Hansard

Douglas, Friday, 29th May 2020

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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);
Mr C C Thomas and Mrs C A Corlett (Douglas Central);
Mrs C L Barber and Mr C R Robertshaw (Douglas East);
Hon. D J Ashford and Mr G R Peake (Douglas North);
Miss K J Costain (Douglas South);
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);
Hon. 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 virtually at 2.30 p.m.
Proceedings were conducted and broadcast live
from the Legislative Council Chamber.

[MR SPEAKER in the Chair]

The Secretary: Mr Speaker has entered the Chamber.

The Speaker: Fastyr mie, Good afternoon, Hon. Members.
I call on the Chaplain to lead us in prayer.

PRAYERS
The Chaplain

1. Standing Orders suspended
to take the sitting virtually

Mr Deputy Speaker to move:

That Standing Orders be suspended to the extent necessary to take this sitting virtually.

The Speaker: Thank you, Chaplain.
There are no leaves of absence for today’s sitting, so we move straight to Item 1, and I call on
the Deputy Speaker to move for the Suspension of Standing Orders

The Deputy Speaker: Thank you, Mr Speaker.
I beg to move that Standing Orders be suspended to the extent necessary to take this sitting virtually.

The Speaker: Thank you.
Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker. I beg to second.

The Speaker: I presume that the motion is carried unless any Member indicates dissent,
which they should do so now. No dissent registered.
2. Questions for Oral Answer

CHIEF MINISTER

2.1. Review into DESC – Approval of scope

The Hon. Member for Onchan (Ms Edge) to ask the Chief Minister:

*Who approved the scope of the review into the Department of Education, Sport and Culture?*

**The Speaker:** We move to Item 2 on our Order Paper, Questions for Oral Answer, and I call on the Hon. Member for Onchan, Ms Edge, Question 1.

**Ms Edge:** Thank you, Mr Speaker.

I would like to ask the Chief Minister who approved the scope of the review into the Department of Education, Sport and Culture?

**The Speaker:** I call on the Chief Minister to reply.

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

The terms of reference for the Independent Review of the Department of Education, Sport and Culture were considered and agreed by the Council of Ministers at its meeting on 27th February of this year.

**The Speaker:** Supplementary question, Ms Edge.

**Ms Edge:** Thank you, Mr Speaker.

I just wonder would the Chief Minister advise who was involved in the preparation of the document that was presented to the Council of Ministers?

**The Speaker:** Chief Minister.

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

I am presuming the Chief Secretary was instructed to go away and get it prepared so I presume that he, working with officers, prepared it.

I would respectfully point out that the terms of reference have already been provided to all Members.

**The Speaker:** Supplementary question, Ms Edge.

**Ms Edge:** Thank you, Mr Speaker, and may I thank the Chief Minister for circulating the scoping document.

I am just wondering whether the Chief Minister could provide us with an update on the progress of who has been appointed to carry this out, obviously bearing in mind that there was a vote of no confidence in the Department by over 600 teachers. I am just wondering whether he could give us reassurance for our teachers that the terms of reference will address their legitimate and well-documented concerns.

**The Speaker:** Chief Minister.
The Chief Minister: Thank you, Mr President ... Sorry, Mr Speaker; I do Mr President a disservice! *(Laughter)*

The terms of reference have been circulated. They clearly show what the review objectives are: to what extent are the management and governance arrangements of the Department of Education, Sport and Culture fit for purpose; how does the Department of Education, Sport and Culture interact and work with schools; and how might the interplay between the Department of Education, Sport and Culture and schools be improved.

Now, obviously, I have not had any feedback from anyone that they were not happy with these references which have gone out. We hope that the review process will commence mid-June of this year and we are finalising arrangements with the preferred partner, and I expect to be in a position to make an announcement in the next few days.

The Speaker: Thank you.
Supplementary question, Dr Allinson.

Dr Allinson: Thank you, Mr Speaker.

I would like to ask the Chief Minister would he agree with me that these terms of reference have been circulated to all staff and the Department of Education, Sport and Culture and that they clearly show a good engagement, both with all the staff and teachers, but also their representatives. They are going to take into account the views of all the representatives and of the staff of our Island.

The Speaker: Thank you, Mr Speaker.

The Chief Minister: Thank you very much, Mr Speaker.

I am happy to confirm that, and it does clearly state this in the references provided to all Members, that in compiling the report evidence it will be gathered from a range of stakeholders including, but not limited, to teaching staff, union members, departmental representatives, parents, guardians and the wider public.

The Speaker: Thank you.

Final supplementary, Ms Edge.

Ms Edge: Thank you, Mr Speaker.

The Chief Minister did not give me any reassurance that he felt that it would cover the previous concerns.

The Chief Minister has just read all of the stakeholders out, and I appreciate that they can ask anybody, but it is quite significant there are no support staff mentioned, and I just want reassurance that the support staff, who keep our schools together as much as any of the other employees, are going to be part of this review.

The Speaker: Chief Minister.

The Chief Minister: Thank you, Mr Speaker.

I will of course ensure that support staff – if they were not already covered in the general wording – will be included in the report because, as the Hon. Member quite rightly says, our schools are not just about teachers but the support staff that help and keep those schools running as well. It is part of a bigger team effort.
EDUCATION, SPORT AND CULTURE

2.2. DESC leisure staff on zero hours contracts – Number; redeployment; entitlement to financial support

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

How many leisure staff employed by the Department are employed on zero hours contracts; following the leisure centre and swimming pool closures whether they were (a) offered alternative roles and (b) entitled to any financial support?

The Speaker: Question 2, and I 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 Education, Sport and Culture how many leisure staff employed by the Department are employed on zero hours contracts; following the leisure centre and swimming pool closures whether they were (a) offered alternative roles and (b) entitled to any financial support?

The Speaker: I call on the Minister for Education, Sport and Culture to reply.

The Minister for Education, Sport and Culture (Dr Allinson): Thank you, Mr Speaker.

Prior to the full closure of all sports facilities on 22nd March, due to the coronavirus pandemic, there were 175 casual staff listed on the Isle of Man Government PIP system for Manx Sport and Recreation. This includes bank leisure attendants, maintenance, receptionists, sports coaches, pitch attendants and swimming teachers.

Some of the 175 work only occasional casual hours, and many have not been utilised for a significant period of time given the closure of the NSC leisure pool. Of this number, there were 15 individuals who had worked on average 10 or more hours per week during the three months prior to the full closure of the National Sports Centre as a result of the COVID pandemic.

There is no obligation for those on the supply or relief list to undertake any work offered or indeed any obligation on the Department of Education, Sport and Culture to provide any work.

The COVID-19 Pay Scheme states if at the time a COVID-19 related absence commences supply and relief work has been offered, accepted and scheduled, any hours committed to should be paid. Therefore the scheme will apply to casual staff who have scheduled work commitments at the time of absence. Two casual staff were on the roster for work prior to the closure of the sports facilities on 22nd March and were paid.

It was identified that some swimming teachers and exercise instructors have a regular pattern of work due to the nature of the role they are delivering. These individuals were offered redeployment opportunities on 13th April 2020. Seven individuals accepted that offer and they have been redeployed into other essential areas or have been delivering on-line exercise classes instead. I would like to thank them for their help and dedication.

Casual hours have been offered to eight individuals for the TT school holiday sports activities that the Department has organised for children whose parents are employed providing essential services and who are key to tackling the ongoing COVID situation.

Thank you, Mr Speaker.

The Speaker: Supplementary question, Mr Moorhouse.
Mr Moorhouse: Thank you, Mr Speaker, and thank you, Minister for that comprehensive Answer.

As the new Minister in the Department, have you any concerns about the use of zero hours contracts and would you be prepared to look at how, where there is a slight alteration to the type of work done, the changes can prevent these employees from being able to shift on to the permanent contracts.

Thank you, Mr Speaker.

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

I thank the hon. gentleman for his question, which I think is an extremely important question. I would like to remind him that in July last year the Chief Minister asked a committee to be set up to look at zero hours contracts for all staff, whether in Government or the private sector.

The report was tabled before Tynwald and showed that, as a rule, most of the people were quite happy with their contracts but there needed to be some more clarity about the exact terms and conditions, particularly in the private sector. And certainly in terms of the Government and the public sector we are very aware of our obligation to our hard-working staff, even though they may only work a few hours a week, and take that extremely seriously.

As we move out of this situation, obviously there will be a lot of work to be done to get back to the new normal and so I will be working with the managers of the NSC to ensure that those staff who are required to work more hours are given every opportunity to change their terms and conditions.

Thank you very much.

The Speaker: Supplementary question, Ms Edge.

Ms Edge: Thank you, Mr Speaker.

I just wonder if the Minister could confirm concerning he will offer to change contracts in that last little part of what he has just said, would that be at any detriment to the individual? And can he confirm has anybody on zero hours been on a contract of zero hours for over 12 months?

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

What I was saying was that obviously, as we are changing from this very unusual period back to a new normality, we will be looking at people’s needs and their relationship with the Department on whether they want to change their contracts at all, because we will probably need some more people to help increase cleaning and we will need to increase some people’s hours, if they want. But all this will be done with full consultation of those members.

Thank you.

The Speaker: Thank you very much.
2.3. Sport Aid –
Awards to Paralympians and Special Olympians

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

How many Paralympians and Special Olympians have been awarded Sport Aid in each of the last five years?

The Speaker: Question 3, and again I 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 Education, Sport and Culture how many Paralympians and Special Olympians have been awarded Sport Aid in each of the last five years?

The Minister for Education, Sport and Culture (Dr Allinson): A ‘Paralympian’ is a competitor that has participated in the Paralympic Games. Whilst Isle of Man Sport Aid has supported four para-athletes during the past five years, none have competed at a Paralympic Games, unfortunately.

Numbers of para-athletes supported via the Isle of Man Sport Aid Programme are, by year:

A ‘Special Olympics athlete’ is defined as a participant in the Special Olympics. Isle of Man Sport Aid has not received an application from a Special Olympic athlete for funding in that last five years. However, Isle of Man Sport has provided funding to the Isle of Man Special Olympics organisation to assist with off-Island competition and equipment costs.

Thank you, Mr Speaker.

The Speaker: Supplementary question, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr Speaker, and thank you, Minister, for that detailed Answer.
Does the Minister believe in a more equal society that some of our Special Olympians who have performed at the highest level will potentially be offered Sports Aid in each of the next five years? And would the Minister be prepared to encourage those Special Olympians to come forward and actually apply for this support? Because he suggested in his previous Answer there had been no applicants.

Thank you, Mr Speaker.

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

I think the Hon. Member makes a very good point that I think the Isle of Man prides itself on its inclusivity, and although the Sports Aid programme is looking very much at elite athletes, it is also trying to inspire those who are coming through various clubs and organisations to strive to do as much as they can. And I completely agree with him about encouraging people who may have disabilities to actually be able to excel in the sport that they love.

So I am more than happy to take that forward and encourage both those people to come forward to apply for the Sport Aid programme, but also for those professional bodies and clubs to look at their membership and try to encourage them to come forward through that avenue as well.

Thank you, Mr Speaker.
HEALTH AND SOCIAL CARE

2.4. Use of masks –
Government advice regarding return to work

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

What the Government’s advice is to the general public regarding the use of masks during the sector by sector return to work?

The Speaker: We turn to Question 4, and I call on the Hon. Member for Douglas East, Mr Robertshaw.

Mr Robertshaw: Thank you, Mr Speaker.

I wish to ask the Minister for Health and Social Care what the Government’s advice is to the general public regarding the use of masks during the sector by sector return to work?

The Speaker: I call on the Minister for Health and Social Care to reply.

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

The Government’s advice to the general public regarding the use of simple masks/face coverings is set out in full on the COVID-19 website, which can be found at www.covid19.gov.im

In summary, the advice is: there is increasing evidence that people with no symptoms or very mild symptoms may have COVID-19 and be at risk of spreading it to others. Wearing a face mask in public may help reduce the spread of infection from people who may be carrying the virus, without knowing it, to others. Wearing a mask has not been shown to protect the wearer from infection.

People may wish to consider the use of a simple mask or face covering when in busy, enclosed spaces, where social distancing may be difficult. It is the responsibility of the individual to decide whether or not to wear a mask and if so to source it for themselves. The website provides links to guidance on making simple masks from readily available materials.

The same advice applies to businesses as to the public, unless they are a private health professional, in which case they should follow the Public Health England PPE guidance. This is included in the advice for businesses on the website.

In respect of hair and beauty businesses, if they are undertaking a procedure, not a clinical one, that requires close face-to-face contact they should consider the wearing of a simple face mask/covering for the member of staff and the client. Again, this is in the draft guidance.

It is important to stress, Mr Speaker, that the guidance for businesses is produced by the Department for Enterprise, with Public Health input; it is not the responsibility of the Department of Health and Social Care. And also advice on masks for the public is from Public Health, and not DHSC. However, it is discussed with the Senior Clinical Leadership Advisory Group during development of any advice.

The Speaker: Supplementary question, Mr Robertshaw.

Mr Robertshaw: Thank you, Mr Speaker.

Dr Ramakrishnan, Noble laureate, President of the Royal Society, leader of data evaluation learning from viral epidemics, lead player in the UK Government’s SAGE group, has been emphatic that there are certain circumstances where the wearing of masks is very helpful.
Does the Minister not regret the fact that his approach throughout this in terms of the use of masks has been, well, certainly at least ambivalent and perhaps even negative?

And that he is missing an opportunity to encourage people, in an altruistic sense, for example, to wear masks in confined spaces, say on buses, where people might be in fear, perhaps unnecessary fear, and that he is in a key position to help people understand how they might be able to conduct themselves safely. Would he not take a higher profile than simply, ‘It is not our advice and it is on the website’?

Thank you, Mr Speaker.

The Minister: Minister to reply.

Mr Robertshaw quotes from a member of the SAGE group. The actual advice that is enforced in the UK, which was approved by the SAGE group, is that: masks do not need to be used outdoors while exercising; in schools; in workplaces, such as offices and retail; by those who may find them difficult to wear, such as children under two or primary aged children who cannot use them without assistance; and that the public is urged only to consider using masks in confined areas of spaces such as trains, metro systems or potentially when visiting high-volume shops.

That is the advice from the SAGE group, which the individual Mr Robertshaw has just quoted sits on.

In terms of masks, Mr Speaker, we have made it quite clear all along that it is an individual choice. There is limited scientific evidence out there that for those who are asymptomatic it can be of benefit to those around them, but we have made equally clear – and again the scientific advice is very robust on this around the world – that wearing a mask does not protect the wearer.

The Speaker: Supplementary question, Mr Robertshaw.

Does the Minister perhaps appreciate how disappointed I am in his continued determination not to emphasise not where you should not wear a mask, but that where it is advantageous, and that he could be a lot clearer about this at a time when people are struggling to get back to work and to understand how they might be able to behave themselves.

Would he not come out and simply say, ‘In an altruistic sense it is helpful if people wore masks, for example, on a bus.’ Can he not bring himself to do that in a positive way?

The Minister: With all due respect, Mr Speaker, that is a matter for Public Health. It is not a matter for me, as a politician, to be saying that.

The advice we have is very clear, Mr Speaker: which is that there may be some limited benefit for those that wish to wear masks in confined areas. I have listed out, Mr Speaker, the actual advice that is on the website from Public Health that makes clear that where social distancing cannot be achieved there is some limited benefit to wearing a mask.

It is not for us to be dictating where and when people should wear masks; that is the same advice that is in the UK. It is the same advice that is in Germany. It is the same advice that is in the United States and many other countries around the world.

The Speaker: Supplementary question, Dr Allinson.

Dr Allinson: Thank you, Mr Speaker.
Would the Minister agree with me, the President of the Royal Society, under the article that he has been quoted, was entitled, ‘Following the science’, and he makes the very good point that in those environments where people cannot physically distance from each other that masks may be useful. However, mandatory wearing of masks has not been instituted by many governments, nor should it be.

Thank you, Mr Speaker.

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

Yes, I fully agree with the Hon. Member for Ramsey, Dr Allinson.

As I have laid out in the original Answer, if people refer to the website, there is a full list of times that we feel it may be appropriate, but it is an individual’s choice. If they feel more confident in being out and about wearing a mask then most certainly I would urge them to do so. I will make that absolutely abundantly clear. I have never stated anything different.

But we do have to follow the science, as Dr Allinson says, and the science is quite clear in the fact there is no benefit to the wearer of wearing a mask, but there is potentially some small benefit to those around them if they are in a confined space where social distancing cannot be applied. And that is the advice that has been issued by Public Health Isle of Man, and it is the advice on our website.

The Speaker: Supplementary question, Miss Costain.

Miss Costain: Thank you, Mr Speaker.

Could the Minister confirm that if the UK – or England rather, because the UK are all taking different stances over things – if England decided to back the wearing of face masks would his Department and would Public Health follow suit?

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

That would be up to the clinicians. Our advice is not political advice; it is advice from Public Health that has been drawn up by the clinical leadership team. I have not been involved in the process of drawing up that advice. It is clinical advice.

In relation to the UK, this is the new updated UK advice. We were actually ahead of the UK, Mr Speaker. The current advice, which I have just given today, we issued quite a few weeks ago, three days before Scotland switched their advice to what we were doing, and the UK followed suit a week later. So the advice we have in place now has actually been delivered by Scotland and the UK.

The Speaker: Supplementary question, Mr Robertshaw.

Mr Robertshaw: Thank you, Mr Speaker, my final supplementary.

Just quickly, does the Minister appreciate that, following the Minister for Education’s commentary, at no time have I indicated or suggested that either you or Public Health should be making the wearing of masks in confined spaces mandatory, but simply that you should encourage the process as it is, in broad terms, helpful?

The Speaker: Minister.

The Minister: Thank you, Mr Speaker.
I am more than happy to say myself and Mr Robertshaw, the Hon. Member for Douglas East, have had many discussions around masks and I am more than happy to confirm he has never indicated to me he believes mask wearing should be mandatory, he has never indicated that to me.

As I say, Mr Speaker, we have made clear with the advice that there are certain circumstances where social distancing cannot happen that we think people should consider the use of masks. And certainly I want to make clear again from my viewpoint, if it makes people feel more secure in public and they feel more confident in the fact they are wearing a mask in public then, by all means, people should wear them.

The Speaker: Final supplementary, Mrs Corlett.

Mrs Corlett: Thank you, Mr Speaker.
The Minister has just answered by last question, but I will labour it anyway –

The Speaker: Do not feel obliged!

Mrs Corlett: Does the Minister agree that masks are permitted, no regulation prevents the wearing of a mask, it is a personal choice; and if a person feels more confident wearing a mask then they are absolutely able to do so?

Thank you.

The Minister: Most definitely, Mr Speaker. I would most definitely support those comments.
And again, like I say, if people wish to do so that is their choice. But we just have to make people aware of the science, because one of things I think is very important that we do not have happen is that people do not feel they have a fresh confidence with wearing a mask, so we do need to make it clear to people is that the scientific evidence is that it does not protect you as the wearer, so we do not end up with people having false confidence and false protection by wearing one.

OFFICE OF FAIR TRADING

2.5. Coronavirus emergency period –
Increased pricing

The Hon. Member for Onchan (Ms Edge) to ask the Chairman of the Office of Fair Trading:

If he will make a statement on increased pricing during the coronavirus emergency period?

The Speaker: Question 5, and I call on the Hon. Member for Onchan, Ms Edge.

Ms Edge: Thank you, Mr Speaker.

I would like to ask the Chairman of the Office of Fair Trading with regard to whether there has been any price increases during the current crisis?

The Speaker: I call on the Chairman of the Office of Fair Trading to reply, Mr Perkins.

The Chairman of the Office of Fair Trading (Mr Perkins): Thank you, Mr Speaker.
My apologies, I was having trouble unmuting my computer.
I thank the Hon. Member for her Question. The Office of Fair Trading is always concerned to ensure that consumers are receiving a fair deal when purchasing goods and services. This is especially true at a time of crisis when many family incomes have been severely impacted by the lockdown and closure of businesses stemming from COVID-19.

With some products in shorter than usual supply, we are aware of allegations of profiteering or price gouging. This occurs when a seller increases prices to a level much higher than is considered reasonable, and it is often driven by increased demand after a shock to the market, like that which results after a natural disaster or as we are experiencing with COVID-19.

While the Office of Fair Trading is aware of debate in the media and the on-line forums, we have received very few complaints in this regard. However, we have examined available data on pricing to see if there are systemic problems.

The Economic Affairs Division of the Cabinet Office examines the prices of a shopping basket of goods and services on a monthly basis. From this, they produce the monthly inflation reports.

The reports illustrate how the prices paid by households for a basket of goods and services, of many different categories, change over time. The figures are published and can be viewed on their web page. With their assistance, we have concluded that in general, prices currently appear to be fair, based on the April 2020 report.

Although some specific products may well have risen in price since March, there is no evidence to suggest a general trend for all products. Food products in particular do not appear to have increased beyond the norm. The monthly inflation report supports this view.

The monthly inflation rate for food and non-alcoholic beverages is on an upward trend; to be clear, food prices are rising, but they are not increasing at a faster rate than previously.

In addition to that, the Office of Fair Trading monitors prices for all forms of domestic heating and road fuels. In the case of heating oil and road fuels, the drop in price has been quite dramatic coinciding with a fall in worldwide demand for petrol, during the lockdown.

This has contributed to an overall fall of inflation. The Consumer Price Index (CPI) rate of inflation was 2.6% in January, but was only 0.8% in April 2020. The Retail Price Index (RPI) figures were 2.3% for January and 0.9% for April.

We have seen some indication that UK wholesale prices for food produced domestically are on the increase. The weaker pound may also force the price of imported goods up as well. This may result in higher prices for food and other products and services in the coming months. As I am sure the Hon. Member for Onchan is aware, it would not be unusual for retailers and service providers to pass on these higher prices to consumers. We will continue to monitor prices to make sure that any price rises can be justified and to ensure this crisis is not being used as a reason for boosting profit margins at the expense of consumers.

We will have a much clearer view when the May figures are published on 18th June.

Thank you, Mr Speaker.

The Speaker: Supplementary question, Ms Edge.

Ms Edge: Thank you, Mr Speaker, and I thank the Chairman for that extensive Answer, it is very helpful.

I am just wondering if he could confirm the date range used for the April report, if he has that. And you talked about price gouging; can you confirm that once a price is set it cannot be changed within a 28-day period, is that still the case?

And, if possible, can you advise with regard to the profit, how you will monitor whether any companies on the Island have made an excessive profit, from an Office of Fair Trading point of view?

Thank you, Mr Speaker.

The Speaker: Chairman to reply.
The Chairman: Thank you, Mr Speaker.

With regard to the monthly basket of goods, as I understand it, it is actually the calendar month, and the figures are analysed and they are produced on the 18th of the following month. The review on pricing; we actually keep track of UK prices and do a comparison. If anything appears to be well above the rate of inflation then the alarm bells start ringing. But we actually rely mostly on members of the public. They are the ones that trigger things off.

We need receipts, we cannot just do it on a telephone call and somebody having a moan about the price of ... that they experience themselves, we need evidence of it. But we will conduct an investigation if that is the case.

Thank you, Mr Speaker.

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

Mr Thomas: Thank you, Mr Speaker.

Building on that last answer, the current section 19 of the Fair Trading Act only allows the Office of Fair Trading to take action when:

(a) The provision or acquisition of the goods or services in question is of general economic importance; or

(b) consumers are significantly affected, whether directly or indirectly, by the price

Since 2013 the Office of Fair Trading has been trying to change that Part to make it better able to monitor and also affect prices.

Does the Chair agree that it is disappointing that the Competition Bill – which will make a profound change to this ability to deal with any price increases that have happened – has not yet reached the Branches?

The Speaker: Chairman to reply.

The Chairman: Thank you, Mr Speaker.

Yes, I do agree with the Hon. Member. It is extremely disappointing that the Competition Bill has been somewhat displaced by Brexit and latterly by the COVID emergency regulations. But it is still on the radar and we will be pursuing that to make sure we try and get that in place.

Thank you, Mr Speaker.

The Speaker: Supplementary question, Ms Edge.

Ms Edge: Thank you, Mr Speaker.

I am just wondering whether the Chair of the Office of Fair Trading could say how many price investigations they have carried out in the last 12 months?

The Speaker: Chairman.

The Chairman: Thank you, Mr Speaker.

In the last 12 months I am not exactly sure, but since the COVID period we have had five complaints that we have investigated and only two of those were regarding food inquiries.

Thank you, Mr Speaker.

The Speaker: That concludes Question 5 and Questions for Oral Answer. Item 3 on our Order Paper is Questions for Written Answer and those will, of course, be circulated by the table office soon.
3. Questions for Written Answer

CHIEF MINISTER

3.1. COVID-19 –
R number each day since 15th March

The Hon. Member for Douglas East (Mrs Barber) to ask the Chief Minister:

*What the R number, or equivalent calculation, for Coronavirus on the Isle of Man was for each day since 15th March?*

The Chief Minister (Mr Quayle): As stated on page 24 of the published document ‘Stay Safe: Isle of Man Government medium-term response to COVID-19’:

Estimates for R for SARS-CoV-2 (coronavirus) vary, with Imperial’s paper of 30th March quoting 3.87 (range 3.01 to 4.66). Calculating Rt on a daily basis is an inexact science, to say the least, and even the Robert Koch Institut in Germany consider their figures to be an estimate, based on much bigger numbers than we have here. In the Isle of Man with such low numbers (both of cases so far, and of the population as a whole) the wide confidence intervals and day to day variation would make such calculations practically useless.

We have not calculated R because our numbers are too low to make it statistically meaningful.

As the ‘Stay Safe’ document states, this is why the following dataset has been identified by clinicians on the Island as the most appropriate way to identify whether we are in control of coronavirus or not:

- Total number of positive cases
- Three-day average of new cases
- Calls to 111
- Number and size of cluster outbreaks

TREASURY

3.2. Four-day bank holiday weekend –
Economic impact assessment

The Hon. Member for Douglas East (Mrs Barber) to ask the Minister for the Treasury:

*What economic impact assessment he has carried out in order to judge the merit of a four day bank holiday weekend as opposed to two separate three day bank holiday weekends?*

The Minister for the Treasury (Mr Cannan): No specific study of the cost of bank holidays has been undertaken for the Manx Economy.

There is of course a cost to any economy for each bank holiday through businesses either losing productivity or having to incur additional costs for staff. However, this loss is offset by a corresponding boost through increased consumer spending with people enjoying the day off.

What was clear at the time of making the decision was that the majority of our leisure and hospitality businesses would either be closed or functioning in a limited manner and therefore unable to capitalise on this bank holiday opportunity.
By combining the new bank holiday with an existing one, this allows an opportunity to maximise the economic activity which is greater with a four-day holiday weekend.

CHIEF MINISTER

3.3. Senior Race Day bank holiday cancellation – Consultation with Public Services Commission

The Hon. Member for Douglas East (Mrs Barber) to ask the Chief Minister:

What consultation was had with the Public Services Commission prior to cancelling the Senior Race Day bank holiday in favour of a future bank holiday?

The Chief Minister (Mr Quayle): There was no formal consultation with the Public Services Commission although the matter was subject to discussion with officers from the Office of Human Resources.

HEALTH AND SOCIAL CARE

3.4. Hospital waiting lists – Position as at 15th March and now

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

If he will make a statement on all hospital waiting lists (a) at end of the day on 15th March and (b) now?

The Minister for Health and Social Care (Mr Ashford): The last report on waiting times for the hospital was published in February, we expect the next report to be available in June and this will show us the current impact that COVID-19 has had on hospital waiting times.

COVID-19 is expected to have a significant impact on waiting times across the hospital. Referral rates have reduced in line with restriction in community services; however, a backlog of work has built up which is likely to impact demand for services in Q2, Q3 and Q4 of the current financial year. Additionally, the impact of working practices introduced to ensure safe delivery of healthcare services will continue to reduce the volume of activity that is able to be delivered within Noble’s.

However, all efforts are being made to bring services back online safely to minimise this.

Performance and waiting times as at 13th February 2020

<table>
<thead>
<tr>
<th>Cancer Care</th>
<th>Target</th>
<th>Current Performance</th>
<th>Compared to last quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>93% of patients referred to hospital with suspected cancer seen within 2 weeks</td>
<td>82.1%</td>
<td>Worsened by 9.6 percentage points</td>
<td></td>
</tr>
<tr>
<td>96% of patients diagnosed with cancer receiving treatment within 31 days of diagnosis</td>
<td>Calculation delay</td>
<td>Will be updated when available</td>
<td></td>
</tr>
<tr>
<td>85% of patients diagnosed with cancer receiving treatment within 62 days of urgent referral by GP</td>
<td>Calculation delay</td>
<td>Will be updated when available</td>
<td></td>
</tr>
</tbody>
</table>
Performance against the two-week wait target for cancer referrals dropped by 9.6% in Q4 2019-20; this was predominantly driven by lack of availability of a Radiologist to support the one-stop symptomatic clinics for breast services.

In Q4 of Financial year 2019-20, 94.9% of patients were seen within 52 weeks of referral to the hospital. 63.7% of patients were seen within three months, an improvement of 4.2%. This was predominantly delivered due to an improvement program in Dermatology working closely with GPs to tackle historically long waits for this service.

In Q4 of Financial year 2019-20, 94.4% of patients were seen within 52 weeks, an improvement of 0.9%. 28.1% of patients waited longer than six months for a procedure during this period which was an improvement of 4% on Q3. This was a strong position to finish Q4 as winter pressures had impacted significantly on inpatient bed availability.

### 3.5. Appointments at Noble’s Hospital – Number cancelled and details regarding alternative arrangements

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

How many appointments at Noble’s Hospital between 16th March and 16th May were (a) cancelled, (b) completed by phone, and (c) rebooked, broken down by medical faculty area?

The Minister for Health and Social Care (Mr Ashford): (a) The following table breaks down all appointments that have been cancelled by cancellation reason between 16th March 2020 and 16th May 2020 at 23:59:59 for appointments under a medical specialty:
<table>
<thead>
<tr>
<th>Specialty</th>
<th>Appointment status</th>
<th>Cancellation reason</th>
<th>Total appointments</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Administrative Error</td>
<td>207</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Appointment cancelled/not suitable</td>
<td>101</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Cancelled - COVID-19</td>
<td>1014</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Cancer Patient-Letter</td>
<td>1</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Clinic Overbooked</td>
<td>1</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Clinician at conference/mtg</td>
<td>5</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Clinician on Holiday</td>
<td>9</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Clinician Sick</td>
<td>9</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Clinician Unavailable*</td>
<td>843</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Consultant On Holiday</td>
<td>1</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Consultant Unavailable*</td>
<td>2</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Endoscopy</td>
<td>1</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Expedite</td>
<td>177</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Hospital - Other Reason</td>
<td>359</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Investigations</td>
<td>2</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Session re-structure</td>
<td>197</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Hospital</td>
<td>Statutory Holiday</td>
<td>1</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Other Hospital Appt</td>
<td>8</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient - On Holiday</td>
<td>100</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient - Other</td>
<td>285</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient - Other more pressing engagement</td>
<td>22</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient - Reason Unknown</td>
<td>8</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient Died</td>
<td>94</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient doesn’t wish to attend</td>
<td>45</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient Gone Private</td>
<td>8</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient Request</td>
<td>193</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patient Sick</td>
<td>37</td>
</tr>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Cancelled by Patient</td>
<td>Patients Holiday</td>
<td>20</td>
</tr>
</tbody>
</table>

*Reasons for unavailability could be due to the following:
- visiting consultants have been unable to come from UK
- consultants having to cover on-call rota in other parts of hospital – so presenting an unacceptable clinical risk to their vulnerable patients in clinics – thus requiring clinic cancellations
- consultants working on COVID19 wards
- issues with locum cover for vacant posts – hospital has been unable to secure locum cover or locum cover has been self-isolating for 14 days after arrival before being available to work
(b) The below table shows all attended appointments under a medical specialty between 16th March 2020 and 16th May 2020 at 23:59:59 where the appointment media was telephone:

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Appointment status</th>
<th>Appointment media</th>
<th>Total appointments</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEDICAL/ELDERLY</td>
<td>Attended</td>
<td>Telephone</td>
<td>1822</td>
</tr>
</tbody>
</table>

(c) Unfortunately, the system does not capture anything to indicate that an appointment is a rebooking from a cancelled appointment and so this would require additional time to compile. It would also not form a complete picture because not all appointments are rebooked immediately after a cancellation and so we would need to understand the context behind the question to know whether additional supporting data would be required to provide a clear and accurate picture.
Order of the Day

4. CONSIDERATION OF CLAUSES

4.1. Divorce, Dissolution and Separation (Isle of Man) Bill 2020 –
Clauses considered

Mrs Caine to move.

The President: Item 4, Consideration of Clauses, and first up is the Divorce, Dissolution and Separation (Isle of Man) Bill 2020, in the hands of Mrs Caine.

Mrs Caine: Thank you, Mr Speaker.
Going straight into the start of the Bill, clauses 1 and 2: clause 1 provides for the short title of the resulting Act, while clause 2 provides for its commencement.
Mr Speaker, I beg to move that clauses 1 and 2 stand part of the Bill.

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

Mrs Barber: I beg to second and reserve my remarks.

The Speaker: Thank you.
I put the motion that clauses 1 and 2 stand part of the Bill. I presume the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being indicated, the motion therefore carries.
Mrs Caine has indicated that she intends to move clauses 3 to 7 together. However, they can of course be voted on separately if the debate indicates that.

Mrs Caine to move.

Mrs Caine: Thank you, Mr Speaker.
Clauses 3 replaces the current fact-based procedure with a simple administrative application process that will enable one or both parties to declare that the marriage has broken down irretrievably.
The Bill if passed will remove the need to establish any of the five facts which under our existing law are the conditions precedent to the granting of a conditional divorce order in relation to marriage.
Subsection 2, paragraph 6, of this clause outlines how the court dealing with a divorce application will make a conditional order in the first instance not less than 20 weeks after an application is received. A conditional order may not be made final until either or both parties give confirmation they wish to progress to a final order, which will be issued after a further period of six weeks.
Clause 4 amends section 17 of the Matrimonial Proceedings Act 2003 which deals with separation, again removing the need to establish any of the five facts.
Clauses 5 deals with the dissolution of a civil partnership in the same way, removing the need to cite a reason.
Unlike the way the Matrimonial Proceedings Act 2003 is set out, the Civil Partnership Act of 2011 deals with the time limits in a different place, hence clause 6 is necessary to bring these into line with the new 20 weeks plus six weeks process.
Clause 7 makes corresponding provision in relation to the granting of a separation order for civil partners who may not want to apply for a dissolution.
The Bill is drafted to enable the Council of Ministers to amend the time periods by Order but they may not make the prescribed periods amount to longer than 26 weeks when combined; also, any change to the time periods would require Tynwald approval.

A little used provision in the Matrimonial Proceedings Act has been included in this Bill to give discretion to the court to enable a divorce or dissolution to be granted before the expiry of the time periods ‘if it appears to the court to be just to do so’.

It is felt this gives flexibility to the courts to grant a final order in exceptional circumstances.

This can be seen in clause 3 in substituted section 2 of the Matrimonial Proceedings Act 2003 paragraph (6), and in clause 6(5) amending 35A of the Civil Partnership Act 2011.

The Bill also allows that the Rules of Court may make provision for the process to follow should a joint application for divorce or dissolution become an application by one party only.

Mr Speaker, I beg to move that clauses 3 to 7 stand part of the Bill.

The Speaker: Thank you.
Mrs Barber.

Mrs Barber: Thank you.
I beg to second and reserve my remarks.

The Speaker: No Member wishing to speak, I put the motion that clauses 3, 4, 5, 6 and 7 stand part of the Bill. I presume that the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being registered, the motion therefore carries.

Clause 8 and the schedule, Mrs Caine.

Mrs Caine: Thank you, Mr Speaker.
Clause 8 and the schedule make minor and consequential amendments to various legislation that will be necessary upon the passing of this Bill.

Mr Speaker, I beg to move that clause 8 and the schedule stand part of the Bill

The Speaker: Mrs Barber.

Mrs Barber: Thank you.
I beg to second and reserve my remarks.

The Speaker: No Member indicating a wish to speak, I put the question that clause 8 and the schedule stand part of the Bill. I presume that the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being indicated, the motion therefore carries.

That concludes the clauses stage of the Divorce, Dissolution and Separation (Isle of Man) Bill 2020.

Divorce, Dissolution and Separation (Isle of Man) Bill 2020 –
Standing Orders suspended to take Third Reading

The Hon. Member for Garff (Mrs Caine) to move:

That Standing Orders, and in particular Standing Order 4.11 (1), be suspended to permit Third Reading of the Divorce, Dissolution and Separation (Isle of Man) Bill 2020 to be taken at this sitting.
The Speaker: As you will see on your Order Paper, the Hon. Member for Garff, Mrs Caine, intends to move Third Reading, but first she will need support to suspend Standing Orders.

Mrs Caine to move.

Mrs Caine: Thank you, Mr Speaker.

I beg to move that Standing Orders, and in particular Standing Order 4.11 (1), be suspended to permit Third Reading of the Divorce, Dissolution and Separation (Isle of Man) Bill 2020 to be taken at this sitting.

The Speaker: Mrs Barber.

Mrs Barber: Thank you, I beg to second.

The Speaker: Mr Hooper.

Mr Hooper: Thank you very much, Mr Speaker.

I just would appreciate an explanation from the Hon. Member why she feels this is necessary. We are working through some difficult times at the minute and I appreciate there sometimes is a need to speed things up, so I would just like to get some clarification on why, in this instance, suspending Standing Orders and taking the Third Reading today rather than at the next sitting is desirable.

The Speaker: Mrs Caine to reply.

Mrs Caine: Thank you, Mr Speaker, and I thank the Hon. Member for his query.

My feeling is that this Bill has been a very long time in preparation and in consultation. In fact, I think it is 18 months before I first applied for Leave to Introduce, back in October 2018. I also feel that it was published earlier in the year and was actually ready to proceed in March, so I would hope that Hon. Members feel there has been adequate time to go through it fully and appreciate the significant change that this would involve in terms of improving the situation for members of the community who might be going through a divorce or a dissolution in the coming years.

I would also say that the particular reason I wished to take it through at this sitting was one eye on the amount of legislation that is coming towards the Hon. House, but also in order to enable it to go up to the Legislative Council in the hope that it might be able to complete its passage through the Upper Chamber before the summer recess.

Thank you, Mr Speaker.

The Speaker: Thank you.

The motion is that Standing Orders, in particular Standing Order 4.11 (1), be suspended to permit Third Reading of the Divorce, Dissolution and Separation (Isle of Man) Bill 2020 to be taken at this sitting.

I presume the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being indicated, the motion therefore carries.

Divorce, Dissolution and Separation (Isle of Man) Bill 2020 – Third Reading approved

The Speaker: I call on Mrs Caine to move Third Reading.
Mrs Caine: Thank you, Mr Speaker, and thank you, Hon. Members, for your agreement to progress this Bill through Third Reading today.

Modernising divorce law has been under consideration by the Isle of Man’s family court advocates for many years. They witness first-hand the impact on couples, and on families, of the current divorce process. For around 50 years we have followed an adversarial system where one party initiates proceedings against their partner. A divorce in under six months is only possible if one party blames the other for the breakdown of the marriage. The current system, making people wait two years if both parties agree, and five years if one party objects, places undue financial and emotional strain on both parties and their family.

This legislation will enable a couple to apply jointly to split, hopefully ensuring a more amicable ending to a marriage or civil partnership. It is something that has the support of people who have long experience of the current system. It was also overwhelmingly endorsed by the public consultation, with 94% of respondents supporting the no-fault divorce principle. While there are differing views on the appropriate length of time to reflect, the majority, 62%, supported the six-month process outlined in the Bill.

Passing the Third Reading today will enable it to go to the Legislative Council, hopefully before the recess, and will mean members of our community could benefit from being able to apply for no-fault divorces, and dissolutions of civil partnerships potentially next year.

In closing, I would wish once again to express my gratitude to all those who have assisted in researching and writing the Bill that is before us today, in particular: Mrs Hazel Smith, the family law advocate and panel Deemster; Mr Howard Connell, the legislative drafter; and Mrs Poole-Wilson, who has assisted me enormously in this process and who has agreed to take the Bill through the Legislative Council. Finally, I thank my seconder, Mrs Barber, for her support and her insightful contribution at Second Reading stage.

And with that, Mr Speaker, I beg to move

The Speaker: Mrs Barber.

Mrs Barber: Thank you, Mr Speaker.

I would like to commend the Hon. Member for bringing a very small but important piece of legislation through this Hon. House. I think the impact this will have on people’s lives on a day-to-day basis when they are struggling through that very difficult period of a divorce and making those difficult decisions, this will allow that to be made in a way that has far less impact on the people who are choosing to make that decision. But also those children who may be impacted by any acrimony that results when there is the adversarial nature that we have currently come to understand becomes almost typically a part of a divorce.

So for me, this is a really positive move and I commend the Hon. Member for bringing this in a very good manner to us, in a coherent, short Bill, and with that I beg to second the Third Reading.

Thank you.

The Speaker: In which case, I put the question that the Divorce, Dissolution and Separation (Isle of Man) Bill 2020 be read for a third time. I presume the motion will be carried unless any Member indicates dissent, which they should do now. No Member indicating dissent, the motion therefore carries.
4.2. Income Tax Bill 2019 –
Clauses considered

The Speaker: We turn next to Item 4.2, the Income Tax Bill 2019, I call on Mr Cannan to move.

Mr Cannan: Thank you, Mr Speaker, and Hon. Members.
This Bill contains three clauses. It confirms two Temporary Taxation Orders and it also makes an amendment to the Income Tax Act 1970.

During this reading my colleague, Mr Shimmins, will move an amendment, with Mr Speaker’s permission. This will amend clause 2 to confirm three additional Temporary Taxation Orders, two of which formed part of this February’s budget and one which, in light of the COVID-19 pandemic, was required in respect of the disclosure of information.

Mr Speaker and Hon. Members, turning to the Bill: clause 1 provides the short title of the Act.

I beg to move that clause 1 stand part of the Bill.

The Speaker: Hon. Member for Rushen, Mr Skelly.

Mr Skelly: Gura mie eu, Loayreyder.

I beg to second and reserve my remarks.

The Speaker: I put the question that clause 1 stand part of the Bill. I presume the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being indicated the motion therefore carries

Clause 2, Mr Cannan.

Mr Cannan: Clause 2 confirms two Temporary Taxation Orders that were approved in December 2018 and February 2019.

The first of these is the Income Tax (Substance Requirements) Order 2018. This Order fulfilled a commitment made to the European Union in December 2017 to introduce legislation by December 2018 which addressed their concerns about the lack of a requirement for companies in certain business sectors to have adequate substance in the Island.

Those companies are required to demonstrate that they have adequate substance in the Island by: being directed and managed in the Island; conducting core income generating activity in the Island; and having adequate people, premises and expenditure in the Island.

This Order was amended in July by the Income Tax (Substance Requirements) (Amendment) Order 2019. This Order modified some of the original definitions and in particular expanded the definition of a ‘foreign tax official’ to reflect the move from a European to an international standard.

Mr Speaker, an amount of £200,000 has already been allocated within this year’s budget for a compliance team to deal with economic substance within the Income Tax Division.

This and the approval of this Order in this Bill will continue to demonstrate the Island’s dedication to meeting international standards and ensuring that we can continue to play our part in the global move to ensure fair taxation.

The second Temporary Taxation Order to be confirmed by this Bill is the Income Tax (Periodical Payments) (Temporary Taxation) Order 2019. This Order addresses the tax treatment of damages awarded by the High Court for future pecuniary loss in respect of personal injury, where those damages are awarded in the form of periodical payments.

Mr Speaker, the High Court in the Island may order that damages awarded for future pecuniary loss in respect of personal injury are wholly or partly to take the form of periodical payments.
This Order provides that periodical payments awarded in these circumstances will not be taxable income when they are received by the individual entitled to the damages, or by a person or a trustee who receives the payment on their behalf. It further provides that if the injured person receives payments under a lifetime trust or if payments from such a trust are made for the benefit of the injured person then those payments will not be taxable income.

The introduction of this measure follows the approval in another place, in December 2014, of a conclusion contained in a report prepared by the Economic Policy Review Committee, that periodic payments should be made a feature of Manx awards along the same lines as in England and Wales, where judges can impose them without the consent of both parties, and that such payments should be tax free.

I beg to move that clause 2 stand part of the Bill.

**The Speaker:** Mr Skelly.

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

I beg to second and reserve my remarks.

**The Speaker:** Thank you.

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

As the Treasury Minister has explained, this amendment to clause 2 will confirm three further Temporary Taxation Orders, two of which were approved in another place in February, as part of the Budget, and one in April in relation to the COVID-19 pandemic.

The purpose of the amendment is to save on administration and the costs of producing a further Bill over the next 12 months that would otherwise be necessary to confirm these Orders.

The first Temporary Taxation Order is the Income Tax (Tax Cap) (Temporary Taxation) Order 2020 (SD 2020/0026). This Order is made under section 115A of the Income Tax Act 1970.

The effect of this order is to introduce a new 10-year tax cap election which can be applied for from the 20-21 year of assessment and subsequent years. The current five-year tax cap election will also remain available.

If an election is approved by the Assessor of Income Tax, it will apply for five or 10 consecutive years of assessment following the year in which the election is made, at the amount applicable for the first year of the election.

The amount of the tax cap for the 2020-21 year of assessment is £200,000 for an individual and £400,000 for a jointly-assessed married couple or civil partners.

The second Order is the Income Tax (Key Employee) (Temporary Taxation) Order 2020 (2020/0027). This Order is also made under section 115A of the Income Tax Act 1970.

The effect of this Order is to insert a new section, section 2(d) to the Income Tax Act 1970. This provides for a special treatment for certain key employees who are or will be new residents and who are essential to the implementation and the operation of new business in the Island with effect from 6th April 2020 and subsequent years. These key employees will be taxed in a similar way to a non-resident individual for a maximum period of up to three years.

Mr Speaker, both the tax cap and the special treatment of key employees will be essential tools to help boost the Island’s economy as we rebuild following lock down. Both are aimed at attracting individuals and investment to the Island that will create employment.


The effect of this Order is to amend the Income Tax Act 1970 to ensure that relevant income tax data can be shared with Treasury in respect of its functions including but not limited to the implementation of the recently approved support schemes in relation to the COVID-19 pandemic.
I beg to move the amendment standing in my name:

Amendment to clause 2

On page 5 —
(a) line 11, omit “and”;
(b) line 13, for the full stop substitute “;”; and
(c) line 14, before section 2(2), insert —
“(c) the Income Tax (Tax Cap) (Temporary Taxation) Order 2020;
(d) the Income Tax (Key Employee) (Temporary Taxation) Order 2020; and
(e) the Income Tax (Disclosure of Information) (Temporary Taxation) Order 2020.”.

The Speaker: Hon. Member for Douglas North, Mr Peake.

Mr Peake: Thank you, Mr Speaker.

I beg to second the amendment to clause 2.

The Speaker: Thank you.

Mr Hooper: Thank you very much, Mr Speaker.

I just have a very quick question for the Minister and the Member moving this Bill. I appreciate why it is being done in this way. It seems very unusual to be amending a previous Bill to kind of shoehorn these Temporary Taxation Orders into it. My question really is in respect of the Disclosure of Information Order that was brought in very specifically in relation to the coronavirus issues and in relation to the schemes that were brought in, specifically I think it was in relation to the Salary Support Scheme, if I remember rightly. I would just be grateful for an explanation as to whether the Treasury considered … obviously they do consider that this is a necessary and desirable permanent change to Income Tax law, but I would just like to understand on what basis that decision has been made.

Thank you.

The Speaker: No other Member wishing to speak, I will ask first Mr Shimmins if he wishes to sum up with regard to his amendment.

Mr Shimmins: Thank you, Mr Speaker, and I am grateful for Mr Hooper’s query.

In terms of the Order, the taxation section of the Accessor holds data which is very helpful when assessing how we can support businesses and individuals, and I think we would all agree that there has been a lot of support provided over the last few weeks in very short order.

The Treasury’s view is that actually it would be sensible to take account of the data which is held by taxation in assessing future support schemes because actually that will enable us to respond more quickly to people who need help. So I hope that helps Mr Hooper in terms of his query and I beg to move.

Thank you.

The Speaker: Now, Mr Hooper, you indicated you wished to intervene. Mr Shimmins, are you content to take the intervention? Or it may be more applicable for Mr Cannan to take it, but I think you still have the floor technically, Mr Shimmins.

Mr Shimmins: I am happy to pass the floor on to Mr Hooper.

The Speaker: Mr Hooper, for your intervention, and then I am sure that Mr Shimmins or Mr Cannan can work out which one between them will answer it.
Mr Hooper: Thank you, Mr Speaker.
It is only a brief one; I may have the wrong end of the stick here; my understanding of the
Temporary Taxation Order was to allow information to be disclosed to the Assessor, not the
other way round. The section of the Income Tax Act that is being amended is 106B, disclosure of
information by Treasury to the Assessor rather than the following section which relates to
disclosure of information by the Assessor to the Treasury. So I would just like to get some clarity
because Mr Shimmins seemed to be talking about it the other way around, as in the Assessor
sharing information with Treasury, whereas it seems to me that the Temporary Taxation Order
actually does the reverse.
So again, just a bit of clarity, and I might have the wrong end of this stick here.

The Speaker: Mr Shimmins.

Mr Shimmins: I am grateful for Mr Hooper’s interjection. That is something that we will
investigate carefully. Clearly it makes sense when looking at providing support to individuals if
we access the data that is available to us. But we will certainly look into the point that has been
raised.
Thank you.

The Speaker: Mr Cannan to sum up regarding the clause.
Mr Cannan, do you wish to exercise your right to sum up regarding clause 2?

Mr Cannan: Apologies, Mr Speaker, I was having trouble unmuting myself.
Yes, just in response to the Hon. Member for Ramsey, as far as we can see the sharing of data
does work both ways, both to the Assessor from Treasury and from the Assessor to the Treasury.
We are intending keeping this in place, Mr Speaker, because it demonstrably has speeded up
processes and ensures that we have a speedier and quicker reaction to the needs both of
business and the community. So I hope that answers the Hon. Member’s particular question.

The Speaker: Okay.
In which case I will put first the amendment in the name of Mr Shimmins. I will presume that
the motion will be carried unless any Member indicates dissent, which they should do now. No
dissent being indicated that amendment therefore carries.
I put to you clause 2 as amended stand part of the Bill. Again, I will presume that the motion
will be carried unless any Member indicates dissent, which they should do now. No dissent being
indicated the motion therefore carries.
Clause 3, Mr Cannan.

Mr Cannan: Mr Speaker, Article 27 of the Double Taxation Agreement with the United
Kingdom deals with the assistance in the collection of taxes.
This Article is reciprocal and requires both jurisdictions to assist each other in the collection
of tax. It means that the Isle of Man will collect certain outstanding UK debts on behalf of the UK
and that the UK will collect certain Isle of Man debts on behalf of the Island. However, legislation
will be required before this can be achieved. This clause introduces a new section to enable the
Treasury, with Tynwald approval, to introduce regulations for the recovery of debts relating to
foreign tax.
I beg to move that clause 3 stand part of the Bill.

The Speaker: Mr Skelly.

Mr Skelly: Gura mie eu, Loayreyder.
I beg to second.
The Speaker: I call on the Hon. Member for Onchan, Ms Edge.

Ms Edge: Thank you, Mr Speaker.
I believe the Treasury Minister just said there that this allows the collection of tax on the Isle of Man for the UK and the other way around. I understand that was already the case. I am just wondering, however, in the UK they certainly they certainly have a much more stringent paper-based way of that ensuring that happens for Manx residents. Can the Treasury Minister confirm that we will be following the same process?

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

Mr Cannan: Yes, thank you, Mr Speaker, and I thank the Hon. Member for her question.
I can say that we will be following the collection of debt in accordance with Manx law, and not in accordance with UK law and procedure. I hope that answers the Hon. Member’s question and I beg to move.

The Speaker: Thank you very much.
The question is that clause 3 stand part of the Bill. I will presume that the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being indicated the clause therefore carries.

Income Tax Bill 2019 –
Standing Orders suspended to take Third Reading

The Hon Member for Ayre and Michael (Mr Cannan) to move:

That Standing Order 4.11(1), be suspended to permit the Third Reading of the Income Tax Bill 2019 be taken at this sitting.

The Speaker: Now, we turn to Mr Cannan to move suspension of Standing Orders.

Mr Cannan: Thank you, Mr Speaker.
I move that Standing Order 4.11(1), be suspended to permit the Third Reading of the Income Tax Bill 2019 to be taken at this sitting.

The Speaker: Mr Skelly.

Mr Skelly: Gura mie eu, Loayreyder.
I beg to second.

The Speaker: I may as well ask Mr Hooper if he wishes to come in and ask why! Yes there we are, Mr Hooper!

Mr Hooper: Mr Speaker, yes.
Again, I would just like a brief explanation as to why the mover feels it is appropriate to suspend Standing Orders and crack on with the Third Reading today.

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.
Yes, In short, Mr Speaker, we recognise that the way that the sittings have now fallen, as recently outlined, we would not potentially have had a reading until 9th June. This would have only left one sitting for this piece of legislation to have gone through the Legislative Council and, I think given the tight timescales that are facing us at the moment with legislation, I would propose to the House that it would be sensible to take the Third Reading at this point in order to allow for smooth passage for this quite important but small piece of legislation.

The Speaker: I put the question then –

Mr Cannan: I beg to move.

The Speaker: I am sorry, Mr Cannan, had you finished?

Mr Cannan: I had, sorry, Mr Speaker.

I beg to move.

The Speaker: I put the question that Standing Orders be suspended to permit Third Reading at the session. I presume the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being indicated, the motion therefore carries.

Income Tax Bill 2019 – Third Reading approved

The Speaker: I call on Mr Cannan to move Third Reading.

Mr Cannan: Mr Speaker, following the amendments at clauses this Bill now confirms five Temporary Taxation Orders and it also makes one amendment to the Income Tax Act 1970.

One of the main purposes of the Bill is to confirm five measures that were introduced by Temporary Taxation Orders.

The five measures relate to: a commitment made to the European Union to introduce legislation to address concerns about the lack of a requirement for companies in certain business sectors to have adequate substance in the Island; the tax treatment of periodical payments made under an Order of the High Court on awarding damages for future pecuniary loss in respect of personal injury; the introduction of a new 10-year tax cap election which can be applied for from the 2020-21 year of assessment and subsequent years; the special treatment for certain key employees who are or will be new residents and who are needed for the implementation and the operation of new business in the Island with effect from 6th April 2020 and subsequent years; and the sharing of relevant income tax data with Treasury in respect of its functions.

Turning now to the amendment to the Income Tax Act 1970 made by this Bill; this enables Treasury to make regulations for the recovery of foreign taxes.

Article 27 of the United Kingdom and Isle of Man Double Taxation Agreement deals with assistance in collection of taxes. This Article is reciprocal and requires each jurisdiction to assist the other is the collection of outstanding tax. Further legislation, however, is required before we can assist in the collection of tax.

I beg to move the Third Reading.

The Speaker: Mr Skelly.

Mr Skelly: Gura mie eu, Loayreyder.
I beg to second and reserve my remarks.

The Speaker: No Member wishes to speak, I will put the motion that the Income Tax Bill 2019 be read for a third time. I presume the motion will be carried unless any Member indicates dissent, which they should do now. No dissent being indicated, the motion therefore carries.

Hon. Members, that concludes the business before the House today. Let me wish you an enjoyable weekend. We will then stand adjourned until Tuesday, 2nd June at 10 a.m. in our own Chamber.

Thank you.

The House adjourned at 3.37 p.m.