Ashford): In order to answer this Question accurately the age ranges have been amended slightly as the way in which the Question was phrased would have led to some GPs being counted twice (those aged 55).

Age Bracket	Number of GPs
Under 50	43
50-55	21
56-60	14
Over 60	12
Total	90

**2.5. Unoccupied beds –
Payments to Adorn since end of October 2018**

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

How much Adorn has been paid in respect of unoccupied beds from the start of the contract to the end of October 2018?

270 **The Minister for Health and Social Care (Mr Ashford):** Both the Hon. Member for Douglas South and the Hon. Member for Ramsey Mr Hooper submitted similar Written Questions in April 2018 and June 2018.

275 These Answers combined provided the breakdown of costs of unoccupied beds from the start of the contract up to the week commencing 28th May 2018 and the respective Answers can be found here:

<http://www.tynwald.org.im/business/hansard/20002020/t180417.pdf>

<http://www.tynwald.org.im/business/hansard/20002020/k180626.pdf>

280 The following Table 2.5A provides the additional information from the week commencing 4th June 2018 to 29th October 2018.

HOUSE OF KEYS, TUESDAY, 4th DECEMBER 2018

Table 2.5A

w/c	No of Residents	No of Empty Beds	Total No of Commissioned Beds	Occupancy	Cost of Empty Beds
4-Jun-18	37	3	40	93%	2,558
11-Jun-18	38	2	40	95%	1,705
18-Jun-18	37	3	40	93%	2,558
25-Jun-18	39	1	40	98%	853
2-Jul-18	39	1	40	98%	853
9-Jul-18	39	1	40	98%	853
16-Jul-18	39	1	40	98%	853
23-Jul-18	39	1	40	98%	853
30-Jul-18	40	0	40	100%	0
6-Aug-18	40	0	40	100%	0
13-Aug-18	40	0	40	100%	0
20-Aug-18	39	1	40	98%	853
27-Aug-18	37	3	40	93%	2,558
3-Sep-18	37	3	40	93%	2,558
10-Sep-18	37	3	40	93%	2,558
17-Sep-18	37	3	40	93%	2,558
24-Sep-18	37	3	40	93%	2,558
1-Oct-18	36	4	40	90%	3,410
8-Oct-18	36	4	40	90%	3,410
15-Oct-18	36	4	40	90%	3,410
22-Oct-18	36	4	40	90%	3,410
29-Oct-18	37	3	40	93%	2,558
Total		99		92%	40,925

Order of the Day

3. BILL FOR THIRD READING

3.1. Criminal Evidence Bill 2018 – Third Reading approved

Dr Allinson to move:

That the Criminal Evidence Bill 2018 be read the third time.

The Speaker: Item 3, Bill for Third Reading, Criminal Evidence Bill 2018. I call on the Hon. Member for Ramsey, Dr Allinson, to move.

Dr Allinson: Thank you, Mr Speaker.

I rise to move the Third Reading of the Criminal Evidence Bill 2018 and, in doing so, I would like to thank Hon. Members for their support during the previous stages of this Bill.

290 Before addressing a few of the issues raised during the clauses stage, I would like to remind Hon. Members that the purpose of the Bill is to place procedures relating to the use of hearsay evidence in criminal court cases in Manx law and to ensure they reflect reality in the 21st century. The Bill will also provide a legal framework in relation to how a person's character, or rather their bad character, may or may not be used in court and provides appropriate safeguards.

295 During the clauses stage last week, some specific technical questions were asked, which I have considered and I would now like to try and address.

Mr Hooper, Hon. Member for Ramsey, asked the question relating to a reference to marriage in clause 21(1) contained in the section on reputation or family tradition. I have taken advice and it appears this does *not* include civil partnerships. This is quite possibly an oversight and we will look to correct this by way of an amendment through a latter Bill.

300 In relation to Mr Hooper's second question regarding transcripts of sound recordings arising out of clause 38(2)(a), I would say that in order to be of any practical use a recording, whether a video recording or not, would have audio. A recorded interview could have moving images as well as the indispensable sound recording or it could consist of merely a sound recording. Either way, a transcript of the sound recording of the recorded interview would have to have been produced in order for the witness to use that transcript to refresh his or her memory when giving evidence in criminal proceedings. So, yes, sound includes a video recording with sound, and that is confirmed by the interpretation in clause 39.

305 Lastly, in relation to the question of capability, I understand a capacity Bill is on the Government's legislative programme in the name of the Minister for the Department of Health and Social Care, and is for completion before the end of the current administration in June 2021.

310 Mr Speaker, I beg to move that the Criminal Evidence Bill 2018 be read a third time and do pass. The Bill will of course have to return to the Council for their agreement to the amendment made in this House to clause 40.

The Speaker: I call on the Hon. Member for Douglas East, Miss Bettison.

Miss Bettison: I beg to second and reserve my remarks.

The Speaker: I call on the Hon. Member for Onchan, Ms Edge.

Ms Edge: Thank you, Mr Speaker.

I would like to thank the mover for clarifying that capacity will be on the legislation bill.

325 Just with regard to the other question which I asked last week, with regard to facing your
accuser and some of the evidence that is coming out from the changes that were made in the UK
in 2003, did he seek any further assurance around that?

The Speaker: I call the mover the reply.

330

Dr Allinson: Thank you, Mr Speaker.

I would like to thank Ms Edge for her comments.

335 Yes, as she points out, the legislation that we are introducing here is almost exactly the same
as the Bill brought through in Westminster in 2003 and will manage to both change the
legislation and change the way the courts proceed, but also guarantee those safeguards for
either the accused, but particularly for the victims.

The Speaker: Just before I put the question, just as a comment to the mover of the Bill, there
is an opportunity within Standing Order 10.5 of Tynwald Standing Orders for an amendment to
340 be made there lest it save us problems about human rights compliance with regard to the
passage of the Bill. I will just leave that with the Member to take back to the Department for
consideration.

The question I put to the House is that the Criminal Evidence Bill be read for a third time and
pass. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

345 Hon. Members, that concludes the business on our Order Paper today. The House will stand
adjourned until next Tuesday at 10.30 a.m. in Tynwald Court.

Thank you.

The House adjourned at 10.16 a.m.