



**TYNWALD COURT
OFFICIAL REPORT**

**RECORTYS OIKOIL
QUAIYL TINVAAL**

**PROCEEDINGS
DAALTYN
(HANSARD)**

Douglas, Wednesday, 13th July 2005

Present:

The President of Tynwald (The Hon. N Q Cringle)

In the Council:

The Lord Bishop of Sodor and Man (The Rt. Rev. Graeme Knowles), The Attorney General (Mr W J H Corlett QC),
Mr D Butt, Mrs C M Christian, Mrs P M Crowe, Hon. A F Downie, The Chief Minister (Hon. D J Gelling CBE),
Mr E G Lowey, Mr L Singer and Mr G H Waft,
with Mrs M Cullen, Deputy Clerk of Tynwald

In the Keys:

The Speaker (The Hon. J A Brown)(Castletown); Hon. D M Anderson (Glenfaba);
Hon. A R Bell and Mrs A V Craine (Ramsey); Mr W E Teare (Ayre); Mr J D Q Cannan (Michael);
Mrs H Hannan (Peel); Hon. S C Rodan (Garff); Mr P Karran, Mr R K Corkill and Mr A J Earnshaw (Onchan);
Mr G M Quayle (Middle); Mr J R Houghton and Mr R W Henderson (Douglas North);
Mrs B J Cannell (Douglas East); Hon. J P Shimmin and Mr D F K Delaney (Douglas West);
Capt. A C Douglas (Malew and Santon); Hon. J Rimington, Mr Q B Gill and Mr P A Gawne (Rushen);
with Mr M Cornwell-Kelly, Clerk of Tynwald.

Business transacted

Page

Leave of absence granted□ 1613

Orders of the Day

13. Ramsey Grammar School – Post 16/Medway Block replacement scheme – Expenditure approved..... 1613

Measure for signature – Church Discipline Measure (Isle of Man) 2005 1614

63. Announcement of Royal Assent – Housing (Multi Occupancy) Act 2004 – Fiduciary Services Act 2005..... 1614

Tribute to H E the Lieutenant-Governor upon completion of term of office..... 1614

14. DTL Supplementary Vote – Motion carried..... 1615

15. DTI Supplementary Vote – Motion carried..... 1619

16. DoT Supplementary Vote – Motion carried..... 1620

17. DHSS Supplementary Vote – Motion carried..... 1620

18. Port Erin Marine Laboratory – Council of Ministers Report – Amended motion carried..... 1624

The Court adjourned at 1.05 p.m. and resumed its sitting at 2.30 p.m.

19. Review of functions of Lieutenant-Governor under Acts of Tynwald – Council of Ministers' Report – Amended motion carried.....□ 1633

20. Introduction of Government House Purchase Assistance Scheme for people over 45 – Council of Ministers' Report – Amended motion carried..... 1644

21. Chief Minister's Strategy for Children and Young People 2005-2010 – Debate commenced 1654

The Court adjourned at 5.30 p.m. and resumed its sitting at 6.00 p.m.

21. Chief Minister's Strategy for Children and Young People 2005-2010 – Debate continued – Motion carried..... 1657

22. Petition of Redress of Grievance of John Armstrong Maddrell – DoLGE Report on Select Committee recommendations – Motion carried..... 1662

23. Electronic voting in Tynwald Court – Tynwald Management Committee Report – Motion lost..... 1667

24. Tynwald Honours Committee – Second Report – Amended motion carried..... 1671

25. Mount Murray residents' compensation claim – Select Committee Report received and recommendations approved□ 1675

26. Port St Mary Commissioners – Select Committee Report – Amended motion carried..... 1675

Procedural□ 1688

Announcement of Royal Assent - Fiduciary Services Act 2005.....	1688
38. Fiduciary Services Acts 2000 & 2005 – Fiduciary Services (Fees) Regulations 2005 approved.....	1688
39. Fiduciary Services Acts 2000 & 2005 – Fiduciary Services (General Requirements) Regulatory Code 2005 approved□	1688
40. Fiduciary Services Acts 2000 & 2005 – Fiduciary Services (Clients’ Money and Trust Money) Regulatory Code 2005 approved .□	1688

Supplementary Orders

5. Rehabilitation of Offenders Act 2001 – Rehabilitation of Offenders Act 2001 (Exceptions) (Amendment) Order 2005 approved.....	1689
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Supplementary Orders 2

1. Papers laid before the Court.....□	1690
Announcement of Royal Assent – Church Discipline Measure (Isle of Man) 2005	1690
Procedural	1690

The Court adjourned at 9.55 p.m.

Reports, maps and other documents referred to in the course of debates may be consulted upon application to the Tynwald Library or the Clerk of Tynwald’s Office, Legislative Buildings, Douglas, Isle of Man IM1 3PW.

Tynwald

The Court met at 10.30 a.m.

[MR PRESIDENT *in the Chair*]

PRAYERS

The Lord Bishop

LEAVE OF ABSENCE GRANTED

The President: Hon. Members, we have apologies today from the Hon. Member Mr Duggan, who is still unwell, from Mr Braidwood, who is unwell, from Mrs Cannell, who has a doctor's appointment and will be joining us later this morning. Of course, we add to that Mr Cretney, who is still attending in the Shetlands.

Hon. Members, we made good progress yesterday. Let us see if we can continue during today.

Orders of the Day

Ramsey Grammar School Post 16/Medway Block replacement scheme Expenditure approved

13. The Minister for Education to move:

That Tynwald –

(1) approves of the Department of Education incurring expenditure not exceeding £59,137 on advance demolition works in respect of the proposed Ramsey Grammar School Post 16/Medway Block replacement scheme;

(2) authorises the Treasury to spend out of the Capital Transactions Account during the financial year ending 31st March 2006 a sum not exceeding £59,137 being made by Government to meet the cost of (1) above; and

(3) approves of and sanctions borrowings not exceeding £59,137 being made by Government, such borrowings to be repaid in a period of 30 years.

[Reference: Item No. 22 under the heading 'Education' on page 7 of the Isle of Man Budget 2005-2006, and as detailed in the Estimate of Capital Payments 2005-2006 to 2009-2010 (new schemes – Ramsey Grammar Post 16/Medway) on page 59 of the Isle of Man Budget 2006-2006.]

The President: We have reached Item 13 on the Order Paper and I call upon the Minister for Education, Hon. Member, Mr Anderson, to move.

The Minister for Education (Mr Anderson): Thank you, Mr President.

Hon. Members will remember that yesterday evening we debated Item 12 on the Order Paper, and there are quite a lot of similarities between a building that was being talked of as an eyesore and becoming dangerous and the Medway Block at Ramsey Grammar School, which is becoming problematic. Hon. Members will be aware, from a past time in this Hon. Court, of the plans to replace the Medway Block.

The development of the Post 16/Medway Block replacement at Ramsey... there is £59,137 and this is for the advanced demolition in respect of that old Medway Block at Ramsey Grammar School, to enable the block to be demolished during the summer holidays. Alterations are nearly complete within the old infant school so that the students using the Medway Block will be able to decant across there during the last week of term to enable the demolition to go ahead on time in the summer holidays.

The new build project is now at stage three and currently the scheme is estimated to be slightly over budget. The budget was £5.9 million, now projected to be £6.2 million due to the worse than expected ground conditions encountered. It is expected that we will have to deep-pile on the site. It had been hoped that we would be able to undertake ground remediation work, which would include vibration and dynamic compaction, as has been done with the new Auldryn School across the road.

Notwithstanding this, we have agreed a strategy with the Head for reducing the proposed peripheral works, including the refurbishment of the adjacent brick building, which is the new pig shed, and improved car parking, to bring the scheme within budget if we are not able to address the existing forecast overrun during the ongoing design stages through value engineering.

Under the current programme we are currently anticipating seeking Tynwald approval to let the construction contract lapse to the December Tynwald to enable a January 2006 commencement on-site and hopefully completion and occupation by September 2007. This, of course, is dependent on planning.

In the meantime, the sixth-form students in the Medway Block will occupy the old Auldryn Infant School and plans, as I have said, are now well advanced for that decanting.

I believe Members have received a comprehensive explanatory memorandum. Mr President, I beg to move.

The President: Hon. Member, Capt. Douglas.

Capt. Douglas: Gura mie eu, Eaghtyrane. I beg to second, sir, and reserve my remarks.

The President: Hon. Member for Ramsey, Mrs Craine.

Mrs Craine: Thank you, Mr President.

I would be very pleased to support this motion here today. As successive Ministers for Education have seen for themselves, the fact is that this Medway Block is not only an eyesore but is very much outdated in its provision these days. The building is... perhaps flimsy is not quite the right word, but it is not robust for the needs of young people as it stands and is, truthfully, non-functional. It also has a flat roof, which periodically causes problems.

I am grateful to the Minister for having brought this forward because some years ago, when there were sixth-form blocks built on other schools, the numbers in the

Leave of absence granted

Ramsey Grammar School – Post 16/Medway Block replacement scheme – Expenditure approved

sixth-form at Ramsey Grammar School did not warrant the extension of a sixth-form block. However, those numbers have increased enormously and that provision is urgently needed now, and I welcome the opportunity of being able to decant those children into Auldryn old school whilst that is still standing.

I sympathise with the Minister's views about the costs of having to do deep-piling on the site. Unfortunately, that is a common problem with much of Ramsey, in that it is sand foundations and many of the buildings that are erected do have this additional cost as a result.

I am grateful and supportive of this measure and hope that Members will be able to find support for it. Thank you.

The President: Hon. Member of Council, Mrs Crowe.

Mrs Crowe: Thank you, Mr President.

I wonder if the Minister for Education could tell me and the Court how many pupils this facility will cater for? I have just heard the Hon. Member for Ramsey saying that there has been an enormous increase in sixth-form pupils at Ramsey Grammar School, but I just wonder how many sixth-form pupils are accommodated in all these separate units throughout the Island. Thank you.

The President: Mr Anderson to reply to the debate.

The Minister: Thank you, Mr President.

I would just like to thank Capt. Douglas for seconding. He knows the situation from being within the Department. And I thank Mrs Craine for her comments. Obviously, she has progressed through that school, many, many years ago now, but it just shows the calibre –

Mrs Craine: Hang on! (*Laughter*)

The Minister: – it just shows the calibre –

Mrs Craine: Not that many!

A Member: About a hundred years ago!

The Minister: – of the people that Ramsey has turned out in past. In fact, I think she was a previous head girl there.

Mr Delaney: She is still the head girl.

A Member: Gas lights!

The Minister: She did highlight the problems with the existing building and obviously is very supportive of the move and the plan to decant across the road.

In relation to the query raised by Mrs Crowe, I know the school numbers are now well over the thousand but I cannot actually say exactly how many are in the sixth-form there. I shall find that information out for her and I shall circulate other Hon. Members.

Mr President, I beg to move.

The President: Hon. Members, the motion that I put to the Court is that printed at 13 on your Order Paper. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, it has come to my attention that the

Hon. Member, Mr Downie, will be joining us later. He is apparently having some treatment this morning.

Measure for signature Church Discipline Measure (Isle of Man) 2005

The President: I am also asked to announce that a further Measure has come forward for signature today, that is the Clergy Discipline Measure (Isle of Man) 2005. (**Members:** Oh!)

Hon. Members, again Standing Orders permit me, if you are content, that it should be brought before you, and if agreeable, we will continue our business as we did and continue to sign, Hon. Members.

Members: Agreed.

Announcement of Royal Assent Housing (Multi-Occupancy) Act 2004 Fiduciary Services Act 2005

The President: I also, Hon. Members, wish to announce that the Royal Assent has been granted to the Housing (Multi-Occupancy) Act 2005 and the Fiduciary Services Act 2005, Royal Assent having been granted to both of those this day.

Tribute to H E the Lieutenant-Governor upon completion of term of office

The President: Hon. Members, whilst I recognise that His Excellency Ian MacFadyen is not yet leaving us, nevertheless I think, Your Excellency, this will be the last opportunity that you will have to join us here in Tynwald Court this morning during your particular term of office.

It does not seem almost five years since I had the honour, Your Excellency, of greeting you and welcoming you on your arrival to take up your particular office and duties.

As with all beginnings, it is a step into the unknown and I am sure that you are also wondering how best to start in this new phase of your very busy, full and active life.

The fact, sir, that you came ashore with a beaming smile made it instantly recognisable to us that you have a natural interest in people, and that became, sir, a trademark of your office here on the Island. Your visits to our parishes, your support of service organisations and, not least, your charitable work – we have wonderful memories, sir, of cows – have all seemed to represent and earn the respect of the people of Mann.

Your tenure in Government House has seen many important visitors to our Island and we are grateful for the manner in which you have acted as host. I am sure that the visit of Her Majesty will remain a highlight. Come 5th July, sir, in future years, I am sure that rain will never be mentioned.

Your Excellency, the Court has enjoyed a good working relationship with your Office and we will be wishing you all the very best in the semi-retirement that is to come.

And we would ask, Your Excellency, if you would carry to Mrs MacFadyen our best wishes also from this Court, as we acknowledge the support that she has given to you, sir. (**Several Members:** Hear, hear.)

**DTL Supplementary Vote
Motion carried**

14. The Minister for Tourism and Leisure to move:

That Tynwald authorises the Treasury in respect of the year ended 31st March 2005, to apply from general revenue surplus receipts totalling £426,346 of the Department of Tourism and Leisure, the sum of £267,577 in payment of excess expenditure.

The President: We turn now, Hon. Members, to Item 14 on our Order Paper: Supplementary Vote, Tourism and Leisure, and I call on the Hon. Member of Council, Mr Lowey, to move.

Mr Lowey: Thank you, Mr President.

During the financial year 2004-05 the Department exceeded its income budget by £426,346 and, at the same time, its revenue expenditure budget by £267,577. This resolution seeks Tynwald approval to apply the excess income against expenditure.

The excess expenditure is largely attributable to two areas within the Department's budget, both of which I have some influence with: the Villa Marina operations and the TT races and festival.

The new Villa Marina opened its doors to the public in April 2004, and I think we would all agree that it has been a resounding success. It has been acclaimed by its many customers and patrons, not just for the quality of the building itself, which is obvious for all to see and something that we can all be proud of, but also because of the quality and diversity of the entertainment programme provided. (**Mr Earnshaw:** Hear, hear.)

Business performance of the Villa Marina, in terms of customer numbers in its first year, exceeded its target of 150,000 by over 50,000. However, bar sales were substantially less than forecast and this has significantly reduced the revenue contribution from bar profits. Original forecasts were based on actual experience at both Summerland and the former Villa Marina and it is only with actual experience of the new site that business patterns have emerged.

These patterns show mainly theatre-type sales, with the focus being on interval drinks and little pre- and post-event business, possibly influenced in part by the no smoking policy. Spend per head on alcohol consumption is considerably less, accounting for a reduction in bar gross profits against estimates of about £200,000.

Whilst management will always look to maximise on bar sales, we have to recognise that we exist to serve our customers, and, at the end of the day, alcohol consumption is a matter of personal choice. Sales targets have, therefore, been adjusted in the current year estimates, in the light of the experience of our first practical year.

The second main area of overspend was the TT and the festival of 2004. Rising costs are of concern to the

Department, naturally, but particularly those associated with health and safety matters, over which there is little option but to comply and make the identified improvements. Areas of rising costs also include Tetra, the radio communications, course protection and the Grandstand paddock area. Festival costs, particularly those associated with street cleaning, have also been higher than in previous years and together with some late billing has resulted in the TT budget being overspent.

In terms of future impact, the Department has taken steps, in so far as it is practical and it is able to, to address these issues head on for the year 2005-06 from within its existing budget. That said, it has to be recognised that in a fast changing environment, particularly in technological advances and ever-increasing health and safety needs, it is not always possible to forecast such costs to a detailed level when the Department estimates are finalised – and we are making our estimates, as Hon. Members do know... we are working on them even as we speak.

The TT continues to be the Isle of Man's premier and truly international event, as well as contributing to our Island economy. As a Departmental Member, I can assure this Hon. Court that every effort was made to manage the Department's overall budget effectively throughout the last financial year. This was an ongoing process which was regularly reported on and enabled the level of excess expenditure to be minimised.

The Department, therefore, seeks to offset the £267,000 excess expenditure from surplus receipts, leaving a net surplus balance of £158,796. The budget of the Tourist Board is in excess of £14 million and I am very pleased to say we were within that budget.

The President: Hon. Member for Middle.

Mr Quayle: Thank you, Mr President.

In seconding the motion at Item 14 on our agenda, I would like to support the Hon. Member of Council, my hon. colleague on the Department of Tourism and Leisure, and his comments, and clarify that, whilst the Department has, unfortunately, exceeded our allocated budget in two key areas, the Department has still managed to record a surplus at the end of the financial year.

In addition, I would like to echo my colleague's previous comments on the Villa Marina and the TT Festival. I am sure that Hon. Members will agree that the Villa Marina's first year of operation has been an outstanding success, and that the number of top quality events and functions which have been held there since it re-opened for business in April 2004 have enhanced the quality of life for both residents and visitors alike.

Similarly, whilst there was also an overspend in relation to the TT Festival, we all want to see the event run to a highly professional standard and the highest standards of safety adhered to.

Mr President, I would like to confirm that the Department has, for the forthcoming year, revisited some of its budgets in the light of recent experience, and that the Department will be seeking to provide excellent services and facilities, ensuring value for money. I think I would also just wish to highlight the fact that, although the Department has incurred additional costs over those which were budgeted for the year end, the out-turn is an overall surplus.

I have pleasure, therefore, Mr President, in seconding

the motion proposed by the Hon. Member of Council, Mr Lowey.

The President: Hon. Member, Mrs Christian.

Mrs Christian: Thank you, Mr President.

I will support the motion, noting that the Department has a net surplus balance, but I wonder if the mover could just answer two questions.

There is a comment in here that the business was difficult in the Villa Marina, possibly influenced in part by the no-smoking policy. The Department was instrumental very early on in introducing such a policy. I hope that this comment does not signify any wavering in respect of that.

Secondly, the overspend in relation to TT has been specified at £290,000. Can the hon. mover indicate what the total budget was and, therefore, what percentage of overspend this represents, please?

The President: Mr Waft, Hon. Member of Council.

Mr Waft: Can I just mention, with regard to the no-smoking, perhaps it will have a contributory factor to less use of the DHSS.

The President: Hon. Member, Mr Singer.

Mr Singer: Thank you.

I will support this, Mr President, but could the Hon. Member explain to me the policy that is here of disposing of single-deck buses? I think up to recently the policy was to go from double-deck to single-deck buses, and now these... from what is said here, these are fairly new buses. Has much of a loss been made on the buses and what is the reason... how many were disposed of, and what is the reason for, what appears to me to be, an apparent change in policy?

The President: Hon. Member for Rushen, Mr Gill.

Mr Gill: Thank you, Eaghtyrane. There are two points, briefly, if I may.

The first one, in relation to the no-smoking policy, that is a matter for the Department, I entirely agree; but, perhaps, given their experience and the business effects that they have experienced, could the Member confirm that he would advise the DHSS, in their consultation process of sorts that they are engaged in, that that has been their experience and that they can anticipate that commercial enterprises might experience the same change in business?

Secondly, if we could move to paragraph 7, where the Department tells us that rising costs are a concern to the Department, particularly those associated with health and safety, over which there is little option other than compliance in making the identified improvements. I do not want to engage in the health and safety debate, but we have been down this road before and, whilst health and safety is like love and peace and you cannot be against it, the effects of it are being felt again, sir.

And then we are told, later, many of these health and safety issues relating to this overspend were not specified at the time that the budgets were determined but were essential to the Department's 'safe running of the event', and, of course, we all want that. But then they further go on to say:

'However, it has to be recognised that in a fast-changing environment, particularly technological advances and ever-increasing health and safety needs...'

There is a Committee looking at health and safety. Some of the evidence we have received is quite alarming. What we are being asked to do here, though, sir, is say we just have to do what Health and Safety tell us. It can be at the last minute, we just have to do it, we have got no control, no rick over it, and the taxpayers will pick up the tab. So that is the cost of health and safety.

I recognise that it is an issue that there is no simple solution to; but the simple solution that we are being asked to adopt here is throwing money at a growth industry, which is health and safety.

Other Members will, no doubt, disagree and will, no doubt, accuse me of being alarmist or of being dismissive of an important matter, and I am not doing that. I am simply saying, and simply looking for some guidance from the Department, are we being told that this will be... given the arguments that they have put forward today, that next year, the year after, and every year thereafter, with the increasing growth of health and safety, they will be coming back because they have got no control over it?

That is how I read this; and if that is the case, let us hear it today, so we are aware, and the budgets can, perhaps, reflect it better. And if they cannot, this time next year we will not be surprised when we are being asked for ever-increasing amounts.

So, perhaps if the Member could give me some reassurances of those two points, I would be obliged, sir.

The President: Hon. Member, Mr Karran.

Mr Karran: I would like to know, I think the points that the Member of Council, Mrs Christian, brought up about how much the total budget was for the Festival, are very important, if it is possible. Who ran the Festival? Has anyone been held to account for the Festival?

I understand the point that the Member for Rushen has just raised about health and safety, but, at the end of the day, it is about accountability, and the fact is that it is the system that is wrong, if one part of the system is out of control. I am afraid when you are in government, you have to make decisions and you cannot be nicey-nicey all the time. I am afraid that is what is going to have to happen about these issues.

So, I feel we should know who actually ran the Festival, what sort of percentage turnover did it make a loss on. Obviously, we have got to support this proposal in front of us today. It would be wrong not to.

The other issue that I am a bit concerned about is the reason for the poor revenue contribution for the Villa Marina. Is this the reason why we are getting a medical centre located in this area? I think we need to know that. I understand the problems of revenue implications; we have got big revenue implications over the next several years on a number of white elephants that have got to be paid for, so I understand that. I think everybody wants to have a first-class medical centre and medical access for people, but I do find it rather strange that you spend £16 million on a tourist facility and then you put a doctor's surgery in the middle of it.

The President: Hon. Member, I find it difficult to find in

the motion anything to do with the medical centre.

Mr Karran: Well, I think that, Eaghtyrane, you might find it difficult, and obviously you are the presiding officer (**The President:** Quite right.), but at the end of the day, Eaghtyrane, we are told that there has been a deficiency as far as the costs are concerned, of the running costs of the Villa Marina. What I am just asking... because, as a former Member for Health, I know that we pay top dollar, as far as rental is concerned for medical centres.

The other issue... and, may I say, it means it is money going from Government department to Government department, and not new Government money.

The other issue that I would like to say is that I am pleased to see that there has been an improvement on the buses. I hope that the acting Minister will take back to the Department about seeing whether we can get more late buses to Port Erin and back to Douglas, Peel and Ramsey, to help stop drink-driving.

I think it has improved. I was quite impressed when I was in Laxey the other week there, the number of young people getting on the late bus to come into Douglas, and I think that one of the things that we do need to see is to see that.

I understand that bus fare boxes, I take it the increase is to cut down on the bus stages, as far as fares are concerned.

Obviously, I think no one will be voting against the proposal, but I do hope that people see this as trying to be a positive contribution to important factors that need to be addressed in Government. I think it is important that Members realise that. I feel that we need to know some of the answers to these questions.

The President: Hon. Member for Peel, Mrs Hannan.

Mrs Hannan: Gura mie eu, Eaghtyrane.

Comments being made about the no-smoking policy, and it says, 'These patterns' – this is the bar sales –

'These patterns show mainly theatre-type sales, with the focus on interval drinks, while pre- and post-event business has been difficult, possibly influenced in part by the no-smoking policy.'

I would suggest that the environment of the Villa Marina is greatly enhanced (**A Member:** Hear, hear.), increased, by having a no-smoking policy. It is a pleasant environment to go into; it does not smell stale and oppressed by cigarette smoke.

The other thing that I would say is that, as employers, we owe a responsibility to the people that we employ. We employ people behind bars, to work in bars, we employ people to work in the Villa Marina. This has got nothing to do with health and safety. This is a responsibility which we have to people that we employ to give them a good working environment.

I do not think any of us, even smokers, in this Hon. Court, would accept, in this day and age, that people should have to put up with smoke in a working environment. Gone are those days.

I can remember being a member of a local authority some 25 years ago, and every time I came home from a meeting, I had to hang my clothes out because they absolutely stank of cigarette, not only cigarette, but cigar, smoke. That was the environment that I worked in, once a month in that environment, with committee meetings and

the like. That would be totally unacceptable today – totally unacceptable.

So, this policy of no-smoking in the Villa Marina, after spending millions of pounds on refurbishment, is, to my mind, quite right, and we should not go back on that.

I understand, to a certain extent, the comments made by the Member for Rushen regarding health and safety, but every death that is created by not looking after the health and safety of the employees costs millions of pounds to the employer. We have to weigh up the cost of one with the out-cost of something else. Therefore, I think it is quite right that, in many, many cases, health and safety is brought in and is going to be looked at as being good value for money when it comes to it affecting the people that work for us, individuals that work for us, that their health can suffer because of this.

Before I end, Eaghtyrane, I cannot go without a comment on the medical centre that has been raised by the Member for Onchan. There has always been a medical centre on the Promenade and it has been there purely for tourists –

Mr Bell: Not in the Villa Marina.

Mrs Hannan: Not in the Villa Marina, but it has been on the Promenade, and I would urge any Members...

I am sorry the ex-Minister for Tourism and Treasury is commenting on this, Eaghtyrane. The problem is that the people on the Promenade and the tourists need a medical centre. I am sorry if some people are upset by that. This is joint working of Government; people do not like that, either.

I would invite the Minister for Treasury to go and look at the premises that are being used at the moment. His constituents would not want that. What does he want for his constituents? A hospital, as well as –

Mr Bell: That does not mean it should be in the Villa Marina.

Mrs Hannan: Well, let him go and look for some other premises, because I can say the Health Service and the doctors in this area have looked for other premises; they are not available. This is cross-Government working, and I would hope that this Hon. Court will support people working, doctors working in our Health Service and give them a better quality of working area.

So I would challenge the Minister for Treasury to go and look at these premises, and then he can go and look at other premises to try and find somewhere else in this particular area.

The President: Back to the resolution, then, please.

Mrs Hannan: The resolution, Eaghtyrane, is... and I will be supporting the resolution, and I support the support that the Department of Tourism has given to doctors and to the tourists in the Promenade area by helping and assisting the Department of Health.

Thank you, Eaghtyrane.

The President: Hon. Member, Mr Earnshaw.

Mr Earnshaw: Thank you, Eaghtyrane. I was not planning to say anything, but quite a few people... it seems

to be creating quite a bit of interest.

I just want to speak positively for the Departments here. I would like to praise them for the Villa Marina building. I think it is a showpiece in the Isle of Man. I think the public are very pleased with what they see, and I would just like to convey that to them. I think it is something of which the Isle of Man can be justifiably very proud.

Turning to the TT, I just want to put my marker down about what I see is the immeasurable value of the TT. It is hard to quantify in pounds and pence what the TT is worth. It attracts worldwide publicity for the Isle of Man. I think it is a leader for us in our branding image. The worldwide attraction, due to videos, DVDs and television, is growing.

I think it was a fantastic coup this year to get an hour of prime time television on Grandstand on the Saturday following the TT events. Goodness knows how much that would cost you if you had to actually pay for that sort of airtime on BBC1 television.

I think those sorts of things are very difficult to quantify in terms of value, but I think they are very much an important part of the equation, and the part that the Department of Tourism plays in the marketing of the Isle of Man.

Just another couple of points, if I may, before I resume my seat, Mr President. It is just concerning the remarks of the Hon. Member for Peel, Mrs Hannan. I agree with her 100 per cent regarding the Villa Marina smoking policy. Regarding the medical centre in the Villa Marina Arcade, I am afraid I totally disagree with her on that one. (**Several Members:** Hear, hear.)

The President: Hon. Member, Mr Delaney.

Mr Delaney: Mr President, on this small matter in the big picture of things on this Island, I am actually amazed, and I am sure the Chief Minister remembers our short meeting last week. The situation has now arisen where I have to speak.

We have spent a large amount of money, public money, going forward with policies. When I was a member of the Department, we kept everyone informed. I am no longer a member of the Department. I spent years trying to do exactly what the Member for Peel has honestly, honestly said today. We have got a Third World situation on Douglas Promenade.

I have used that practice, man and boy, and generations before me. We have looked at everywhere possible. I have had suggestions given to me, even as late as this week, after spending hundreds of thousands of pounds on drawing it up and to get to a stage...

The Chief Minister is not deaf. He has heard what has been said this morning. All I can request from him is that he will ask me in again and I will have another chat with him, because my concerns today to him for this week have come true.

Mr President, I am sticking to what I have heard – not the resolution, because I thought it was a simple resolution – commonly done for the 28 years I have been here, having to balance the books. Now it has been used as either an attack on the Tourist Department, congratulations to the Tourist Department, or let us change the policy lads, it does not suit a half a dozen people.

Mr President, it is really letting me down, and it should let the Island down, that we have got to this stage where we are attacking each other now. We talk about having a united front. People get sacked and fired and hired because they

criticise Government; here we have Government criticising itself.

Mr President, it does not bode well for the future of this Island if this is the situation of a matter like this on the Agenda. But I have asked the Chief Minister to give me the courtesy of a meeting for 10 minutes, possibly at lunchtime.

The President: Mr Lowey to reply.

Mr Lowey: Thank you, Mr President. And I thought we were doing so well. (*Laughter*)

It is the only time, really, where actually... I would understand the concern of the Court if I was actually coming here and saying we have overspent, give us some extra money. We have brought in more money. We have spent a little bit more. I always thought that if you spent a bit and got more in then you would spend a little bit more.

For the TT – and I can tell Mrs Christian the total cost for the TT last year was £1.6 million. That would have generated revenue in excess of £17 million. If I was in business, I would be saying to you, 'Here is all the £1.6 million I can get. Please produce another £17 million of income for the Government (**A Member:** Hear, hear.) and the Isle of Man.'

Be that as it may, sir, the resolution is quite clear. I really do thank the people for taking part in the debate because, as I said yesterday, we are interested, we want to hear, not just the good times but when you think we are going astray.

Mrs Christian, I can assure you the Villa Marina and the smoking, I put that in, that smoking did have an effect, or could have had an effect, in the bar takings... and people now go in, where they used to smoke prolifically in Summerland, they do not do that now. They do not come and spend the whole night. They come to a show, they will go for a drink in the interval but they are not coming pre-... That may have had an effect.

I would remind Mrs Christian that I was the person who introduced a no-smoking ban in the Gaiety Theatre, years ago. I think it is right, and I would support the no-smoking ban in the Villa Marina. I think it is right and proper, and there is no suggestion by the Department that we will be reversing that. That deals, really, with Mr Waft.

Can I come to Mr Singer and the buses. Can I say, part of the increased revenue we received was for putting up the prices on the buses, for the first time for a few years. Remember, the Department has a policy of trying to attract more people onto public transport, out of their private cars, to ease traffic congestion. That is our aim. We put up the price of bus fares for the first time for years and the number has dropped. Now there is a correlation, and there is no use us shutting our eyes to these facts. We have got to try and see the actions and the reactions to our policies.

My view is that public transport is being expanded, and we have got to provide a first-class service. That includes buying new buses, building more bus shelters – and the Department have not reneged on any of these; they have actually increased expenditure on all of these areas. (**A Member:** Hear, hear.)

Again, I would remind the Hon. Member for Ramsey that we tried very hard to accommodate all sections of the travelling public and, as far as I am concerned, when we had surplus... you see, alright, small buses still require one of the most expensive elements of cost, which is people to drive them.

Mr Singer: So the policy has changed?

Mr Lowey: No, the policy has not changed. I think it right and proper for us to make sure that we have the most modern fleet. It saves on repairs, it saves on economy, it affects the environment, and that is what we are doing.

What do we do: keep a selection of old buses in the garage, or relatively new buses in the garage? Or do we move on, sell them and get revenue in to assist in our work of providing a first-class transport system? The Department is quite clear what it is about, and I believe it was right to get rid of those single-decker buses, as is put in there. To suggest other than that the Department is totally committed to providing a first-class public transport system does not bear examination.

Can I say to Mr Gill and health and safety, again, I think people have tended to mix up what I mean by health and safety. Health and safety on the TT course: we learn as we go along, we learn lessons. Every year there is an accident somewhere different. Do we then learn the lessons of those accidents and put in health and safety measures to try and prevent it or to mitigate? That is what it is about.

The extra expenditure on the TT. I do not think I answered Mrs Christian's first one, which was what was the cost and what was the increase so she could get a percentage. The actual TT Festival, for example, was estimated for the previous year at £165,800, and it actually cost £253,000.

Part of that is traditional. People accept that we put on a free show, and I use the word 'free' show. The TT Festival includes the fireworks, the Red Arrows, TT entertainment, street cleaning, all of these things. I have illustrated how those things have mounted.

In effect, the TT Festival and the increase went up from an estimated £165,000 to £253,000. That was an estimate of about 60 per cent. Some of that dealt with late billing from the Douglas Corporation, and it went back a number of years. Now, that says a lot for Douglas Corporation, and, perhaps, for us for not pursuing it earlier. Those are the actual reasons for that.

Again, on health and safety, when it comes to health and safety for the TT, there is no second best; the health and safety of the riders and spectators is always uppermost in our minds. When I said we will inevitably have to follow that, I think it is best practice, and you would expect us to have that at the forefront of our minds. That is what we do.

Can I come to my good friend, Mr Karran. I do wish he would sometimes stop tilting at windmills: 'we have not built' and 'is this the reason?'. Let me assure him that the plans for the Villa Marina for the Arcade – that element that is not built yet – will be decided by this Court in due course.

I am a Member, I believe, in a Government that should be trying to help one another. Any proposals will be put to you for your decision at the appropriate time. I do believe in joined-up Government, and when the option is there, I think we should take it.

It is not only myself that will be disadvantaged if a certain development goes ahead, because that was designed, not for shops, but for, if you like, the nerve centre of the whole of the Villa Marina, the ticketing office, which would serve the whole complex. Part of our overall plan when we started out with the whole Villa Marina complex – Villa, Arcade, Colonnade, Villa Marina – was that we would have our administration in an appropriate position to be able to do it.

So there are others issues. To suggest that this is why we are putting... is really, no, another flight of fancy, I am afraid, Mr Karran.

I do thank Mr Delaney for his continued support. I have worked with Mr Delaney now for a number of years at the Department. He was a valued member and he knows how hard we have tried. Things do not just happen in tourism, they are made to happen.

The investment that you have given us, I think, has been well spent in the Villa Marina. We continue to be within budget. We try to assist Government. If that is a crime, then I suppose we all have to put our hands up and plead guilty to it.

Mr Earnshaw, I know, is very supportive of the TT and the stance of the Tourist Board generally. I understand, and I know, because I have spoken with them on what I would call aggravating subjects, that do turn up from time to time. I am sure it will be resolved. It will be resolved, no doubt whatever about that.

Mr President, I have taken a long time and a lot of time of the Court to say, can we take some of the money that we have earned over the year and pay off that little bit of over-expenditure that we undertook in the course of that year? I beg to move, sir.

The President: Hon. Members, the motion I put to the Court is that printed at 14. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

DTI Supplementary Vote Motion carried

15. The Minister for Trade and Industry to move:

That Tynwald authorises the Treasury in respect of the year ended 31st March 2005, to apply from the General Revenue surplus receipts totalling £115,411 of the Department of Trade and Industry the sum of £50,474 in payment of excess expenditure.

The President: We turn to 15. Minister for Trade and Industry to move.

The Minister for Trade and Industry (Mr Downie): Thank you, Mr President.

The Department of Trade and Industry generated surplus receipts during the 2004-05 financial year of more than £115,000. Just under £50,500 was utilised from surplus receipts over that year to deal with two priority areas, namely abandoned mines and ship surveys. The reasons for the additional expenditure in each of these areas were as follows.

Firstly, the Department is legally responsible for abandoned mine entries, which can cause a significant risk to people, property and animals. In 2004, the Department commenced its programme to cap the initial tranche of mine shafts which had been identified as posing the greatest risk. These mines were successfully capped, and it is the Department's intention to continue a rolling programme to secure the remainder over the coming years.

Secondly, the Department's Marine Administration Division had to survey the entire Isle of Man fleet to ensure

that all vessels complied with new international security standards. The cost of this additional work was invoiced to ship operators as a result. While the gross cost was greater than planned, the net cost was negligible.

It should, however, be stressed that, even after taking the cost of these two exceptional items into account, the Department was underspent for the year ended 5th April 2005 by nearly £65,000.

Mr President, I beg to move the motion standing in my name.

The President: Hon. Member, Mr Singer.

Mr Singer: Thank you, Mr President. I beg to second, and reserve my remarks.

The President: The motion I put to the Court is that printed at 15. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

DoT Supplementary Vote Motion carried

16. The Minister for Transport to move:

That Tynwald authorises the Treasury in respect of the year ended 31st March 2005, to apply from General Revenue the sum of £432,506 in payment of excess expenditure in respect of the Department of Transport of £405,787 and shortfall of receipts of £26,719.

The President: Item 16, Minister for Transport to move.

The Minister for Transport (Mr Shimmin): Thank you, Mr President.

All Hon. Members have received an explanatory memorandum outlining the various reasons for the excess expenditure and the under-receipts. I beg to move the motion standing in my name.

The President: Hon. Member, Mr Houghton. Mr Houghton seconds?

Mr Houghton: I beg to second, sir, and reserve my remarks.

The President: The motion I put to the Court is that printed at 16. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

DHSS Supplementary Vote Motion carried

17. The Minister for Health and Social Security to move:

*That Tynwald authorises the Treasury to apply from General Revenue in respect of the year ended 31st March 2005 –
(a) surplus receipts totalling £2,272,898 of the*

*Department of Health & Social Security; and
(b) the sum of £4,790,770 in payment of excess expenditure by the Department of Health & Social Security.*

The President: Item 17. Minister for Health and Social Security.

The Minister for Health and Social Security (Mr Rodan): Thank you, Mr President. I am going to be somewhat longer in my presentation than the previous speaker, as I think the Court is entitled to have a full explanation as to why it is being asked to authorise this level of excess expenditure.

Mr President, for the financial year ended 31st March 2005, the Department of Health and Social Security exceeded its budgetary allocation in gross terms by £7,063,668 and in net terms by some £4.7 million. The Tynwald motion seeks to reconcile the Department's 2004-05 revenue accounts, as shown in the Government's light blue book, but, of course, we go a good deal further than that.

I would, firstly, point out that the Department's overall gross financial position does include the effect of both the payments and receipts of the National Insurance fund operating account. This account, however, distorts the gross financial position of the Department as it is not funded through general revenue.

Payments in respect of the NI fund operating account which exceed their allocated budget, for example, retirement pensions and contracted-out rebates, are funded from the excess income received into the NI fund from such sources as NI contributions, investment interest, financial adjustments from the UK fund.

Mr President, in essence there are three main areas of overspend which have contributed to the Department's financial position at 31st March 2005, and these are identified as: health services – Noble's Hospital clinical supplies and staff costs; secondly, health services – pharmaceutical services, drugs bill; and thirdly, Social Services and, in particular, elements of children and family services.

The explanatory memorandum which has been circulated seeks to provide the reasons for the overspends in these particular areas, but I make no apology, Mr President, for spelling these out again before the Court because they are unquestionably very challenging budgetary issues that the Department faces in the way it delivers front-line public services.

Firstly, Mr President, health services – Noble's Hospital and clinical supplies. Over the past six years, clinical supplies have increased by 115 per cent from £2.6 million to £5.6 million; in the last six years, a compound annual increase of 13.5 per cent. The allocations of funds from the annual bidding rounds have failed to keep up with this level of spending. Therefore, as each year has passed, the underfunding within this area has correspondingly increased, which has adversely impacted upon the Department's outturn figures.

By way of illustration, between 2003-04 and 2004-05, day cases increased by some 66 per cent from 3,900 to 6,500, and out-patients increased by almost 5 per cent from some 60,000 to 63,000.

Overlaid on this increase in activity is a generic change in clinical practice towards providing services as day or out-patients for procedures that would have previously been as in-patients. Following best practice in this way not

only increases throughput but also inevitably requires more sophisticated and expensive clinical supplies.

You should also note that in-patient activity has increased also by almost 3 per cent in this period. Furthermore, in the year that the new hospital was opened, 2003-04, the cost of clinical supplies jumped by almost 25 per cent from £3.5 million to £4.4 million. This rate of increase increased into 2004-05, the year in question, with an increase of 26 per cent.

As referred to previously, new facilities and procedures have resulted in a higher patient throughput and, along with ever-increasing medical costs, have contributed to a significant escalation in clinical supply expenditure. As a consequence, Mr President, actual costs for 2004-05 of £5.6 million in this category that I have just outlined exceeded the budget figure by £1.2 million.

Then we have, in respect of Noble's, the question of staff costs. Staff costs include, obviously, full-time employees but also bank and agency. For 2004-05, the total overall staff costs at the hospital exceeded budget by £1.1 million. The principal reason for this adverse variance is due to the fact that nursing, bank and agency staff did not have an adequate budget at the commencement of the financial year to meet their projected costs; actual costs £1.6 million, against a budget of £210,000.

Although the costs of employing full-time nursing staff had been budgeted for, limited provision was built in to cover for absences caused by periods of staff annual leave, sick leave, study leave, maternity leave or special leave. The cost of such leave is considerable; for example, with the current sickness rate of about 5 per cent, this alone costs in the region of £750,000 per annum. If other leave categories are factored in as well, the total unbudgeted cost soon becomes significant.

I would also add, Mr President, that last year we encountered significant delays in making permanent appointments due to procedures for police checks, and this resulted in a considerable number of temporary and agency staff being employed out of that particular budget.

It is important to note that hospital managers are required to ensure that the provision of their services is not detrimentally affected by these absences, hence the necessity for the temporary appointments of bank and agency staff.

I would assure the Court that the Department is looking very, very closely at this question of controlling its staff costs. I would give that assurance, and I believe steps are being taken in the way of better monitoring of absence, better monitoring of the way staff are handled when they leave the service, as to lessons that can be learned. Because I do not want to be back here next year, Mr President, with the same story to have to account to this Court, so I can give an assurance that matters are in hand.

The second area of concern, or area of over-expenditure that is extremely significant, once again, is the cost of pharmaceutical services, the drugs bill, which has been a major concern within health services for many years, Mr President. And the situation locally in the Isle of Man simply replicates what is happening elsewhere within the UK.

The contributory factors to this overspend are increases in drug costs of approximately 10 per cent year on year, and increase in numbers of prescriptions dispensed, running at 5 per cent year on year, and the present exemption levels, running currently at 85 per cent, which is probably about as high as we are going to reach under the present

arrangements.

Although the prescription charge was increased from £2.60 to £3.00 per item with effect from 1st December last year, this only had a minimal effect, as expected, in reducing the overall cost of pharmaceutical services. Unfortunately, this issue of overspending in pharmaceutical costs will not be resolved during 2005-06 as the budget allocation for 2005-06 of £16.9 million is, in fact, less than the outturn figure in 2004-05, last year, of £17.5 million. It is only fair, Mr President, to spell this out and be absolutely upfront about this.

The third area of overspend of some significance relates to Social Services and, in particular, children and family services. The number and complex needs of children in the Isle of Man are extremely difficult to budget for. In the financial year ended 2004-05, a budget of £1.8 million proved to be totally inadequate, with actual revenue expenditure totalling £4 million, an overspend of £2.2 million.

In 2004-05, demand for children's services in the Isle of Man totally outstripped the resources available, with the consequence that children had to be placed in spot contract placements, on- and off-Island, at considerable expense. In this regard, I would point out that, under the Children Act 2001, Social Services has a duty of care, a legal obligation, towards such children.

Additionally, the tragic murder of two children led to some more children having to be placed off-Island on a temporary basis until after the trial – there were five in number, Mr President – and this also led to a significant increase in expenditure.

This situation is not a unique position to the Island. In the UK, for example, Social Services, on average, are currently spending 27 per cent in excess of their budgets on child care services. And just for the information of the Court, a recent tender price received by Social Services in the Isle of Man to place an individual in a highly specialised unit in the UK was over £20,000 per month – *per month*, Mr President. However, new initiatives were introduced in 2004 to limit any further significant increases in spot contract placements with the appointment of Foster Plus.

Mr President, as I said, much of what I have had to say is in the detailed explanatory memorandum which has been circulated and which I hope has been helpful; but I felt, in view of the sums involved and the issues, it would be very important to spell out to the Court this morning the reasons for this overspend. They relate, Mr President, to the delivery of front-line public services, which are demand-led – demand-led – over which we have very little control and, I suggest, over which, while we must budget and plan, these are areas where, while we can strive for efficiency – and there are numerous areas within the Department in the way we operate in which we are seeking greater efficiency – the last thing we want to do is to cut back on direct services to the public in the level and standards of care which they have come to expect and to which they are entitled.

Thank you, Mr President.

The President: Hon. Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I am certainly happy to second the proposal here before us. In doing so, there are two points I wish to raise and just put on record, and for debating purposes.

The first is prescription charges. I have some degree of sympathy with the Shirveishagh, in regard to rising prescription costs, because I know, in drives for efficiency, the Department has been looking at what is known as generic prescribing, whereby non-branded drugs have been used for various patients' treatment.

Now, that sounds fine in principle, Eaghtyrane, but the sad fact of reality is that, of course, some of the non-generic drugs, as they are called, or non-branded drugs, as I prefer to call them, are not – and I repeat, not – as effective as some of the more tried and trusted branded types of drug therapy that we use within the Health Service.

I have direct experience of that, and I can certainly speak from my own personal experience, as well. I have raised this issue before and there have been outcries from one or two quarters as to the comments that I have made, but I think it is a clinical fact that, in some cases, the branded drugs that are used can be more effective.

Therefore, the generic route is not always the best route for a clinician to follow and, therefore, it has an impact on the price. If we want to have the best treatment for our patients, or for folk in the community, then sometimes we have to go for the more expensive option for it to be effective and practical. That is the dilemma the Shirveishagh will find himself in with this matter.

I have to say, I am supportive in this particular issue because, at the end of the day, the higher cost drug therapies may be the only option to use, or the more effective, and I would say that that has to be a priority for the Department, no matter what. Second option drugs that are not as effective cause their own sets of problems and patient concerns.

My other point is the issue with monitoring staff sickness and illness, and so on, and trying to improve performance indicators on that. That sounds fine when it is said in Tynwald here, Eaghtyrane, and it makes sound financial accounting sense that, if there are high incidences of staff sickness and illness, you monitor it and try and lower it.

What does that mean for staff within the Health Service who are actually working on our wards and helping the community of this Island? Again, speaking from practical experience, direct experience, I have to say that it can – not always, but it can – mean something drastically different when we are monitoring and trying to improve our sickness levels.

Currently, we have a Government 'return to work' policy document, which is immediately put into operation when somebody goes off sick, for whatever reason, whereby managers are encouraged to keep in touch with staff who are off sick, monitor what is going on, and they are interviewed on their return. It may also mean a compulsory visit to an occupational health doctor.

Again, sound management practice, on the one hand. However, used by over-zealous managers, which I have seen on numerous occasions, and represented staff at the sharp end over these issues and assisted on constituency matters, it has the complete opposite effect and will actually cause staff illness to take place.

Also, over-zealous managers in general, who are operating, for instance, in a ward environment, say a ward manager, who has not got human resource training, then will assume the mantle of what they think a manager ought to do. That, very often, is a dictatorial approach and it is not a team working approach. Maybe not entirely their fault, but certainly I have established, by parliamentary Questions

over the last couple of years, Eaghtyrane, that the majority of front-line managers have not got a UK-recognised management qualification, and certainly not in human resource management at that.

Managing finances is one thing, managing people is a completely different thing, and the damage I have seen caused by over-zealous managers assuming the mantle of what they believe a manager to be causes a massive problem in a tight-knit team. I think if we are going to monitor illness, then, yes, we do have to see how staff are getting on, but we can be sensitive to staff needs and sensitive to their own rights that we should afford them.

On the other hand, I think it should be instantly recognisable to senior management, if there are areas with high levels of sickness, why is that occurring; and that is the message I give to the Health Minister this morning, Eaghtyrane. Why is that occurring?

You may have genuine sickness, you may have one or two who may not be as genuine as they believe. On the other hand, as I say, from my experience, you can quite often tell a good team leader, a good team manager, because the sickness levels in that area are extremely low, if non-existent; whereas, if you examine certain management styles in other areas, it becomes blatantly obvious that it is the management style in itself, the handling of the staff, that is actually putting the pressure on those folk, causing stress and, after a while, the goodwill of those staff is lost and they will go off sick or see their GP and present with the symptoms of stress and are signed off. I think that is a serious issue that needs to be monitored.

One example, before I sit down, Eaghtyrane, that I came across, a very serious situation. A nurse at work, her mother died and she was granted compassionate leave. Within a couple of months, her father died and she went to see a senior manager to ask for a couple of days' compassionate leave, for obvious reasons – the girl was absolutely distraught – only to be told that she had had her allocation for that year. There was no flexibility, and as a result of that, she immediately resigned from the service.

Having said that, that kind of management style, in the area I am thinking about, cascaded down across several areas, caused extreme strife, stress and a high level of sickness compared to other areas with good team management – hardly any sickness. That is the message I deliver to the Health Minister, Eaghtyrane. Gura mie eu.

The President: Hon. Member for Rushen, Mr Gill.

Mr Gill: No, thank you, Eaghtyrane.

The President: Thank you. Hon. Member, Mr Gawne.

Mr Gawne: I was going to second.

The President: Hon. Member, Mr Houghton.

Mr Houghton: Thank you, Mr President. I will say something.

In support of the Minister for the Department, I was most interested to hear what he had to read out in his opening speech, the areas that need covering. It comes time and time again, because this is, of course, the way that care through the Department is, indeed, developing. Of course, there are lots of occasions when there are unforeseen areas of budget

that need bolstering up through this particular area.

He did make reference, of course, to the child care issue. As we know, Mr President, we have a Commission of Inquiry running currently in the Villa Marina. The outcome of that at this time, which has been awaited, will no doubt bring some very disturbing issues to the floor of this Court, none of which, I am sure, will relate to the way issues of child care are, indeed, being funded.

I will say no more than that, at the moment, but it will lead to an area where I feel there are quite some considerable leakages, in that particular area of budget.

Mrs Hannan: We know that.

Mr Houghton: Moving on, because this is covering a number of areas, I have spoken to the Hon. Minister, Mr President, in the case of adaptations, and that is an area that I know that the Department is most concerned about, and I have every praise for the Minister in the work he is doing in a particular issue with a large adaptation for a constituent of mine.

Mr President, adaptations are there for the use of people who have obvious physical disabilities. They go from dealing with handrails, which are most important for the elderly who are becoming infirm and other people with disabilities, right through to very large-scale projects. That budget is seriously under-provisioned for, at the moment. I know the Minister is aware of that and, as I say, I am very supportive of the work that he is doing there.

Can the Minister inform this Court, in his reply, as to how much further he is seeking in this particular vote today, in respect of adaptations, and whether they are for the large projects, or just even bolstering the minor adaptations which are also, as far as budget provision, running very close to the wind?

Hon. Members will understand that adapting a house allows that person to be cared for at his or her home, or, if you like, in the community, which is much, much cheaper than the Department having to care for that person, which could cost anything up to £100,000 per year, so it is excellent value for money. If the family were unable to care for a particular person, that person would have to be transferred into the hands and control of the Department. So it matters not; it would cost a fortune if that happened.

This is very good and prudent spending of public money in this particular area, and the Department must be supported if, indeed, it is found that the Department wishes to come back to this Hon. Court for further monies to support adaptations in the future. It must be supported, because adaptations are vitally good value for money – vitally good value for money. It is something that, in addition to medicines and all those other vital aspects that the Hon. Minister has mentioned already, I feel that the Department, as far as financial provision, is seriously lacking at the moment, and I would be interested in the Minister's point.

One small area, vitally important for one constituent of mine, on small minor adaptations, is he wants a concrete ramp – less than £200 worth – to allow this gentleman's wife to come down a ramp on a wheelchair to be able to get out along their garden path onto the footpath and away from their house. They simply need a concrete ramp. If, Mr President, the Department – because the Department are stretching themselves – is unable to pay for this, I am going to go and do a sponsored money raising thing and I will put

the ramp in for him, because I can lay concrete, I am pretty practically minded –

Mrs Crowe: I will lend you my cement mixer. *(Interjection)*

Mr Houghton: As, indeed, you are, sir, from your farming background. I will provide it myself because this person needs the ramp and, of course, it is in the queue with all the rest –

Mrs Crowe: It is a local authority function.

Mr Downie: That is what DoLGE is for.

Mr Houghton: – of the requirements for the Department, which I do not criticise one little bit. This is how serious the issue is. The lady is trapped in a house; she cannot get out. It is as serious as that.

So that is the area, in support of the Department, I would like to flag up, and it is something that is less considered by Members of this Hon. Court. I thank you, sir.

The President: Hon. Member of Council, Mrs Crowe.

Mrs Crowe: Thank you. It is my understanding, by the way, to the Hon. Member for Douglas North, that it is the local authority function to provide that kind of facility and, indeed, DoLGE provides assistance for doing so.

Mr Houghton: Not in a private household. Not in a private household.

Mrs Crowe: Whatever. I would just like to ask the Minister, getting back to the financials, about continuing, year on year on year, with prescription charges being increased. I have mentioned it to the Minister before and would just like to know, is there any advice to doctors, or guidance notes, or a procedural note about repeat prescriptions? Every surgery seems to follow a different method.

I know, and I am sure there are many other Members of this Court who know, that dozens of items that are prescribed are thrown away year on year on year because repeat prescriptions are put in, the chemist does not have the ability to check which one is wanted, so they prescribe all of them, ticked on the box. All of the prescription is prescribed, and very often people only need one item or two items that are on the repeat prescription. It goes throughout the board. There are many instances; diabetics sometimes do not need all the ancillary equipment that is offered on every single prescription.

I just would like to ask the Minister, has he made – I know that I have mentioned it – any investigation into repeat prescriptions and have any guidance notes gone out to doctors?

The President: Minister to reply.

The Minister: Thank you, Mr President. I thank the Members who have spoken.

Firstly, Mr Henderson. I do thank him for seconding this resolution. As far as pharmaceutical costs are concerned, while I have no reason to doubt his personal experience and anecdotes of the effectiveness of generic drugs compared

with branded drugs, I am rather concerned that the sweeping nature of his statement that generic drugs are not as effective clinically –

Mr Henderson: In some cases.

The Minister: – as branded drugs – whether in some cases or all cases –

Mr Henderson: Some cases.

The Minister: I can assure the Court that before any generic drugs are brought on to the market, they are subject to extensive trials; their effectiveness is tested, the availability of the drug, the way it is broken down and excreted in the body is extensively tested, and the intention, of course, is that they should be equivalent in every way to the more expensive branded drug.

I have no doubt that individual experiences may tell me something different, but before we generalise, I think it is very important to make that point, because, without question, most drugs that are currently prescribed are generic brands, and, after all, provided they are subject to the same very careful manufacturing standards, there is no reason at all... and they are not intended to be different, in any way, from the brand.

I take the Hon. Member's points about staff issues and monitoring staff sickness. The Hon. Member mentioned the role of what he calls over-zealous managers, the need for sensitivity to staff needs, why is staff sickness actually occurring and the need for good team leaders, and I note these points. We have an excellent human resources director at the moment, a lady who has been in the post now almost two years, who is excellent and is very alive to the need to bring all these things together.

I thank the Hon. Member for Douglas North, Mr Houghton. He began by touching on, and the Department notes, the future funding issues regarding child care that will inevitably have to be addressed.

On the aids and adaptations budget, I am grateful to him for raising what is currently a very challenging issue within the Department. I think he has spelled out that, in the long run, expenditure now for such persons with disabilities and elderly people at home, to keep such persons at home by adapting their home, represents better value for money than further on down the line bringing such people into care, more expensive care. That is the brutal financial aspect.

But, of course, the budget, I see it says, is very, very limited. We currently have a budget which is not adequate for the long waiting list that we have. We have at least 50 cases, ranging across various degrees of need; there are four or five cases of priority classification. Assessments are made of need, and these are regularly reviewed. Our current budget is not sufficient to meet the needs. It is as simple as that.

The funding I am seeking today, Mr President, I am sorry to advise the Hon. Member, does not address that situation, because this is historical spending for 2004-2005. I can say that, certainly, the priority 1 and 2 – the most urgent – needs last year, were met.

Some of the priority 3 needs, which are the quite expensive home adaptations – we are talking about maybe £40,000 or £50,000 to remodel a home, for wheelchair use, for example – I am very conscious that we are not progressing those schemes as quickly as we would like.

And yet last year, we were fortunate, through the waiting list initiative, which was granted by this Court, which, of course, was primarily for such things as orthopaedic waiting lists and the dental situation, an element of that was used to address the waiting list for aids and adaptations; but we have not been able to carry forward that level of spending into this financial year.

Therefore, what we are intending to do is to meet very shortly with Treasury to look at identifying ways from our current budget that we can, in fact, address this need, and all I can do, at the moment, is give the Hon. Member and other Members an assurance that we are very alive to the need to deal with this.

The Hon. Member mentioned a very small case of a concrete ramp, £200 worth. I very much hope that that can be dealt with. The Department and the Division, at the moment, are looking at and reviewing and updating all of our cases to make sure they are in the correct priority order, and I would hope we can make progress this year.

The Hon. Member of Council, Mrs Crowe, the year-on-year increase in, not prescription charges, because we do not do that year on year (**Mrs Crowe:** Sorry.); that is the one thing we do not do. But the one year-on-year activity we can be certain of is (**Mrs Crowe:** Pharmaceutical.) prescribing costs, and, yes, the Hon. Member is right to draw the Court's attention, again, to pharmaceutical waste and drug waste, and a lot of progress has been made in recent years.

Guidance does exist to doctors on best practice of repeat prescribing, limited periods of supplies to avoid waste, but what we really need, of course, is systematic (**Mrs Crowe:** Audit.) re-prescribing policies and monitoring of repeat patterns, and this does take place in the surgery.

The Hon. Member asks what is being done. I can advise that under the new pharmacy contract, which is coming in this year, as well as under the GP contract from last year, there is more systematic structured monitoring of prescribing. We are going down the route of electronic prescribing, which will increase the efficiency of the process and the opportunity to spot inappropriate repeat prescribing.

So, I believe we are on the way, more than ever, to addressing this particular problem; but, nonetheless, I thank the Hon. Member for raising it. And with that, Mr President, I beg to move, sir.

The President: Hon. Members, the motion that I put to the Court is printed at 17. Hon. Members, those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**Port Erin Marine Laboratory
Council of Ministers Report
Amended motion carried**

18. The Chief Minister to move:

That Tynwald receives the Report from the Council of Ministers entitled 'Port Erin Marine Laboratory: Future Proposals – Position Statement'.

The President: We turn then to 18. I call on the Chief Minister to move.

The Chief Minister (Mr Gelling): Thank you, Mr President.

As Hon. Members will be aware, on 13th May of last year, after much negotiation, the Council of Ministers considered proposals from the University of Liverpool, who sought financial support from the Isle of Man Government to enable the University to continue to operate the Port Erin Marine Laboratory. Council agreed that Government could not justify the level of funding sought. This would have required immediate capital investment in excess of £2 million, together with ongoing revenue costs in the region of another £½ million per year.

However, Mr President, Hon. Members should note that, even if it had been agreed to support this level of investment, many of the jobs at the laboratory would not have been safeguarded, nor would it have been guaranteed the long-term continued investment of the University of Liverpool and the same level of student intake.

Mr President, at the June 2004 sitting, this Hon. Court supported the motion put forward by Member for Rushen, Mr Gawne, and that motion read:

‘That Tynwald directs the Council of Ministers to establish a sub-committee to fully examine the options available to maintain in operation the Port Erin Marine Laboratory beyond the summer of 2006:

- (1) in its current form as a university research and educational facility, or
 - (2) in some other form encompassing a marine research and policy development centre, a public aquarium and other marine-related facilities, or
 - (3) in any other form appropriate for the site,
- and to report with full details of the costs involved to Tynwald by October 2004.’

A subcommittee of the Council of Ministers was established and the Committee comprised the Chief Minister, the Minister for Local Government and the Environment and the Minister for Agriculture, Fisheries and Forestry.

Mr President, it quickly became apparent that this was a complex issue with no quick-fix solution and, in October 2004, this Hon. Court was advised that the Subcommittee hoped to report back before the end of this parliamentary year.

The Subcommittee has met on four occasions and taken evidence from a number of individuals from both on and off the Island. These submissions have identified a wide range of views on the potential use of that facility. The subcommittee has visited the Laboratory site and identified that the building is in a poor state of repair, requiring urgent attention, and it is evident that the complex has suffered from a lack of investment in its buildings’ infrastructure for at least a decade.

The University of Liverpool has undertaken to leave the facility in reasonable condition when it departs in 2006 and will be undertaking certain repairs before that. However, investment from Government will be required, irrespective of decisions taken over its future use.

I would also reiterate that the land and buildings will be conveyed back to Government at a peppercorn consideration of £1.

Well, Mr President, where is the subcommittee up to now? The Subcommittee has intimated in this position statement that it is important for fisheries research work to be maintained at Port Erin, but that, in order to make the facility a viable long-term concern, additional tourism

and educational-related activity should form part of that facility.

In addition, it is hoped that the facility will ultimately be developed as a marine life centre. However, as this position statement highlights, it is proposed that the project should comprise two phases.

Mr President, phase 1 involves identifying the exact requirements for the establishment of an interim marine and fisheries research institute to provide continuity. This would help to ensure that the scientific research is continued, following the withdrawal of the University of Liverpool in June 2006, and also give time for the proposed project officer and project team to consider the practicalities of establishing these bodies and identifying the funding required, as well as finding likely partners.

It should be noted that, based on preliminary estimates, which take into account the essential repairs to the modern wing of the Laboratory, recruitment of skeleton staff to support the development of a partnership of Government and non-governmental bodies, and purchase or repair of basic laboratory equipment, an allocation in the region of £100,000 for the financial year 2006-07 may be necessary.

There will, of course, be items of equipment, library items of local interest and infrastructure, such as the system of running sea water which may need to be maintained if a decision is made to pursue the establishment of an interim marine and fisheries research institute.

It should be noted that there are certain buildings on the site on the western side, built as temporary facilities decades ago, that have no conceivable future and will need to be demolished. The modern wing of offices and laboratories to the rear of the building contains significant quantities of asbestos. Refurbishment of this wing would be costly, and, at this early stage, its future is certainly uncertain. It is, therefore, important that we determine a clearer picture of the physical assets that will be coming into Government ownership in a year’s time.

With regard to phase 2 and the development of a marine life centre, the Subcommittee believes that a broader steering group should be established to work on developing some of the wide inter-department elements of a marine life centre, as covered in the position statement. This larger group should conduct investigations of the possibilities for such a facility and seek to identify potential organisations or institutions that may wish to be involved in this work.

However, Mr President, the Subcommittee recognises that the costs of setting up a fully functioning marine life centre are likely to be very significant. These costs have to be borne in mind, when the future of this facility is considered; it cannot be developed at any cost.

The Committee will continue to explore all options for the future of the site. There has been no shortage of suggestions. I can report that the Committee has recently been approached by a local sporting organisation who are interested in building and managing an indoor sports facility on potential available land, on the western side of the site, and we hope to explore this proposal further.

So, Mr President, I am grateful for this opportunity to keep Hon. Members informed as to the progress of the Subcommittee looking into the future use of the Port Erin Laboratory site, and to give you an insight into what the future might hold for this facility. I hope that we can use today’s debates and comments to assess the views of Members on the options identified in the Report, which will

enable the Subcommittee to give clear guidance and direction to the project team charged with developing first phase.

Mr President, I beg to move.

The President: Hon. Member for Douglas West, Mr Delaney.

Mr Delaney: I rise to second and support this Report, Mr President, but also I would like to ask a small question for the benefit of Members. I took the trouble of going down and having a look at the curtilage of this property to find out exactly... The mistake I made was that I never took a map with me, so I do not know exactly what we own, it is not clear.

I agree with the Chief Minister, it is in such a bad state of repair, it is unbelievable. What I would like the Chief Minister, in replying, if he can, is to arrange for a map to be given to Members, so we all know, in land area, what we are talking about. I always assumed it was just the curtilage of the building, but it is actually pieces of land, as well, adjacent.

Thank you, Mr President.

The President: Hon. Member, Mrs Hannan.

Mrs Hannan: Thank you, Eaghtyrane.

I support some of the initiatives involved in this, but I think marine work is a little bit more than a building. I think it is important that some of the work that has gone on at the Marine Laboratory should continue; whether that needs to be out of Port Erin or from this particular building is by the by, in a way.

I would just like to comment on the importance of that because the work has been going on for over 100 years now and, if it stops now, we could be seen as losing very valuable information. I think, from that point of view, it is important that that continues.

There are a number of suggestions and I would just like to comment on one or two. The marine life centre suggestion, I am a little bit concerned because it says,

'within the Department of Tourism and Leisure the following areas are already under development and/or discussion'

and it says 'sea kayaking' and 'sea adventures'. There are already a number of people who are actually investing their time and their energy and their money, and also their knowledge, in this sort of area. I would hope that Government can look, before it starts looking at setting these up or facilitating themselves, at what is going on already and maybe act as a conduit for anybody involved in sea kayaking, RIB racing, whatever, power boat racing, marinas, those sort of things, a diving centre even.

I think a lot more discussion needs to go on with the public that are involved in these sectors and see what is really needed, before we try to start undercutting people that are already trying to make a go of these sort of issues.

Basking shark boat trips: a number of years ago a lot of money was put into the basking shark project. I believe that none of the information that has come out of that has ever been passed on to anyone else. I think that it is public money, or at least charitable money, but public money as well, that is involved in this.

I think we have got to make sure that the public money that we spend is given for the purposes that it is given for, and

that it is used for that and some return is got for the public, in these particular areas. I know in many areas there are boat trips already, out of Port Erin, Port St Mary, Peel, Douglas, and I just wonder why we need specific basking shark boat trips when there are other people involved.

We have got to be very wary of getting into areas where there are people involved. I do not think we would like it, if somebody came in and said, 'We are going to undercut you', or 'We are going to provide a building, so that people can operate out of this', without paying an economic rent for that.

I would hope that, while we do look at trying to look for a future for the building for some of the work that goes on there, I just think that it does not have to be, as Members have said, at any cost.

Thank you, Eaghtyrane.

The President: Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, I have said, whilst, on the negative side, it is a shame that it has taken so long to get here, as far as this issue is concerned, I am delighted to see that we are getting the spadework in. I understand the Shirveishagh's problems of prioritising, with all the problems that he inherited at the time, the MEA and other issues. I do think this is a step in the right direction; we do need someone to do the spadework.

As the Member for Fisheries, one was quite horrified, after the last general election, at finding what one inherited. We have come on some way, as far as Fisheries is concerned.

One of the things is, obviously, we hope that our successful bid for the control of our fishing grounds will be something that will be at long last achieved. Part of that package of measures for that must be on the grounds that we have a jurisdiction on the Island that wants to have a fishing industry that is part of a diverse economy of the Island, and I believe that there will be a day when we will be glad for jobs in this, maybe not so fashionable, sector of our economy, where we will be grateful for the income that they bring in.

Part of the measures have to be, with the Port Erin Marine Laboratory, in my opinion, that this must be a catalyst for our fisheries management. I believe that this is a glorious opportunity. I only hope that the Chief Minister does not have the situation where we have the same people being put forward, on the same lists, for these proposals.

As the Member for Fisheries – or the ex-Member for Fisheries to be – I still think it is important – (*Laughter*)

The Speaker: Are you going as well?

Mr Karran: I still think that it is important that there are some people who will be prepared to go into this opportunity, as far this marine lab proposal is concerned. I hope that the likes of myself, and some more people who are more in touch with reality, will be asked to be party to the working party on this subject.

Eaghtyrane, I think it is important that we recognise that this is one wonderful asset for the Isle of Man. We have spent £½ million on branding the Isle of Man. The Port Erin Marine Laboratory is respected around the world, and that brand needs to be continued.

Like the Hon. Member for Peel has said, there has been a wonderful amount of data, especially in these days of

more concern over global warming. We must have some of the longest data on sea temperatures in the world, and that sort of asset has to be protected. I hope the Ard-shirveishagh picks someone who has the commitment to do the job, do the spadework, as far as that is concerned. So, I will be more than happy to support this proposal.

I understand the dangers that the Ard-shirveishagh says about the issue of having to find the money. When we have heard with the previous debate where we were talking about the DHSS and the need for more money, when some health professionals are being told they have got to find a 5-per-cent cut in next year's budget, I understand the pressures that will be on the Chief Minister and the Treasury Minister to make sure of adequate resources.

This must not be seen as a new service. This is a service that we have had for a long time, and what the problem has been for a long time is the effective management of this facility.

I hope to see, Eaghtyrane, that this marine laboratory, if I am part of any working party, maybe it cannot just be the catalyst for making sure that we have a sustainable fishing industry, but it can be the catalyst for a more progressive, more positive monitoring system as far as Sellafield is concerned.

Maybe, this institution can be partly working with the Irish Republic, because we only found, a matter of the other week, there, that they knew about leaks from Sellafield long before we knew –

Mr Rimington: No, they did not. No.

Mr Karran: – and it just highlights that we need to work more with our –

Mr Rimington: Mr President, that is absolutely not true.

Mrs Cannell: Point of order.

The President: Mr Karran.

Mr Karran: Eaghtyrane, I think there are an awful lot of people who are under that impression, and I think –

Mr Rimington: You gave it.

A Member: There are now.

Mr Karran: As far as the issue, I think it was in the media, was it not, Hon. Member, before I even raised it – *(Laughter)*

Mrs Hannan: Oh, good grief! You are wonderful.

Mr Karran: At the end of the day, Eaghtyrane, I think it is important that this facility should be used for that sort of operation as well. I hope that the Shirveishagh considers turning it into some sort of proper educational trust or educational facility, a charitable trust, because there is money out there to work with, as far as the Marine Laboratory is concerned –

Mr Downie: Let us see it, then.

Mr Karran: I hope that we will see a broad membership

of any working party that does look at this, not just in the lines of different departmental empires, but people from outside, because the individual, whoever ends up having to do the spadework for this proposal needs the back-up and needs a balance of views as far as the input is concerned.

I hope that the Hon. Chief Minister takes on board my comments.

The President: Hon. Member of Council, Mrs Christian.

Mrs Christian: Thank you, Mr President.

I think Members who have been involved either with Fisheries or Education probably have a better understanding of the need for the continuation of a facility of this nature down in the south of the Island, and, of course, there is the economic element of the importance of the marine biological station to Port Erin.

Having read this Report, though, I felt that it was rather over-egged in some respects, in terms of the way in which the impact of closure was expanded upon in the documentation. For example, loss of potential for developing Manx Fisheries Management and Marine Research into a showcase for the world, with associated benefits to tourism, coastal management, education and international prestige.

Mr. President, that is extremely inspirational and aspirational and let us not condemn it, but –

Mr Downie: Two million a year industry

Mrs Christian: – where are we starting from here? On a specific point, I would ask the mover of the motion to indicate just how many staff they believe they will be getting for £100,000, along with the repair of the equipment and allocation of various monies for the securing of elements of the building? This seems like a very skeleton staff to me and is it realistic on that basis? *(Interjection by Mr Delaney.)*

A further point, Mr President, is that, within the document, they have outlined the sort of person that they would seek to appoint as a project officer. The suggested attributes are listed here and they are so diverse that I wonder if such a person actually can be found. I quite well understand the need for an understanding of fishery, scientific research, conservation, environmental education and so on, track record of securing project funding – possibly both those can be put together – some building project management experience... They are pretty diverse. I may be wrong, maybe there are such people about, but my personal reaction is that it may be very difficult to find, in one person, someone with all these attributes.

On a purely technical matter, Mr President, I have a query under Standing Orders about this motion on the Order Paper. We are asked to receive this Report. It is a Report which contains conclusions and recommendations and I will stand corrected, but it is my understanding that, with regard to recent recommendations and possibly changes made by the Standing Orders Committee, no such motion shall be made under Standing Orders now, where a Report or other document contains recommendations or conclusions.

So, I am not entirely clear whether we are being asked to endorse the recommendations, because there are recommendations in here. Standing Orders I do not think allow for that, anymore.

If we are simply receiving it, well and good, but that flies in the face of the change we have just made to Standing

Orders. Some clarification would be appreciated.

The President: Captain Douglas, Hon. Member for Malew and Santon.

Capt. Douglas: Gura mie eu, Eaghtyrane.

I will be as brief as I can, sir. It is a good Report and I think the two parts of the Report I would like to concentrate on are the rationale and, in fact, the benefits.

The rationale is good, and I would like to ask the Chief Minister if he can confirm that all the information we have achieved over 100 years will actually remain our property, or at least will we have ready access? I think, with global warming quite a priority now within the world, it is something, perhaps, that would be useful for the new Institute if it does get off the ground and I hope it does.

I think what we do need to do is make a partnership here between the public and the private sector. There are lots of research organisations, which I am quite sure if the Treasury Minister was to explain our zero taxation systems to these companies, might be very interested in coming here.

I hear and I see the tourism side of it and that is OK, but, of course, we have just noticed that the sharks were a problem for the speed boats, but there are other types of sport that, perhaps, would not knock the block off the poor old basking shark –

Mr Henderson: A rowing race.

Capt. Douglas: – a rowing race, I am told here (*Laughter*) but it certainly does need, I think, a lot of collaboration between not just only our own Government Departments, but, as it says here, the research and educators, who would bring benefits to the Island, the Irish Sea and the wide world.

Lots of these things, like Woods Hole (WHOI), they started off basically with a rowing boat, now it is a world-renowned centre for research, but ideally placed, sir, in the Irish Sea, I think.

We are back again to tides and global warming: we do have a necessity, I think, to be caring for ourselves in this area because we may very well find that it creeps up on us quite quickly and so, to throw away, perhaps, a system that has been there for 100 years, that decision should not be taken lightly and I would urge, really, everyone in this Hon. Court, sir, to support as much as they certainly can within this Report.

Thank you.

The President: Hon. Member for Douglas North, Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I have just got some brief observations on the Report. First of all, as the Hon. Member who has just resumed his seat has said, it is important to find out who are the legal owners of the data sets held within the Marine Lab. That is very important, so that we know exactly where we are up to with the information thus far gathered. I make a call for that to happen.

In looking at the work of the Institute up to date, I think it is very well worthwhile, whether it is the current subcommittee that does it or other Government Departments, that we need to look at what it is we have exactly been

spending our money on, and what day-to-day value the relevant Departments have been getting for the expenditure of that money. That is one thing that certainly needs to be assessed and the facts reported on.

The importance of the data sets held is another issue, and I think that needs to be assessed – important for who, to which Department, or which section of Government and who, in fact, should have, or hold, in the future, those particular data sets? Should it be, for instance, Manx National Heritage? I do not know, but I certainly note the practical day-to-day use and value for money that, thus far, Government or Departments have derived from the Marine Lab – that certainly requires close assessment.

Far be it from me to pour cold water on the situation, if you will pardon the pun, Eaghtyrane. I do see the value of the Port Erin Marine Lab in other ways, certainly as a multi-functional use centre and certainly establishing our own lab there that could do our own testing here on the Isle of Man without having to send so many samples away, such as DAFF have to do periodically or, in fact, DoLGE, that would be of benefit.

I also see the value of the tourism side of things, again important, and I also see the value of a marine life interpretation centre. We all know the value of what we have got on the *land* in the Isle of Man, but it is very few people actually recognise the true value of what is under the water around our shores. I think it would be an invaluable exercise to have a marine life interpretation centre as part of a multi-functional use centre, where schools, or schoolchildren, and adults alike could enjoy and suddenly discover what is so special about our marine environment here. That has been sadly lacking for a long time. Admittedly, there was an aquarium down there, but I think, by today's standards, something vastly improved is called for, most definitely. An understanding and appreciation of our marine life is vitally important.

Another element would be ongoing studies to assist our fisheries, as the Hon. Member, Mr Karran, has said, but practical research that does, in fact, assist our fisheries on a day-to-day basis. The collection of sets of data that sit on shelves year in, year out, that we are told are important, is one thing, but I would certainly like to see a collection and research done, whereby it could be accessed very easily, understood by officers and used on a day-to-day, week-by-week basis that is meaningful.

The first time I saw any of this important information, that was unveiled at the fishery seminar last year, Eaghtyrane, and I think it is the first time a lot of people had seen some of the information and just how valuable it was. The lesson I learnt from that is that, if we are collecting any information or conducting research, it has to be accessible and practical to those it is aimed at, or potential users, that is vitally important.

I have to say also, Eaghtyrane, that private sector input here should be encouraged, nurtured. Certainly, applications to large establishments or organisations should be made, because I feel certain that they may well be interested in participating in a multi-functional use centre, certainly on ecological grounds.

I just need to finish, Eaghtyrane, on basking sharks, which were thrown into the debate. Yes, the Isle of Man is world famous for its baskers, there is no question of that, and, certainly, we have had television crews in here from as far as Japan, making the trip especially, not as a side effect of

going to another country. They have flown here especially to film here and the Discovery Channel on Sky, and so on.

Having said that, I would dearly love to see the Isle of Man basking shark project involved in any multi-functional use centre, where an interpretation centre or advice centre was there, too, in conjunction with the marine life interpretation centre and the work of Mr Ken Watterson could be shown off to its full effect and for the understanding of the people of this Island, because that, too, is very important. I am sad that in the past – OK Government have stumped up a little bit, Eaghthyrane, but it was only a little bit, for the basking shark project, at that time and I think it is time that that project was re-energised.

Other institutions have capitalised on the work that was undertaken initially, and I think it is time to give due recognition, where recognition is warranted in this particular case, and I think Mr Watterson would be more than happy to help in any way he could in the establishment of the ideas I am advancing and certainly be more than happy to display to the public his findings and so on in a proper and appreciative fashion.

Gura mie eu, Eaghthyrane.

The President: Hon. Member, Mr Gawne. Not ready? Mr Corkill.

Mr Corkill: Thank you, Mr President.

I just wanted to add a few comments to the introduction that is in the Report and on the second paragraph, which refers to the University of Liverpool's background and the problem they have had with the marine biology area.

Really, my understanding is that it is, actually, much more than that. Yes, there has been a shrinkage in the way that marine biology academically is dealt with within all the universities, within the UK. In fact, there are many unemployed marine biologists, unemployed inside and outside of academia, but, as well as that, the whole basis of the research practice, that goes on in the universities these days, has changed beyond all recognition.

I had the privilege of spending a day when I was Chief Minister at the University of Liverpool, after the decision had been taken in relation to the funding, to see how they go about their work today and the whole Department, which was a huge Department, had very, very few people actually in it. The whole thing was running on computerised robots, and it was quite amazing to see how they were mapping genes, looking at the genetic material in fish, every species of fish that is on the planet. I think they have mapped about 40 per cent now of the genes of all fish.

So the whole IT side of marine biology is just mind-blowing and I think I probably only understood a fraction of a percentage of what they were doing. The University's needs have changed over time and I think that is the reason why they have, over time, not invested their efforts into the Port Erin Marine Biological Station.

I think, although this is now a watershed, as it were, the writing on the wall, as it were, had been coming for some years. I think, from a staffing point of view, they made a decision about three years ago, in reality, but, in terms of investment and infrastructure, the Chief Minister said 'they stopped spending money on the buildings about 10 years ago' (*Interjection by Mr Delaney*) So we are really where we are, and I am very encouraged that the debate today has been about diversity of the use of the Port Erin Marine

Biological site.

I was a bit disheartened when my colleague, Mr Karran, got to his feet and talked about problems inherited, but he balanced that up later on in his speech by saying this is a glorious opportunity. The answer is probably somewhere in the middle.

I have always thought that this watershed is an opportunity and I am very pleased to see that the committee is moving forward with this interim Report. I think the social, educational and commercial aspects are there to be exploited and, if the Chief Minister would – and I say this with tongue in cheek – wish to take up the invitation, I would very much offer to whisk him away from Peel one day, a one-and-a-half hour rigid inflatable boat trip to Portaferry in Northern Ireland – because I know he loves boats –

A Member: You could even bring him back!

Mr Corkill: – where there is a Marine Life Centre, which is very much an educational... and part of the social aspects of that part of Northern Ireland. It is a big part of their tourist industry, and to see children there actually being able to see marine life that is all around us here, is quite a joy to behold and I try to take my children over there at least once or twice a year.

So, these sort of things, I think the committee should continue to look at, and, yes, there will be costs to all of this, but I would suggest, and the debate will happen in due course, that that money would be far better value than what the University of Liverpool was asking for.

Having said all of that, I certainly believe that the relationship with the University of Liverpool is a much healthier and better one than it was a couple of years ago. It has gone through a few hiccups in recent years, as all relationships do, and I would hope, looking forward, that we still maintain our links with the University of Liverpool. We have them cemented in a number of areas, but even still in this area of marine biology and the sea environment, we ought to maintain those links and try and encourage things that, historically, have been of benefit to both of us. Those are the comments I wanted to make.

In relation to data ownership, I have a slightly different view from the Member for North Douglas, who seems very concerned about the ownership of the data. My emphasis would be on the continuity of that data and scientific information, which is really is for the benefit of all people, not necessarily just the people of the Isle of Man.

Just going back to the way that the research is done, they have so many opportunities and different ways of collecting data within the Irish Sea environment now, it is not necessary to have a land-based station in the traditional way. They have sensors on ferries that cross the sea every day, they take temperature readings in a number of different ways and, really, we have just been faced with the reality of this.

So I think the committee is doing a good job here taking things forward, I think it is a good Report. Notwithstanding the Standing Order issue that the Member of Council mentioned, I am happy to receive this Report and actually support the recommendations within it.

The President: Mr Rimington.

Mr Rimington: Thank you, Mr President.

Obviously, I am very supportive of the concept of finding

a useful future for the facility. It would be a loss, obviously, to the Island and I think it would be a loss to the south of the Island. There are many aspects to it, which we would not wish to see disappear, particularly in terms of our research and reputational loss.

I do agree with the comments from Member of Council, Mrs Christian, that some of the aspects in the Report are certainly over-egged and, indeed, if I had had more time, and not so many items on the Tynwald Agenda, then some of that over-egging would have been removed, but, I can assure you that, if you had seen the Report before I managed to get my pen towards it, there would have been more over-egging in there, because it was written out very much in an aspirational format and there has been some reduction of that over-egging already.

If I might just answer a few of the points that have been raised. Obviously, I have been very closely involved in the issue over the last year.

The Hon. Member of Council, Mr Delaney, the question –

Mr Delaney: No, not any longer.

Mr Rimington: Oh, sorry, Hon. Member. Hon. Member for Douglas West, Mr Delaney, my apologies.

The issue of ownership, once the University of Liverpool has transferred ownership of the site to ourselves, then we will actually own all that is there, because the land around it is owned by Government, and certainly the DOT are utilising the land out there to the west at the moment in a manner which, hopefully, when the site is redeveloped, will be greatly improved. So all the land will be in Government ownership in one form or another.

There is obviously some concern about this question of the loss of work and environmental monitoring; that commitment has been made. I have made that commitment, I have had discussions with scientists from Northern Ireland and am in contact with the representatives from the United Kingdom Environment Agency. The environmental monitoring and the Isle of Man's input into that environmental monitoring, because it is a very much inter-linked process, will continue and that commitment has been given.

However, it is quite true that such environmental monitoring does not need to take place at Port Erin and nor, indeed, does the fisheries research need to take place at Port Erin. Let us be crystal clear about that. It may be *desirable* that it should take place at Port Erin, but it does not need to be and one is going to be balancing up some strict economics on this issue with the other desirable factors of keeping that institution going and, obviously, there will be questions that will have to be addressed carefully at the time.

The issue about the data sets and who owns them and the legality of them has also started to be addressed and I did have a discussion with the new Professor of Biological Sciences from the University of Liverpool, who came over specifically to talk to us and we have discussed that very same issue and he explains – and I think this is quite valid and to repeat that – where data is taken under public sponsorship, whether that is from the Isle of Man Government or whoever, and the University of Liverpool is holding that, then that data is publicly available.

So, the question of legality of ownership and access to it, is in a sense, not relevant. It just needs a formal arrangement to get that access and to make sure that those gateways into

that data are there. But, work that has been undertaken with public money, then becomes public work. Obviously, there is a difference, if it is a private body, then different rules would apply. So, that 100 years or so of data is there for us and for all and, obviously, we wish that to continue.

I agree the point with Mrs Christian, and it is possibly my fault, about the inclusion of the building aspect in the project officer's spec. I slipped that one in – it was not in the original document – because I am actually of the firm belief that one of the things that has to take place in respect of this building, is actually understanding what you have got and there are certain practicalities there about going into a building. You cannot just walk into it in summer 2006 and then say, 'Oh, what shall we do with this? How can we use that?'

We actually have to know how that building works, what the potential problems are, the areas that can be used. If you want to take over the modern wing, put a heating system and boiler houses in the old wing, how does that physically happen?

It may well be that the project officer, I suspect, will not be one person and not that we should necessarily be going to have two project officers, but we will need to bring in extra expertise to address particular problems and there does need to be a science base there, but there does need to be an actual practical buildings aspect to that, certainly in the initial phase, because you are taking over an asset which is, indeed, a liability and there has been no significant investment in that asset for many years.

I do not honestly see that it would be the basis as a monitoring station for Sellafield. That work does take place; there is that monitoring on the Island already and it is based in our own scientific laboratory and staff, and I cannot, at this point, see a need to sort of replicate that in the new facility.

In relation to the £100,000 then, yes, £100,000 itself would be only for a skeleton staff. There is already, I think it is £180,000 of public money, predominantly from the Department of Agriculture, but also from my Department, which is being paid already at this point in time. So, it is money that was in the budget and what we could be possibly looking at is that the additional money that might be needed to progress this issue.

The concept of a public/private partnership, I think, is essential, especially in the climate of reductions in our capital availability. They were not necessarily going to be as overflowing with public money as we would like to be, but if the wider aspects that we would like to see at our facility, the Marine Life Centre, the Environment Centre – all the nice things rolled into one centre, and there is potential there – it is unlikely to happen, unless we do have a public/private partnership, because Government itself is unlikely to have that sort of level of money to pump into it.

So, there is quite a great deal of work in that respect to be done. I think, really, what we are looking for at this point in time is to say we need to move phase 1 forward. We need to take one step at a time and that is the direction I would hope we would be going in.

Thank you, Mr President.

The President: Hon. Member, Mr Gawne.

Mr Gawne: Gura mie eu Eaghtyrane.

Finally we have got to it. I do not suppose Members would be too surprised to hear that I am very supportive of

this Report. I think it is a good Report, but I do recognise, as the previous speaker had certainly recognised, Mrs Christian's concern about the aspirational nature of some elements of the Report.

However, I do wonder sometimes, whether it is not a bad thing to be aspirational, I know Mrs Christian was not suggesting that it was bad to be aspirational, but I think that the reason the aspirational bit came in there really was that, as I understand it from my role with the Department of Agriculture, Forestry and Fisheries, the Department was being asked by the sub-committee purely to look at the worst case scenario, when the marine labs actually close down, how could we cope?

So, I think it was helpful to inject a little bit of aspiration in at that stage. There are some very interesting elements and a lot of potential for the site and I think those need to be considered.

I would also like to point out that this is not purely a fisheries and DoLGE issue but, in fact, the conservation division of DAFF has received some very interesting and very helpful information from the Marine Lab. I think, increasingly, with the international commitments that we are signing up to, in terms of conservation and environmental protection, that the work of some form of marine and fisheries institution would be extremely valuable.

It would be fair to say, as some speakers have said, that this sort of work is not necessarily site specific, it is not absolutely essential that some form of marine and fisheries research institute is based at Port Erin. Obviously, as a Member for the area, I would like to think that it would be, but that is not absolutely essential. Certainly, the other elements of the Report, in relation to a marine life centre, I think those would very clearly be ideal things to happen in Port Erin, and I would certainly hope that those sorts of things will eventually happen.

I have circulated an amendment:

At the end add:

'and approves the 'Next Steps' recommended at page 10 of the Report, but removing the words 'and a Marine Life Centre' in recommendation No 1.'

This is in an endeavour to be helpful, having, again, had pointed out to us, and I was a little concerned about this myself, when I was reading through the Order Paper, that, in fact, the recommendations were not being asked to be approved. Clearly, there is a bit of a point there in relation to Standing Orders and, for that reason, I have circulated my amendment. I have removed the words 'and a marine life centre', purely on the basis of practicality. I think it is intended that the project officer was a short-term appointment, purely to look into, or, ideally, to look into the marine and fisheries research institute proposals and there is a degree of urgency that that work is done fairly quickly.

So, in the interest of making the recommendation practical, I have removed the words 'and the marine life centre,' but that would certainly not be, on my part, a suggestion that I was not fully supportive of us exploring as fully as we can, the possibilities of developing the life centre in Port Erin so, I think most of the other things I had to say have already been said a number of times by other speakers, and I do hope that someone will be prepared to second.

The President: Hon. Member, Mr Gill.

Mr Gill: Yes, thank you, Eaghtyrane.

I will be happy to second the amendment put forward by my colleague, but, in doing so, would reiterate his caveat that, whilst it is removing, 'and a marine life centre' from the text at this juncture, it is certainly not removing that the feasibility of that, or indeed any other leisure option, from being subsequently covered. I would not want any uncertainty about that message.

I have the dubious pleasure, sometimes, of sitting between a Member for DAFF and a Member for DoLGE, and when a report such as this comes forward, it is very much focused on their areas of interest, and I acknowledge and understand that, but I have to say I draw some concern from the fact that it does not place equal emphasis, or even indication in equality of emphasis, on other uses, particularly leisure uses.

We have heard about a marine interpretation centre. Just briefly, Eaghtyrane, my own view is that there is a great deal of merit to be gained from considering the whole area that the Marine Lab is located within and a wider area, if it was appropriately equipped with slipways for a dive school. We have seen in the UK, particularly Plymouth, where they have deliberately sunk various ships to use as diving reefs and they have been usually successful. Of course, there is an economy of scale in Plymouth that, perhaps, we would not enjoy, but, equally, if there is a proven programme and a proven product, then the market could, foreseeably, still be there and I would not want us to miss that opportunity, simply by allowing ourselves to be focused on the narrow but important benefits of having scientific research.

All I would say, sir, is that, on the final page, after 'Next steps', where it says, 'leaving the Marine Laboratory to stand empty is not a realistic option...', I would wholeheartedly agree with that. I know the former Chief Minister stated that very clearly, and that was very reassuring.

I hope that, in summing up, the Chief Minister will also advise us that that is still the same wisdom in his mind, but when it goes on to say, '...if there is any intention to continue marine research on the premises in the longer term,' I do not actually think that that is a fair and congruent caveat. We could maintain some presence in the building, for whatever use.

If, in the short term, it is to be, so we can approve the recommendations, as amended, I will be happy to do that, but I would just reiterate – and I hope the Chief Minister will bring some comfort to those who are looking to generate some economic activity from the site in the future – that it will not be narrowed down to the scientific uses which we are considering today.

The President: Chief Minister to reply.

The Chief Minister: Yes, thank you, Mr President.

Well, first of all, if I could just generally thank those who have made a contribution and, obviously, those from the south, in total, made a contribution, because of their obvious interest and anxiety that this site is not, first of all, left as it is, and, secondly, does have a project there that enhances, if possible, the area and also, of course, brings economy to the village of Port Erin.

The first request was from Mr Delaney and that was for a map of the area. Well, it is difficult, because, of course, even the rock face at the bottom, the area then goes out on to the front and then we go out on to the road. I have to

confess I am not sure whether the grassed area up to the road belongs to it, or whether, in fact, some of that is Transport, but, anyway, whatever, when it would be finally put over to the Government, for the £1 consideration, well, at least they would all be in Government, so at least the whole area would be in the Government's hands.

Mrs Hannan expressed very early on that work there should continue, but everything there is more than just the building and that is absolutely true, because the building is only there housing the people who have got the expertise and the skill to do the work. Of course, there are others in that area, both in Port Erin and Port St Mary, who do just the very things that, somewhere in our Report, it states, 'could be interesting and could be developed' and one would hope, because of the interest that has been shown from a great variety of different people, on and off the Island, that, in fact, that would enhance possibly what they are doing, because they have a very good facility and possibly a better facility from where they could operate, and probably attract more into that particular interest.

I do not think there was any thought in the Committee whatsoever of trying to put someone out of work, or put someone out of their interests. It was more to try to enhance the very interest in anything to do with the sea, and those who want to stay there, because it is fair to say there is not only those who have activities in the sea who have shown interest. We have had interest shown from hoteliers and that type of person, so there are areas, I think, that we have got to consider to go forward.

Without any doubt, I think a partnership of some description is something that we are looking at and the reason why you have got a Report in front of you today, which we have called a 'Position Statement', is, purely and simply, because we have got to have something a little more to be able to go out to the private sector or to companies, to actually produce something for them to get a line on what it is that Tynwald actually are looking for. What are they looking for, by way of that site, and is it a mixed type of project, or whatever?

So, we need a little more and that is why we have gone forward, asking for someone on a short-term contract to be financed by – if you look in the Report – the three Departments, out of monies already in their Department, already voted, so that they can actually take this forward.

We found, after visiting the site – certainly when I came on to this particular Committee, Mr Corkill having led it in the early days, and I thank him for his contribution – it is a fact that we do need more experience in that type of thing and also somebody that can dedicate their time to bringing it all together.

Mrs Christian said this must be a multi-talented, very special person and, of course, we do recognise that whoever we might get, could very well have some of those attributes and, therefore, the rest would have to be brought in, or they would have to be people with that particular skill brought in, but the main thing was a person who could administratively have the experience to pull a project together. That, really, was what we were looking for there and the only way, really, to bring this situation to come to Tynwald with a final report, with final recommendations, is really to have a little more expertise in that Committee.

Mr Karran, again congratulations, inasmuch as, although it has been a long time, it is in the right direction and, of course, the importance to the fishing, we well understand.

We well understand that there is a lot of data which was mentioned by Mr Henderson, the fact that the data we know and I think, again, it could have been Mrs Hannan, a hundred years of data. We do not want to lose that and I think we have already secured that the data is there, the data will be available to us and we must retain it.

Then, as the debate went forward, we went into the situation of education, particularly in universities, has changed and, yes, it has changed. At one time the only way that that type of thing could have been done was by students coming to the Isle of Man to a wonderful place where the seas are unpolluted and it was an exceptionally good position to be doing those experiments. Now, we have a situation where a lot of that is done on the coast of Wales which is, of course, on the very island where most of the students come from.

Then we come into the throes of what Mr Corkill said in his contribution about the way in which this particular area now has, or appears to have, a lot of marine university people who are not actually in work. That has been spelled out to us from the point of view that they were always in a position, where they had 30 or 40 students per year signing on to come to the university at Port Erin. When we were down there visiting, I think they had six that had signed up for the ensuing year.

That just, again, brings us to the point of the lack of investment over the years, because if the student numbers have been going down, obviously the input into the capital of that particular place – and you can well understand why it is in the situation it is, which is pretty horrible, particularly, as I have said, on the west side.

I thank Mr Rimington, Mr Corkill and Mr Henderson for their input into this, but then we come to the rather difficult area and that is the situation of the recommendation actually in the document, where we were really wanting to give to Tynwald what we have done up to now, a position statement and to get some idea, if Tynwald thought we were still going in the right direction, and, in fact, do you wish us to continue in that direction?

So, therefore, the recommendation in the Report read: 'receives the Report from the Council of Ministers entitled Port Erin Marine Laboratory: future proposals – position statement and endorses the actions being taken by the Council of Ministers to progress the future use of the site.'

I know this discussion took place between my Office and the Tynwald Office with respect to this, and, of course, then on the agenda itself you have, 'That Tynwald receives the Report from the Council of Ministers, entitled the Marine Laboratory future proposals – position statement' because what we were looking for was an endorsement of the fact that we were going in the right direction.

Now, of course, we have an amendment put down, which brings us back, really, to instead of 'endorse' – which is in the Report – 'approves' the next steps recommended at page 10 of the Report, but removing the words 'and a marine life centre' in recommendation 1.

So the only thing, Mr President, I can say is we were not looking for any endorsement of any of the suggestions that were being made as what the possible final Report might very well recommend. It was more to enable us to go ahead with, as I say, the three Departments of Government putting something into the financial pot, to be able to take this further forward, so that we could come up with a final Report, having made contact with private ... or companies or whatever, to see if we could get some idea of a joint ownership, joint

management, or, certainly, some financial input into it.

As far as I can see, Mr President, this has caused difficulty. I hope that we can get these Standing Orders sorted as to these Reports coming forward, because I think this must be the fourth that I have had to handle, whereby it has not come up to the standards required in Standing Orders, and I find that extremely difficult and extremely puzzling for Members of Tynwald, I have to confess.

So all I can say, Mr President, is that the amendment from Mr Gawne virtually takes up the situation, where the recommendation at number 6 in the actual Report itself, which refers to page 10, and if you look on page 10, of course, it does have 'Next steps', but then it does have 'the subcommittee recommends', and, of course, as soon as that 'recommends' goes in the Report, that is where we fall foul.

So, Mr President, all I can say is that we do not intend to go spending hundreds of thousands of pounds, it is purely to allow us to go forward with what is suggested there as the next steps, so that we can actually progress this and come back to Tynwald, hopefully, with a report of what is feasible, and what we could recommend to Tynwald for their approval, sir.

The President: Hon. Members, the motion before the Court is printed at 18. To that, Hon. Members, you have got the amendment in the name of the Hon. Member for Rushen, Mr Gawne. Those in favour of the amendment, Hon. Members, please say aye; against, no. The ayes have it. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys – Ayes 15, Noes 4

FOR

Mr Cannan
Mr Teare
Mr Rodan
Mr Quayle
Mr Rimington
Mr Gill
Mr Gawne
Mr Houghton
Mrs Cannell
Mr Shimmin
Mr Delaney
Mrs Craine
Mr Karran
Capt. Douglas
The Speaker

AGAINST

Mr Henderson
Mrs Hannan
Mr Corkill
Mr Earnshaw

The Speaker: Mr President, the amendment carries in the House of Keys, with 15 votes for, 4 votes against.

In the Council – Ayes 7, Noes 2

FOR

The Lord Bishop
Mr Lowey
Mr Butt
Mrs Christian
Mr Gelling
Mrs Crowe
Mr Downie

AGAINST

Mr Waft
Mr Singer

The President: With 7 for, 2 against in the Council, Hon.

Members, the amendment, therefore, carries.

In that case, Hon. Members, I now put to you the motion, as amended. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, I think it is an appropriate time at which we took our break. We will resume our deliberations at 2.30 p.m., Hon. Members, and can I remind Hon. Members that there is a presentation in the Millennium Room from those who were in Dublin recently. Thank you.

*The Court adjourned at 1.05 p.m.
and resumed its sitting at 2.30 p.m.*

**Review of functions of Lieutenant-Governor
under Acts of Tynwald
Council of Ministers' Report
Amended motion carried**

19. The Chief Minister to move:

That the Report of the Council of Ministers on the Review of the Functions of the Lieutenant Governor under Acts of Tynwald be received and the following recommendations be approved:

- (i) The proposals set out in sections 10, 11 and 12 of this Report should be progressed either by a Transfer of Functions (Governor in Council) Order, a Transfer of Governor's Functions Bill or by an amendment to primary legislation, as appropriate. This legislation should be prepared and progressed as soon as practical;*
- (ii) The Tynwald Library should identify all functions of the Governor or the Governor in Council included in all current secondary legislation made under Acts of Tynwald, following which the Council of Ministers should consider whether any functions identified under such legislation could be appropriately transferred.*

The President: Please be seated, Hon. Members.

Hon. Members, having reached the allotted hour, we have reached 19 on the Order Paper and I call upon the Chief Minister to move – Item 19.

The Chief Minister (Mr Gelling): Thank you, Mr President.

The first Report of the Standing Committee of Tynwald on Constitutional Matters for the session 2003-04 recommended that the Council of Ministers should re-examine the functions remaining to the post of the Lieutenant Governor, with a view to bringing the Statute Book up to date and report during the current legislative session.

The Council of Ministers charged the Constitutional and External Relations Committee with considering the matter. Due to other substantial issues being considered by the Committee during that period, such as the EU Constitutional Treaty and the EU Savings Directive, along with the Tax Information Exchange Agreements and discussions with the United Kingdom on the appointment process for the next Lieutenant Governor, amongst other matters, the re-examination of the functions remaining with the Lieutenant Governor was, in fact, Mr President, delayed.

The following Report from the Tynwald Standing Committee for the session 2004-05 recommended that the

Chief Minister should report to the Court on the outcome of the Government's review of the Lieutenant Governor's powers by April 2005. By this point, Mr President, the Committee had begun to move forward with the review. However, the large number of Governor and Governor in Council functions requiring consideration meant that the Committee was unable to properly complete its deliberations in time to report to Tynwald in April 2005.

Consequently, I made a statement to this Hon. Court apologising for the delay and giving an assurance that the Report would be submitted no later than the end of the current legislative session. So, the Report before this Hon. Court today represents the outcome of the deliberations into this matter. The Report looks at the residual functions of the Governor and the Governor in Council and considers whether these remain appropriate, or if they should be transferred and, if so, to whom or where.

The Committee began its work by considering the detailed list of Governor and Governor in Council functions under Acts of Tynwald set out in Appendix 1 to the Tynwald Standing Committee's 2003-04 Report. In addition, my Office and the Attorney General's Chambers checked our Acts for any further functions of the Governor or for any changes since the Tynwald Standing Committee's list had been compiled and I should say, Mr President, that only references to the Governor and Governor in Council contained in Acts of Tynwald, at present in force, were reviewed.

The Committee did not feel the functions of the Governor under Acts of Parliament extended to the Island under Orders in Council fell within the scope of the review. Nor, Mr President, did the Committee look at Isle of Man secondary legislation and I will refer to this again later.

I would emphasise to Hon. Members that this has been a very detailed exercise, which has involved liaising with many Departments and agencies of Government, with his Honour the First Deemster, with the Tynwald Standing Committee on Constitutional Matters, and with the Attorney General and the staff of his Chambers. I would like to take the opportunity to thank all those agencies and individuals concerned for their valuable comments which, I believe, have been most helpful in ensuring that the functions to be transferred will be exercised by the most appropriate Government agency or individual.

Mr President, over the years, the Governor's powers and duties which derived from Manx law have been radically altered. The Governor's General Functions (Transfer) Act 1980 transferred many of the functions then vested in the Governor to Boards of Tynwald or, where there was no suitable Board of Tynwald with the appropriate responsibility, the functions were transferred to the Governor in Council. In more recent years, further powers and duties were transferred under subsequent Acts and Orders.

Hon. Members, I do not propose to run through each of the functions to be transferred on an individual basis. Sections 10, 11 and 12 of the Report set out the relevant legislation, the subject matter and the proposed action and comments of the Committee. In undertaking this review, Mr President, the Committee proceeded by considering why any remaining functions should *not* be transferred.

We examined the Statutes in detail, with a view to transferring all those powers where transfer is realistic. However, whilst the Committee has proposed the transfer of many responsibilities, I am sure Members will appreciate

that there are still some functions where it is constitutionally appropriate, or otherwise desirable, for them to remain vested in the Governor or in the Governor in Council. This is particularly so in relation to some functions concerning security issues and matters affecting the interests of the Crown, where the Governor would act on behalf of the Crown to protect its interests.

If the proposals in this Report are adopted, the transfer of the functions will be effected either by a Transfer of Functions (Governor in Council) Order, a Transfer of Governor's Functions Bill, or by an amendment to primary legislation, as appropriate. Whilst, at the outset, the Committee had intended to only consider the Governor and Governor in Council functions under Acts of Tynwald, two significant Governor in Council functions under secondary legislation came to the Committee's attention during the course of its review. This raised within the Committee the wider issue of the Governor and Governor in Council functions under the Isle of Man subordinate legislation.

Enquiries identified that, unlike primary legislation, there is not an easily researchable and regularly updated resource available in the case of the secondary legislation. To undertake a comprehensive search of the secondary legislation currently in force for Governor and Governor in Council functions would, therefore, be a difficult and time-consuming research task, which would need to be undertaken, we have suggested, by the Tynwald Library.

Consequently, the Committee has not been able to examine the functions of the Governor or Governor in Council under secondary legislation for the purpose of this Report, but it is of the view that, in order to complete its task, all such legislation should be identified by the Tynwald Library and then reviewed by the Committee. Therefore, this view forms one of the recommendations contained in this Report.

Finally, Mr President, I would advise that, whilst His Excellency the Lieutenant Governor has been informed of this review and that it has been undertaken, as a courtesy, neither he nor the UK has had the opportunity to formally comment. Whilst many of the recommendations contained in the Report are without controversy, the usual consultation procedure with the Department of Constitutional Affairs on any changes to the powers and functions of the Governor and Governor in Council will be necessary.

So, Mr President, in bringing this matter before this Hon. Court today, I believe that we have taken another step towards our stated aim of constitutional development and towards more complete self-government.

Therefore, Mr President, I commend the report to this Hon. Court and beg to move the Item standing in my name at number 19, sir.

The President: The Hon. Member, Mr Rodan.

Mr Rodan: I beg to second, sir, and reserve my remarks.

The President: Hon. Member, Mr Speaker.

The Speaker: Yes, thank you, Mr President.

There is one item in this Report I can agree with. It says, in paragraph 3.2 on page 2:

'the Committee has made significant recommendations in the area of constitutional matters in this Report'

and that statement is a very valid statement. Then I read the Report. I have to say that I was quite shocked with what I read and some of the proposals that are actually being recommended to Tynwald to endorse.

Most of these recommendations are one-liners, basically six or eight words, with no justification, no explanation as to the implications of the proposed changes. They have significant impact on our constitution, not only in Government but within Tynwald and within the House of Keys. This Report erodes those barriers. It does not even recognise the difference between the House of Keys and Tynwald Court. It just brushes it aside. Mr President, I am shocked by this Report. I really am.

When I went through it, I really found it difficult to understand the logic of where the Committee came from and then for it to be endorsed by the other Members of the Council of Ministers who, presumably, read it and, presumably, understand the implications – endorsed it to come forward to Tynwald Court. I just find it strange, why some of the changes are here and I can only put it down, Mr President, to a total misunderstanding by the politicians of the constitutional position of the Isle of Man and its Government, its parliament, ie Tynwald, and, of course, the Keys.

Mr President, I give some examples, because they are important to explain.

We have, on page 10: Recommendations to the Council of Ministers Act 1990. Appointment of the Chief Minister on the nomination of Tynwald is what presently happens and then the Chief Minister receives his warrant from His Excellency on behalf of the Crown. It is suggested that the Chief Minister be appointed by Tynwald and Tynwald alone. The next bit says,

‘Appointment of Ministers on the advice and with the concurrence of the Chief Minister’.

Again, the Ministers are given their warrants by His Excellency on behalf of the Crown. It is recommending that it just be the Chief Minister to appoint the Ministers. That might sound strange. Why do we want His Excellency involved in it? Mr President, one of the things we found since we brought in the ministerial system – love or hate it – which has been of considerable benefit to us, has been the status of our Chief Minister and Ministers off Island, when dealing with the British Government.

I have the greatest respect and recognition for Tynwald Court, but this takes us back to a position where the Chairmen of Boards were Chairmen of Tynwald Boards. The Ministers cease to be Ministers of the Crown in the Isle of Man and yet, in the Report, we are suggesting that the civil servants remain civil servants of the Crown. So, we will have the civil servants who will be Crown officers, but we will have the Ministers, who will *not* be. In terms of Ministers and Chief Minister, I just find it unbelievable.

When the ministerial system was developed by a Tynwald Committee, and then it advanced and it was developed further by the then Council of Ministers – and there are reports that go into this – it was a deliberate decision – a conscious, deliberate decision – that the Chief Minister and the Ministers would be appointed by His Excellency, so that they were then Ministers of the Crown within the Isle of Man, because it was important that we did not have the reaction we had in the United Kingdom – which we regularly had – which was, ‘Huh, they are not of any consequence.’

You have to understand the United Kingdom and their thinking and their logic. Minister of the Crown they recognise and the Chief Minister will be able to verify this, as will other Ministers, in meetings that have taken place, formerly in the Home Office and now with the DCA, when Jersey and Guernsey just had presidents and chairmen and suddenly we were up top of the table. Our position was recognised of greater status by the British authorities. That might not seem important, because we are the Isle of Man, and, anyway, what does it matter? But, when we are dealing with international matters, when we are getting a position where the United Kingdom has, over the last 20 years, recognised that the Isle of Man Government is of some status and that Ministers are, in fact, important, because they are linked to the Crown, it meant we are more effective in European affairs, it meant we are more effective in other areas where we have been able to go and represent ourselves, for example, with the OECD and so on. This, in my opinion will diminish that status.

There is not even an explanation, Mr President, in the Report, why it should change. It just says ‘let’s change it’.

It is a total misunderstanding and, that alone, I cannot support the Report. I am not a Minister, but I was, and I know why we did it, and I know why it is important for the Isle of Man. Forget me, forget whoever has got the position, but for the Isle of Man and its Government, and how it deals with matters, it is absolutely critical.

Then it has, on page 11:

‘it would be the duty to notify the resignation of the Chief Minister or a Minister to the President of Tynwald’.

Again, why? With the greatest respect – now okay – if the Ministers are appointed by Tynwald and that is it, elected by Tynwald, you could say, well, it is just a procedural matter. That is fine, but my view is we should not get into that at all.

If I go further into the Report, Mr President, Representation of the People Act 1995, pages 17 and 18, and the implications on that are just – I am sorry – it is a misunderstanding of the position and the relationship of Tynwald Court, the House of Keys and of the Government.

The House of Keys is not a subcommittee of Tynwald Court. The House of Keys is a legislature in its own right. The Speaker of the House of Keys is not, in my opinion, there to resign to the President of Tynwald. The Constitutional Committee of Tynwald provided a way forward of a change, which we believe – and I am a member of that Committee, the Chairman is here, I am sure he might say something – was the right way forward, of making an advancement, and that was to contain it within the Keys.

Hon. Members, the Speaker of the House of Keys, whoever it may be, in Tynwald Court is a Member of Tynwald and is answerable to the presiding officer, the President of Tynwald, but in the House of Keys he is only answerable to the House of Keys. So I do not believe it is for the Speaker to resign to the President of Tynwald.

We also have a situation about extending the time of the Keys in case of war or whatever it may be. Again, the Constitutional Committee put forward a formula to advance us forward, which involved the President of Tynwald, the Speaker of the House of Keys, the Chief Minister and, I think then, His Excellency, to make a change to get a way forward – just brushed aside, just totally brushed aside: leave it with the Governor, as at present. So, again, you know, what does

not suit does not happen.

Receipt of a notice of a vacancy in the House of Keys, proposed that we transfer that to the President of Tynwald. Why? Why? I am talking about the position now, nothing to do with the individuals, this is constitutional. What does a resignation in the House of Keys, with the greatest respect, have to do with the President of Tynwald?

Mr Downie: Because he is a member of the Court.

The Speaker: No, he is not and this is the problem, Minister.

Ministers have not taken proper thought of our constitutional position, our constitutional relationships and how the structure in the Isle of Man works. And the problem is because some Ministers do not give a monkey about it, that is the problem, they give no thought to these things, they just say, 'oh, that is fine'.

How on earth can people sit down and read through this Report, with the greatest of respect, with no more than 8 or 10 words telling you to make a change and say 'yes, that is great'? I really do find it astounding, Mr President, if it was not so important, you could let it go, but this is so important, and I agree that there needs to be changes of devolving powers from His Excellency to the political areas, but some of them contradict each other and I just do not understand it and I will come back to that in a minute.

We had another one, Mr President, Board of Education, receipt of a notice of the Board of Education vacancy. Constitutional Committee suggested that that should actually be a matter for the Minister of Education, because of the status now of the Board of Education. 'Oh no, can't do that' – that goes to the President of Tynwald. Why? What on earth has the operation of the Board of Education, which is a departmental board, devolved from the Department of Education, have to do with the President of Tynwald? There is no link at all. Again, a lack of thought of the basis of the structure of the Isle of Man.

We have anti-terrorism issues – and it says, 'leave with the Governor', 'leave with the Governor in Council'. I will just give one example: 'Power to Designate Ports' – this is under the anti-terrorism crime – 'leave with the Governor in Council provision relating to national security prevention of terrorism.' We have our own Prevention of Terrorism Act, it is ours, nobody else's, it is ours. The Ministers should be responsible and the Council of Ministers, not the Governor in Council.

If the Minister of Transport says, in an emergency, he needs to close a port or whatever it may be, then he should be able to do it and, if you do not trust the Minister, well make him at least then go to the Council of Ministers as an urgent matter and do it. Why does the Governor need to be involved in that issue? Closing Douglas port for anti-terrorism. The Minister of Transport will get the Police saying, 'we have an incident' or 'we need to close off this port'. Is he going to say, 'no, because it is not a good idea'? It might make the Police justify what the potential incident is, and rightly so, but why, in that case, do we leave it with the Governor in Council?

We are supposedly trying to advance. but there is a simple one, and the answer is no, do not advance, because we do not need to. Again, Anti-Terrorism and Crime Act 2003, subject matter: 'Power to make regulations re Crown servants and regulators' – leave with the Governor in Council, because

they are Crown matters. Well, under the Act, under our law, again I will come back to that, under our law, Civil Service Act 1990, conditions of service: 'A civil servant shall hold office at the pleasure of the Crown'. So they are Crown Officers. So we are going to keep our civil servants as Crown Officers, but we are not going to keep our Ministers as Crown Officers within the Isle of Man. I just find it poorly thought out.

Civil Defence: 'leave this with the Governor in Council for the present'. Well, again, why? I do not know why? Civil Service in the Isle of Man, Mr President, is a responsibility under the Department of Home Affairs, the Minister. The Secretary of State, I am sure, in an equivalent situation in the United Kingdom wants to do something with the Civil Defence in relation to functions, approval of whatever powers he has got to do there. I am sure that he does not run off to the cabinet.

Now, either we are going to be grown up or we are not, and all I see here is 'yes, we will make a change, but let us make sure nobody gets upset and let us make sure that nobody is really put in the hot seat'. Ministers are paid to be in the hot seat. They are paid to make decisions and they are made to be answerable to Tynwald Court. Therefore, there is your safeguard to keep some sort of control on it.

If I go further into the Report – Government Departments Act – now, in this one, page 26, I find it quite strange, again, we have provisions that we have deliberately built into the legislation, Mr President, which required certain changes in Government, that they require Tynwald to approve those changes by Order. They are all just brushed aside here – well 'do not go to Tynwald any more', 'let us not go to Tynwald any more, we will just do it'.

These are fundamental to how the Government of the Isle of Man operates and is answerable to Tynwald. So, if the Government structure is going to be altered and functions are going to be changed, my view is that it should come to Tynwald, because the Minister's powers come from what is in the Government Departments Act and other statutory provisions and, therefore, they should be answerable to Tynwald Court. If there are changes to be made, the Minister should, quite clearly, require Tynwald to approve those changes, because they tend to relate to statute.

It is not just policy, these are statutory changes that are usually altering legislation, transferring functions from one Department to another, which can be statutory. Tynwald should deal with that, because it is a need for regulation, it is a requirement for secondary legislation. So, again, no justification, 'let us just do it that way'.

Mr President, a lot of things in here are straightforward on the surface of it, and I am sure they are, because you can understand it. What I cannot understand is what is the effective dismantling in certain areas of the responsibility of Tynwald and, more importantly, of downgrading our Government and its status, not just in the Isle of Man but off-Island.

We have in here, Mr President, a recommendation also about the Tynwald Library taking over certain functions. The Tynwald Library was consulted, I think it was a very brief consultation – not sure if it was a phone call or a chat – one or the other. There was not any detailed consideration of it, but the implications of what is a recommendation, I am told by the staff, are substantial. Fine, maybe we ought to work towards that, but let us have some reasoning behind these changes. What are the changes for and what are the

implications of the changes? Why are we moving into areas which are relating to the Keys and Tynwald and crossing those boundaries?

These opportunities to make changes, I have no problem at all, but get the structure right to make those changes.

Mr President, I think this Report is a very important Report, which will not be seen as that important, possibly, outside of Tynwald Court, but it is actually a very important one. The proposed changes are fundamental to the structures of the Isle of Man and its constitutional relationships. Therefore, because I think it is important that we do not just throw this away, because there are certain things, which, personally, I do not have a problem with, I think Tynwald needs to be very careful what it does and I think that we need to be sure what the implications are of the points in this Report.

I, therefore, move an amendment, Mr President, which will take away some of the words in the original motion, in the name of the Chief Minister:

Delete all the words after 'be received' and substitute – 'be referred to joint detailed consideration between the Council of Ministers Constitutional and External Relations Committee and the Standing Committee of Tynwald on Constitutional Matters and report to Tynwald.'

Mr President, there is no problem in accepting and approving Reports, if we can clearly understand the implications of what is in here. I do not believe many Members will understand the full implications of what is in this, really, quite small Report of 31 pages.

There is nothing wrong with having a short Report, if that is all you need, but the recommendations, I mean, they just go on and on and on. They might be right; I may be wrong in some of the aspects of what I have said. Maybe I am. That is fine, but what we do need is when somebody is putting to us that we should approve such substantial changes, which the Committee itself says are substantial, is justification and the laying out of the implications of what we are doing.

I am sorry, Mr President, through the Chief Minister, it is missing and I just think we need to find a way forward on this, because I do want to see changes. I was on the Committee that recommended that we ask the Council of Ministers to look at this (*Interjection by Mrs Hannan*) and what I think we should do now is ask both bodies to get together, for the good of the Isle of Man, and, hopefully, clearly lay out to Tynwald what the implications of these changes are in more detail, so we can make a proper, considered decision, knowing the implications of what we are doing. I do not believe this Report helps us do that.

Therefore, Mr President, I beg to move the amendment standing in my name.

The President: Hon. Member, Mr Earnshaw.

Thank you Eaghtyrane.

I would like to begin by thanking Mr Speaker for his helpful comments regarding that. He has obviously got a lot of experience in this area regarding the constitution of the Isle of Man, of parliamentary procedures. I think it was very helpful, the views he has just put forward.

I would like to talk, in more general terms, about what we have in front of us, to begin with, Eaghtyrane.

I realise there is a procedural aspect to this, and there is a certain inevitability about the march forward with the

changes that the motion provides. But the concern I have got is that it also another dilution in the constitutional relationship of the Island's Governor, and it helps the case of those who, perhaps, would prefer to see the Island with *no* Governor. Some in the Isle of Man will rejoice about that possible prospect, but I am not necessarily one of them.

On this Island, Eaghtyrane, you are either in favour of having a Governor, you oppose having a Governor, or you do not really care. I believe a huge number are in the first category, and I believe the number has grown in recent years, due to the hard work and enthusiasm put into the job by the present Governor and his wife.

Eaghtyrane, I am Manx, like most people in this Court, and I am proud of it, and I take a great interest in our heritage. I do, however, as part of that understanding of our heritage, recognise the special relationship we enjoy with the UK as a Crown dependency, and I just wanted to make my point, for the record. I think we should guard ourselves against damaging that association, and I truly believe, Mr President, we have the best of both worlds in the Isle of Man. We have a very considerable, although not total, independence, but we also have the comfort of our neighbour in times of need and I think we should always be conscious of that fact.

I was going to say that I will not be voting against this, because I think it would be like trying to keep the tide back, and I did intend to just make my point about our UK relationship and the safety net it provides, but having listened to Mr Speaker's amendments, he is clearly not very happy with what we have got in front of us, and my view is that he is on the right track. So I would certainly like to second that amendment, and, in view of what he has said, I think if it goes through the Committees that he has suggested, that will be a useful path to follow.

So with that, Eaghtyrane, I beg to second the amendment.

The President: Mr Delaney, Hon. Member, Douglas West.

Mr Delaney: Delighted to hear the last speaker, Mr President. It saves me seconding it, the amendment, but I will be seconding it for a separate reason, sir.

The Report is very good, it is something you can hold your hand up to, if you actually understand what we are living under in the Island. What I am going to say now is no disrespect to what we have got; this has been my ambition for the last 28 years, to improve our situation.

Some years ago, they created a President. I felt at that time, and some Members may remember, the words I used were – Mr Lowey certainly does, I see the smile there – 'in the future you will need that title'. It came about. But there is a misunderstanding of what the President is. In our respect here, you are virtually, Mr President, the Speaker of Tynwald, ex political. You are not the President of the Isle of Man.

I have explained to people, particularly people outside the Isle of Man, exactly our situation. When they hear the word 'President' they think, 'Oh, yes, we have got one of them', but, of course, then you have to get round and say 'well, not really, you are different, you elect your President. We, in the Isle of Man, have a President elected by the parliamentarians,' and, therefore, that makes it quite different.

If you were elected by the people, Mr President, this would be perfect. It would have been, I believe, a hundred years behind the time, and I believe that the time will come

when the President of Tynwald will be elected in by the people. That is, I believe, in the future, but I believe it is coming.

When we realise the immaturity we have... we pride ourselves on going to Westminster, Mr Speaker is right. I have seen the time from the late President of Tynwald, from the things I read, what I was told, and the fight he put up to try and get us recognised at Westminster for being what we are, in the limited capacity that we are, but he has done a good job, and it is because of the work put in by our forebears in here, that we are recognised better at Westminster – there is no doubt about that. I see that situation continuing.

I have no problem at all voting for the amendment, but I would like the Committee to look at where, as Mr Speaker said, this actually fits in with our true relationship with our people. If we have a situation here where we elect the President of Tynwald, then he becomes the master that we create for the people outside, then it will not be very long before you get kicked from the people outside saying ‘hang on, the fellow is making all of the decisions – we have got no say in it. We have got no say in the Governor, and all you have done is swapped like for like, except this fellow that we have got now is only elected in by you guys and girls.’ That will not go down very well with the people, no way will it. That will be kicked against by the public, rightly so.

Mr President, I have no problem or harm with what they are trying to do in this Report, I am pleased to see it. I just think, somewhere along the way, we lost our way, and we did not understand the situation we are really living under, and certainly not the political situation that we have in the Isle of Man. The reason I talk about a President for the future, it is the balance on behalf of the people. He is the ultimate balance on behalf of the people. If the people want anything, at the end of the day they will go to the man at the top, and the man at the top they will want is a President. Someone they voted for, someone they believe in, someone who will speak on their behalf.

Where it becomes a constitutional issue between the parliament and the people, it is the President, in most countries that I know of, who stands up for them. We have not got a written constitution as such, maybe we should have, so that the people will know what the rules are that they are living under. Maybe, that is where this Committee should be going as well, at some time in the future, if not now.

Mr President, I have nothing against what we have got now, I just know it will be improved. It should be improved, it will take time to improve it, but it is our job to take that step to improve it, and maybe this Report, with the amendment by the Speaker, will take us one little step further.

The President: Hon. Member for Rushen, Mr Gill.

Mr Gill: Thank you, Eaghtyrane.

I also had indicated I would have been very happy to second the amendment in the name of the Speaker, if for no other reason that some of the concerns that he has highlighted so eloquently, have not been addressed in any detail in the Report, and the effect of the amendment would not be to throw the Report out, but will be to put it through another consideration process, and then to revisit the issues, with the benefit of the consideration between the Council of Ministers’ Constitutional and External Relations Committee and the Standing Committee of Tynwald on Constitutional Matters, and report back to the Court. So it is a check, a balance.

What I would say, in relation to the Member for Onchan, Mr Earnshaw’s comments, that this is an erosion of the Governor, and it is almost an affront to the Crown and being churlish to Britain, I genuinely do not see that that is the case, Eaghtyrane. I genuinely do not, and it is a misrepresentation to describe it as such. However, the benefit of the amendment would be that those issues could have equal measure and equal consideration and weight. Therefore, I would hope that supporters of the Report would feel confident to support the amendment.

Those of us who have some doubts or uncertainties about it would certainly want to support the amendment, and the outcome of that would be in the benefit of the Isle of Man, which is *not* always at loggerheads with the United Kingdom, or the Crown, or the Civil Service, or the President. It is to find the common ground, and the best way ahead. So I do think, for all those positive reasons, that I do hope that Members would share my view in supporting this amendment, and supporting the process that underpins it.

The President: Hon. Member for Peel. Mrs Hannan.

Mrs Hannan: Thank you, Eaghtyrane. I will be brief.

I just rise to support the Speaker, and I am grateful to the Speaker for raising these matters before the Court today. Things to do with Tynwald and the House of Keys do take major initiatives from time to time, and I think the contents of the Report that we have got before us is a major initiative, and I thank the Council of Ministers for taking that major initiative, because of the, what I would say, misunderstanding of some of the issues with regard to constitutional matters. I do not think some of them are as clear as maybe they could have been, and I think they are all added together, which does cause some problems.

Some of the issues in this Report are purely governmental, but others cross over to the parliamentary side, and I think there are issues even within this Report, that instead of it remaining with the Governor in Council, I believe that the responsibility should pass over, as the Speaker has said, to the Council of Ministers.

So I do not think it is as simple as in this Report, that ‘yes, we are making these changes, and we will ask Tynwald library.’ I have never seen that in a Report before, I do not know why that is flagged up as one of the issues. If anybody wants to know anything about the Governor, all they have got to do is use the Statutes of the Isle of Man and flag up where the Governor is – it would come up, I am absolutely sure of that – and study the need or not for the change to be suggested. But we have made changes over the years.

People talk about traditions and heritage and all of that. Things are changing, they have changed, and they will continue to change, and I think we should be big enough to support change and change in these sorts of areas is placing responsibilities for clear and fair and concise with where that responsibility should be, otherwise, if it remains with the Governor, who does he tell to do...? It gives the Governor a responsibility which he no longer has. The Governor chaired Tynwald, the Governor chaired the Legislative Council, which was his Council in times gone by.

Things have changed, and there is no direct line of responsibility from the Governor anywhere nowadays, because of the changes that have taken place, and it is beholden on *all* of us to recognise that fact, and not say all the time that because things are changing, we are getting at

a particular person. The Governor is not a particular person, the Governor is the position, and the sooner we recognise that, and the sooner the Governor recognises that, and the Crown recognises that, the better it will be. I will support the Speaker's amendment.

The President: Hon. Member, Douglas West, Mr Shimmin.

Mr Shimmin: Thank you Mr President.

I think it is a very useful, and quite a significant step forward, the amendment in the name of the Speaker. I am serving on that Committee under the Speaker, along with other Members, and it was from that Committee which the origin of these advances were brought forward. I am also on the Council of Ministers and I must admit to having experienced a certain degree of difficulty as to what my role is, when, as a parliamentarian on a Standing Committee of Tynwald, I am not at liberty to disclose issues still being considered by that Committee when in Council of Ministers.

Indeed, there is an Item later on the agenda today, where I think the reverse is happening, that a parliamentary Committee is bringing forward a Report which has not been discussed particularly with some of those governmental Departments, which may also have a view that it can improve the quality of the end product coming before Tynwald.

So I have not discussed with the Chief Minister, and I hope he will forgive me for going along with the amendment, I just do feel that it is anything which brings together parliamentary and governmental roles, in order to make sure that the product is of a higher quality, does us all a service. But I think, at times, we do tend to blur the role of where we are meant to be coming from.

I think that, as the Hon. Speaker will know, even within our Committee, I will argue with him on a number of points, and I do not accept or agree everything he has said today, but I do think it is worthy that those bodies get together, and so I will be supporting the amendment.

The President: Hon. Member for Onchan. Mr Karran.

Mr Karran: Eaghtyrane, I was not going to speak today. **(A Member: Hurray! (Laughter))** I was simply going to vote against this proposal, simply because I thought no one would pick up anything about this Report. I believe that the real answer has to be, that the Report should not be supported at all. I believe that the amendment by the Speaker – I must say that when I heard his first input into the proposal, I was glad to hear his input, to start off with – but I am concerned when he says about Tynwald not being the highest court in the land, as far as parliamentary duties are concerned. It is the highest place, as far as that is concerned.

I appreciate the protection of the independence of the Keys, as far as it being the elected House and, maybe one day, both Chambers will be elected, but I think there were a number of points that the Speaker said that I could totally go along with. But certain things, as far as the President of Tynwald is concerned, whilst, yes, he is not a President, he is actually the presiding officer or what the Lord Chancellor would be, or whatever, in the House of Lords would be in the United Kingdom – or the Caairliagh of the Senate, or whatever they call him in the Senate of the Irish Republic.

I am concerned that, on these issues, I do not think they

have been very well thought out. I am very much in favour of having a system that does not extend the situation of any cronyism and that is why I would welcome the opportunity of the people of this country having somebody elected on a national basis, as far as being the President of anything, as far as this Island is concerned.

I feel, at the present time, the amount of problems that we are seeing on the horizon that, to be perfectly honest with you, the functions of the Lieutenant Governor, at the present time, are very low on my priority list, as far as what is meaningful for the people of the Isle of Man is concerned. I think the priority has to be to sort out some of the problems that are on the horizon in the near future, so I personally think we would be far better just throwing the Report out and waiting for the next House to actually debate the issues of what we really want to do without the vested interests, without people saying, 'I want to protect my position and my standing, and what my corner is within the present structure.'

I feel that the real way forward – even though I am glad to see the Speaker's input on most points – I think, it is important that we are getting to realise that there is a parliamentary role. We cannot all be Ministers and we need to recognise the system that we cannot all be Ministers and resource the people in this House that are not going to be Ministers and are going to do the other part that is important in the function of democracy, and that is to hold them to account so, maybe, we do not extend the third phase of the elephant graveyard that many taxpayers are going to have to pick up over the next couple of generations.

Eaghtyrane, I am glad that there has been a debate on this issue and I totally agree with the Speaker. The lack of information in this Report is absolutely scandalous. I think the fact that we have had a debate today is an improvement on the way we are going, as far as this issue is concerned. In the past, these sort of things would have been nodded through. I am glad that that is not the case.

I think the point that the Speaker has raised – that the Ard-shirveishagh should realise – is that we do need more information and we do need more relevant information, not information overload when we do not get told what the situation is. We get so much information that is not relevant. We need it prioritised, so that Members can absorb it and make the right decision. But, at the end of the day, I think it is important to realise, under our position, Tynwald Court is the one place where the motion should have the highest authority, as far as the nation is concerned.

The President: Hon. Member of Council, Mrs Christian.

Mrs Christian: Mr President, there are a very considerable number of specific recommendations or proposed actions in this report and I would have been happy to have accepted it on the principle that it then takes us a stage further, with legislation being prepared and brought forward, and that, presumably, would be brought forward a bit at a time and we would have an opportunity, on each of those issues, to debate them in full and hear the various views. Today, it would be unrealistic to go through each of those in a great deal more detail, I believe, than is set out in this Report, although it has been a criticism of the Report, that it does not give us enough detail. I think that the next stage is where the detailed arguments would be put.

However, I would not be averse to supporting the amendment if it is felt that, maybe, that gives an opportunity for further discussion on some of the points which have been raised, in particular by Mr Speaker. I say that I would support his amendment, not on the basis that I necessarily agree with his arguments, because I do believe that he is – whilst he is setting out certain constitutional positions – arguing a point of view about how those constitutional positions may or may not change. We may all have views on that, which may or may not agree with his expressed view.

So, in referring it to that Committee, whilst it may introduce another level of discussion with a slightly wider body than this Committee, I do not think it will necessarily come up with an answer, because you have got to come to this Court at the end of the day for a final decision on all of them. But I do think it has been a very useful exercise on the part of that Committee to tidy up – or, at least, identify – the extensive number of areas where the Governor still has an involvement and for us to, at least, have them put before us with a view to making a decision on whether we wish that to continue.

The President: Hon. Member for Garff, Mr Rodan.

Mr Rodan: Thank you, Mr President.

I think the first thing I would say is to remind the Court that this Report is the product of an instruction from Tynwald, via the Standing Committee of Tynwald on Constitutional Matters, who made a recommendation that the Executive – the Government, the Council of Ministers – should re-examine the functions remaining to the post of the Lieutenant-Governor with a view to bringing the Statute Book up to date, and report during the current legislative session.

Why did it do that? Well, it did that because that parliamentary committee is in line with what, I think, is Tynwald thinking, accepts that, constitutionally, there is an ongoing process of evolution of our constitution, to draw up more and more independence to be exercised within the Isle of Man and not within the vestiges of previous models. Of course, so much of our legislation – primary and secondary – historically based – makes reference either to the Governor or Governor in Council, which is one step removed from the Governor by including the Council of Ministers, in effect.

It is right that we examine the legislation that is on the Statute Book and, as a member of the Committee which undertook this task, I can assure the Court this afternoon that a lot of thought did go into the extensive raft of legislation that was identified, for which the Governor still had a residual role, either in his own right or in a Governor in Council role.

It was not a question of approaching this in an unconsidered way. There was a process of consultation with Government Departments and this is stated in the Report, 'Relevant Government Departments, agencies and individuals'. The starting point, as the Report says, was that, whereas some 12 years ago, the conclusion on further constitutional development was that the transfer of the Governor's powers under the Island's Statutes to Council of Ministers and Departments or Boards of Government had reached a point where it was difficult to see what further powers could be transferred.

Instead of that, the Committee approached, as the Report says, 'from the point of view by considering what further

functions – why should they *not* be transferred to the Council of Ministers, Government body or other body?' Under 'other body', I would include in this, parliament – Tynwald itself – because, as we know, the role of the President – the Presidency of Tynwald – is a relatively new one, has taken on board a lot of the previous functions of the Governor and one could well ask, why should the procedures for the conduct of elections in the Isle of Man – the exercise of the popular franchise – still be in the hands of the Lieutenant-Governor? Why should elections to this place or the Board of Education, for that matter, be in the hands of the Lieutenant Governor and not in the hands of parliament?

Mrs Hannan: Hear, hear. It should be somewhere else.

The Speaker: I didn't say that.

Mr Rodan: It should be in our hands.

Mrs Hannan: Yes, yes.

Mr Rodan: And that is what is being proposed in this document.

Mrs Hannan: Not correct, though.

Mr Rodan: Therefore, with that in mind, the Committee approached its job by looking at the Statutes – at the very Statutes – and identifying those areas of public activity – government – which could be defined as those of the Crown, those of the Church, those of the Judiciary, and those of the United Kingdom, having regard to the United Kingdom's ongoing responsibility, on behalf of the Island, for defence and consular relations.

It was applying these criteria to all the legislation that made the task, although very extensive, relatively straightforward, in that we had the discussion, 'Does this Act cover a Crown matter or a matter that should remain within the Crown function or is it to do with defence of the Island, for which the United Kingdom has ultimate responsibility?' – terrorism matters, for example, as referred to by Mr Speaker – and we approached it in that way.

One of the first things that Mr Speaker said and one of the examples in the Report that he had difficulty with, was contrasting the fact that the Civil Service were Crown servants with the fact that Ministers in the Isle of Man, as he said, were Ministers of the Crown – and, therefore, there was this distinction and, therefore, it remained appropriate for Ministers to be appointed by the Crown's representative. I do not think the Council of Ministers Act actually says that.

As far as I understand, and I stand to be corrected by legal opinion, an Isle of Man Minister is not a Minister of the Crown in the same way that a Minister in the United Kingdom is a Minister of the Crown.

Mr Downie: Hear, hear. (*Interjection by the Speaker*)

Mr Rodan: And, therefore, the historic requirement, apparently, to be appointed by the Governor to go up to Government House to accept the appointment is, actually, a matter only of custom and practice and our choice. (**The Speaker:** Rubbish.) It is not essential and when one looks at the debates, when the Ministerial system was introduced,

it is evident in the debate that there were still – whether for reasons of sentiment or tradition (**The Speaker:** Rubbish.) or whatever – it was felt very important that it be the Crown representative, the Lieutenant Governor, that made the appointment, notwithstanding that it was an appointment in the gift of the Chief Minister or, in the case of the Chief Minister, in the gift of Tynwald.

Therefore, I would say that it is valid to look at these matters – perfectly valid, Mr President. The amendment, which has been tabled, ought not really to give difficulty, because what it is inviting us to do is to give further detailed consideration to the process that this Committee has undertaken, certainly following consultation and on legal advice. It might well be useful if the Parliamentary Constitutional Committee engages further, although I understand that was part of the consultation in this document, but if the recommendation is that there be further joint consideration, then that should really not give rise to difficulty.

I think some of the fundamental problems that Mr Speaker has identified, I would be concerned about. I think some of them are possibly not valid, but, nonetheless, he has flagged them up, and it is important that we do consider the matter further. But I would not like it to be thought that the Constitutional Committee and the Council of Ministers had not approached this with care, having taken advice, and looked at this carefully.

It may be that the Report does not reflect in the text all the discussion. Well, how could it? There are dozens, scores of Statutes listed here, but each and every one did have an appropriate degree of discussion, and it was not just entered into lightly or without thinking, but I offer up those comments, Mr President, and approach the amendment in that light.

The President: Hon. Member of Council, Mr Downie.

Mr Downie: Thank you, Mr President.

I think it is becoming quite obvious that the debate, thus far, is tending to swing towards the amendment that has been moved, and I think it would be good to reflect on the principles of the amendment. We are not going to get anything achieved by continuing with this debate much further, if we are going to go back and revisit this issue, I think we should make the decision to go back and revisit the issue, and then, perhaps we can come forward with much more harmony and clarity.

My understanding of the situation is that Ministers of the Isle of Man Government are *not* Ministers of the Crown. They are not Ministers of the British Government, and, as far as I know, that is the only way you can be a Minister of the Crown, by being a Minister of the British Government. I, too, stand to be corrected, but that is my interpretation.

Mrs Hannan: Go on Alex, you are never wrong!

Mr Downie: (*Laughter.*) Well, we will put it to the test, then, Hon. Member. That is my understanding of the situation. I also feel a little disappointed that it is alleged that Ministers in the Isle of Man, or Jersey and Guernsey, are treated somewhat differently by politicians in the UK.

The Speaker: They are. They are not Ministers

Mr Downie: Well, I must say, in the last few years, I do not know of anyone in there who has been treated in any less a manner, because I think what has happened in the last few

years the Isle of Man, Jersey, Guernsey have really become much more respected.

Mr Quayle: Jersey haven't got Ministers yet.

The Speaker: Absolutely.

Mr Downie: Well, I am sure Senator Frank Walker is treated with no less reverence than our own Chief Minister –

Mr Quayle: It wasn't mentioned here.

Mrs Hannan: No, it wasn't mentioned

Mr Downie: – and as far as I am concerned, when you do see them collectively, they are all treated equally and with the same amount of respect.

Mrs Hannan: Senator Walker isn't.

Mr Downie: A title does not give any person a higher rank in the pecking order, Hon. Members, and maybe we can discuss this issue when it comes back.

I was disappointed that comment was made about the Tynwald Library being involved, because I understand that the Committee and the officers serving the Committee were told that the work to be carried out was so intensive and time consuming, that the line of thought was, if the Committee involved in putting the document together were to set about this huge task, they did not want to waste an inordinate amount of time, and as some Hon. Members will realise that a lot of the legislation that we deal with, relates to secondary legislation, the Lieutenant-Governor generally is only referred to in Acts of Tynwald and it is not clear whether he has a role to play in secondary legislation.

So it was important to get as many people together to address quite a huge and time consuming task. Now, unless you can involve the Library and other people like that, and have an extensive trawl through all the various types of primary, secondary and additional legislation, you could actually miss something out, and if you are going to do the job and do it properly, you really need to do it once and to have all the information before you, when you come back.

On the last point, Mr Speaker made comment, again, about the Island having its own anti-terrorism legislation. (**The Speaker:** Yes.) I agree with that, but where I do not agree is that we do not have our own defence force, we do not have armed forces, and we rely entirely on the Crown, and I think it is about time that somebody here, representing the Isle of Man, was in a position to have dialogue and responsibility relating to these issues.

Finally, I would say that, in my time in politics, I think we have been very well served by a number of Governors in the Isle of Man. They have done us proud; a lot of them have gone above and beyond the call of duty. However, like any other occupation, we may have an incumbent at some stage, who, maybe, wants to be at loggerheads with Tynwald. Who knows? Personality is a strange thing. It is better that we are looking at these issues, and finding ways in which we can have much more say and much more control of our own destiny.

Thank you.

The President: Hon. Member of Council, Mr Lowey.

Mr Lowey: Thank you, Mr President.

Well, all I can say to my Lord Bishop is, and he will correct me, I am sure, when I am wrong, (*Laughter*) because, when I quote from the Bible I am always wrong. But the walls of Jericho would still be standing today if these people in this Court today were in biblical times, because they would not have enough blow. (*Laughter*) I think there were some stalwarts of the past who are turning in their graves today. Clifford Irving, Sir Charles Kerruish, Jack Nivison –

Mrs Hannan: They didn't do it!

Mr Lowey: They were pioneers and started the movement, and I have no doubt who the architects were, because we were here, Mr Speaker and myself, Mr President, and a few others, and the advance in the last 30 years has been amazing.

The Speaker: Absolutely.

Mr Lowey: Has been amazing. This Report, as has been said, and I say that with pride and justification. I would not go back to the old system, there are some people here who hanker after the past –

Mrs Hannan: No problem with that.

Mr Lowey: I don't. I believe what we have done, we have proven ourselves capable of running a Government, and I believe the Governors have accepted that. I think the English Government have seen that we are quite capable. In the pursuit of that, this is just another instalment along that road, it is not a major step, it is not a major, major step.

Having said that, Mr President, can I just say... Let me tell you what the practicalities of Mr Speaker's amendment will be, and then judge for yourselves. The practicalities are that the nine Members of the Council of Ministers External Relations Committee will meet with the Parliamentary Committee, which I believe is five, and the officers, so you are going to have a Committee of 14 politicians sitting down, to go through, in detail... Now, I have already gone through it once, and Mr Speaker, to that extent, is absolutely right when he says there is not a lot of the detail here. But I can assure you the pile of papers you have got in front of you, will not match the pile of papers you will have in front of you, when you sit down to go through this – rightly so.

Has anybody ever yet heard of a Committee of 14 coming up with a definitive answer? (*Laughter*) You know, as well as I know, that that is almost unworkable. However, if that is the Court's decision so be it, but do not expect miracles. Please do not expect miracles. I regret that somebody, I do not know who started the hare running, it may have been Mr Speaker, about Ministers. Ministers or not – whether we like it or not – in reality, they are not Ministers of the Crown.

The Speaker: They are!

Mr Lowey: And there was a popular belief. The law of the Isle of Man.

The Speaker: Who appoints them?

Mr Lowey: Let me reassure the Minister, when he has had time to look, he will... I am saying who appointed them, I am going to read it to you, Mr Speaker. (**The Speaker:**

Good.) (*Laughter*) The Council of Ministers Act 1990, and we want to change it. Do you want this to continue? I do not, as a Manxman.

'Appointment and tenure of officers or Ministers. The Ministers who shall not exceed nine in number, shall be appointed from amongst the Members of Tynwald by the Governor, acting on the advice and with the concurrence of the Chief Minister.'

I do not need people to hold my hand. Can I refer Hon. Members to our ancient St John's Tynwald ceremony this year. We had changes this year.

Mr Corkill: It rained!

Mr Lowey: (*Laughter*) And it rained, yes. Maybe that is a biblical judgment.

However, let me just say, straightaway, I believe that ceremony was enhanced. I believe in 3, or 4, or 5 years time, that tradition will be seen to have been right. We are moving in the right direction, and these moves – considered moves – are not 100 per cent, they were never ever meant to be 100 per cent, but they are another step in the right direction, and Mr Speaker says, and he mellowed a bit towards the end of his –

The Speaker: I am always mellow.

Mr Lowey: – of his excitable speech – let me finish, (*Laughter*) – and the one thing I have learned, over a long period of time in this Court, watch Mr Speaker perform, he is a very good orator, and he conjures up the anger, and then he becomes Mr Speaker, the mellow gentleman who looks for the general good.

The reality is that, in this particular bit of legislation that has been proposed by the Chief Minister, the practical steps that can and should, in my view, be taken, I believe, if you do call for this Committee, and it is considered, I do not think there will be major changes at all. Perhaps, satisfaction then can be said that another set of eyes has looked at it. I am quite happy to give every Member the files that I have, with the permission of the Chief Minister, and they can sit in for a second time and see if they can come up with a different idea.

I can assure you an awful lot of thought went into it. Many, many man hours went into it, (**A Member:** We know) and I believe they are reasonable, (*Interjections*) I think they are minor, really, minor compared with a load of other bits of constitutional legislation that we have faced over the years. I get a bit worried about the Court, when I hear of Hon. Members saying, 'Oh, we do not need to go any further, we have reached Valhalla.' We have not reached Valhalla.

The President: Chief Minister to reply. Oh, sorry, Hon. Member, Mrs Craine, who did say she wanted a little...

Mrs Craine: You will be pleased to know this is just a minor point, and to do with the minutiae, really, Mr President.

On page 16, there is a reference to payment of Members' expenses, and, within that, it refers to the consent to payment of allowances to a Member of Commission appointed by the Governor, and it refers to the possibility of such a Commission of Inquiry as we had for Mount Murray.

It is also referred to on page 28, where it is suggested that

Treasury should take on this function. Within that, I actually would query whether... it then goes on to say the Committee proposes transfer, in fact, then, to the Council of Ministers, should any designation ever be required. I would query that, sir, and wonder if we could... two matters. One is, is this consent to payment of allowances, is that, actually, purely consent to an open cheque or is it establishing an amount to be paid? Is it establishing a contract, or is it just agreeing to whatever is asked?

Also on page 28, where the reference is made that this Committee should refer to the Council of Ministers, bearing in mind that the example given is that of Mount Murray, in the instance that it may, in fact, in future, affect Members of the Council of Ministers, I would suggest that, perhaps, this should be Council of Ministers, with the sanction of Tynwald.

Thank you.

The President: I call upon the Chief Minister to reply.

The Chief Minister: Thank you, Mr President.

I thought Mr Speaker would be speaking on this particular Item, especially when the Committee of the Government had suggested a couple of areas of research that could be done, and actions that could be taken in the Tynwald Office and particularly the Library, but, again, it was a suggestion that that was the appropriate place for this to be brought together for further consideration.

But, again, Mr President, I just wish to remind Members that I made quite clear, in undertaking this review, the Committee proceeded by considering why any remaining functions should *not* be transferred. We started off by saying, well, if we are going to go down this avenue of taking away from the Governor everything that the Governor no longer needs to have control over, that is how we set about it, so we set about, why has the Governor got it, why should he keep it and if he does not, where should it go? So that is the way in which we proceeded.

I am quite convinced that we could go on discussing this, in this particular sitting, for hours, because there are several different opinions of what, and why, and I am not going to go over them totally, as we have had the Hon. Member, Mr Rodan's view, Mr Downie's view, Mr Lowey's view, different to Mr Speaker's view on what is meant by a Minister being a Minister of the Crown?

Of course, there is a very strong argument that, in fact, they are not a Minister of the Crown, i.e. the Crown UK, but, of course, in the Isle of Man we have a Crown Division and this is where the Civil Service also, they are appointed and put into position by the Civil Service Commission. They are employed by the Civil Service Commission and they are not, therefore, as you would look at Crown Officers, i.e. Crown in the United Kingdom, they are Officers under the Isle of Government, through the Civil Service.

Therefore, there are areas that could be discussed and debated for quite some time and I, like Mr Lowey, with 14 Members around the table, having heard some of the remarks so far, and the differing views, it is going to be quite exciting but, however, what I want to, again, say to Hon. Members, your Report is very concise. As it has been said, it is very short, but the whole object of the exercise was to look quite clearly at what it was that could be transferred.

In other words, why does the Governor need still to have that within his actual area of responsibility? I take again what

Mr Rodan said about the elections. Now, the elections are a parliament thing, we are elected to a parliament, so why is it not the parliament, i.e. the Tynwald Office, that should be the ones to carry out that particular election process? Why should it be His Excellency the Governor and through the Crown Division? Why should it be? So, of course, we researched it, and we see that it certainly does not happen in Jersey and it certainly does not happen in Guernsey, it operates through their parliamentary system.

So this is really why we have tried to illustrate there, the areas that could, in fact, be looked at, the areas we have suggested that there could be a move. It is quite understandable that some Members do not think that that move is on and, of course, to actually see all the evidence that brought us to that conclusion from a pile, probably two feet high of material... But the whole object, again, is that, if there was a consensus of opinion, that this was a way forward, all of this will have to come through, in some shape or form, in Acts or Bills, or Orders, for Hon. Members then to concentrate absolutely on the point that is being made.

So, this was a request that the Council of Ministers Constitutional and External Committee look at it from a point of view of seeing what else is in there that has not already been removed the last time, and the time before that, and we were quite surprised, in fact, to find there were so many areas of responsibility still with His Excellency, because we thought we had pretty well got through it the last time.

So, it really demonstrates that there are quite a lot of areas that are still under Governor, or Governor in Council, that we are suggesting that there is another way forward. But, Mr President, I do not think there is any point in trying to go through every area and put forward the argument because, in fact, the Committee that has been suggested, or the amendment that has been suggested, is that it be received and the two sides, the Government side and the parliamentary side, get together, it is still going to be a far better way forward, I would suggest, than trying to come to a conclusion out of a Tynwald debate.

The only thing we can take from that is the areas that Members have actually commented upon. The comment that has been made by Mrs Craine, taking that on board, it is an area, obviously, that we want to consider, but why was it considered? It was considered because it was an area that we felt no longer needed be in that way.

Is there another way? Mrs Craine suggested, 'Yes, you could go along with it, as long as there is another back-stop behind it' and this is all good stuff and this is really what we want to consider. So, Mr President, I will not delay the Court any longer. The amendment, I am quite sure, is acceptable to the Committee, that we sit down and talk about it.

When we can get 14 Members or 14 people all together – I know how hard it is to get five people together on a select committee – but, when we can do it, certainly we will and I would go along with the amendment, Mr President, and I, therefore, move that Item, sir.

The President: Hon. Members, the motion before the Court is printed at 19 and to that you have got the amendment circulated to you in the name of Mr Speaker. Hon Members, I put to you, first, the amendment in the name of Mr Speaker. Those in favour of the amendment, please say aye; against no. The ayes have it.

A division was called for and voting resulted as follows:

In the Keys – Ayes 18, Noes 2

FOR

Mr Anderson
Mr Cannan
Mr Teare
Mr Rodan
Mr Quayle
Mr Rimington
Mr Gill
Mr Gawne
Mr Houghton
Mr Henderson
Mrs Cannell
Mr Shimmin
Mr Delaney
Mrs Hannan
Mr Bell
Mrs Craine
Mr Earnshaw
Capt. Douglas
The Speaker

AGAINST

Mr Karran
Mr Corkill

The Speaker: Mr President, the amendment carries in the House of Keys, with 18 votes for, 2 votes against.

In the Council – Ayes 7, Noes 2

FOR

The Lord Bishop
Mr Waft
Mr Singer
Mr Butt
Mr Gelling
Mrs Crowe
Mr Downie

AGAINST

Mr Lowey
Mrs Christian

The President: With 7 for, 2 against, in the Council, Hon. Members, the amendment, therefore, carries and I put to you, Hon. Members, the motion, as amended. Those in favour, please say aye; against no. The ayes have it. The ayes have it.

**Introduction of Government House Purchase
Assistance Scheme for people over 45
Council of Ministers' Report
Amended motion carried**

20. The Chief Minister to move:

That Tynwald receives the Report by the Council of Ministers on the basis for introducing a Government House Purchase Assistance Scheme for people who are 45 years of age and approves its recommendation.

The President: We now turn, Hon. Members, to Item 20 on our Order Paper and, again, I call upon the Chief Minister to move.

The Chief Minister (Mr Gelling): Yes, thank you, Mr President.

Item 20: at the March 2005 sitting of this Hon. Court a motion from the Hon. Mr Speaker was passed in relation to the provision of assistance towards house purchase by those aged 45 and over and the motion reads:

'that Tynwald is of the opinion that Government should introduce a House Purchase Mortgage Scheme, specifically aimed to provide assistance to persons who are first-time buyers, aged 45 and over, and who have rented residential property, within the Island, for a period, whether continuous or not, of a minimum of 10 years and request the Council of Ministers.'

hence I am moving it,'

'to Report on the basis of such a scheme and its introduction no later than the July 2005 sitting.'

A comprehensive Report, Mr President, from the Council of Ministers, has been circulated in advance of this sitting and I hope Hon. Members have had an adequate opportunity of studying it.

I am sure Hon. Members are fully aware that the Department of Local Government and the Environment has a long-established policy of seeking to increase home ownership, as a part of the housing strategy.

Over the last seven to eight years, there has been a rapid rise in house prices, without a corresponding increase in earnings. Average house prices have risen from around £84,000 in 1997 to around £200,000 in 2004. This general trend is not peculiar to the Island, of course, and has presented similar difficulties for potential first home owners in other parts of the British Isles. In 1999 Tynwald approved the House Purchase Assistance Scheme, which introduced grant assistance to help first-time buyers bridge the gap between what they could afford, by way of a mortgage and savings, and what typical first-time buyer homes were then costing.

In 2002, a new House Purchase Assistance Scheme was introduced by the Department of Local Government and the Environment, it included up to 30 per cent top-up loan at one per cent below base rate for approved properties. That is those built under Government's First Time Buyer Schemes.

The 2002 scheme was subject to amendment in 2004, when income-related grants were increased up to a maximum of £25,000. The purchase price ceiling was also raised, at that time, to £145,000 for first-time buyers and to a maximum of £190,000 for second-time buyers, moving up, within the scheme, as their domestic circumstances changed and they perhaps freed up a smaller property for a new first-time buyer.

Mr President, whilst overall demand for home ownership within the House Purchase Assistance Scheme is high, the number of applicants over 45 years of age who have registered an interest is low. The reasons for this may be manifold, but I would suggest three reasons might appear to be obvious. These are that (1) people 45 years and over find it more difficult to raise sufficient mortgage to purchase a property, because of their closeness to retirement, (2) older people may be settled in their existing home, and community, and do not wish to move home, and (3) tenants in public-sector housing pay a smaller subsidised rent for their home than the amount they would have to repay on a mortgage. So the transition to home ownership is not particularly attractive.

The difficulties facing prospective first-time buyers are illustrated in section 5 of our Council's Report. As we all know, the problems of affordability are an issue for younger people, but I would suggest they are a much greater issue for older people, who might be considering the purchase of

their first home. As people without savings grow older, their ability to raise a mortgage sufficient to cover a significant proportion of a purchase value diminishes fairly rapidly. As a consequence, the existing 30 per cent top-up loan and grant scheme is unlikely to be suitable for most people over the age of 45, unless they have savings and, in most cases, substantial savings.

The Department of Local Government and the Environment and the Treasury would prefer any scheme for over 45s to link with the existing House Purchase Assistance Scheme of 2004. The various options which have been considered are set out in section 6 and 7 of the Council Report. Possible amendments could include an increase in the percentage of top-up loan from the current 30 per cent to 50 per cent of the purchase price, in order to meet the shortfall between that price and the potential mortgage. Top-up loans would apply to open market properties, subject to the purchaser providing a minimum of 10 per cent deposit. This deposit is required to provide security for the Department's second charge on the property – an important consideration – but would not apply to approved properties. This is because the purchase price, under the scheme, is less than market value, so the required cover would be there.

In addition, the current open-market maximum price of £190,000 for second-time buyers would apply to this older cohort of first-time purchasers. Maximum approved income levels – that is the whole of the higher income – the whole of the higher income, plus one third of a partner's lower income, would remain the same at £32,000. The maximum grant level would remain at £25,000 but be available to all applicants over 45 years and not be income related. This, Mr President, reflects an increased residency qualification to 10 years from the normal five years and the fact that applicants are older and less able to pay off debt in the longer term.

The current House Purchase Assistance Scheme conditions would apply, in terms of a first-time buyer not being able to sell an approved property on the open market for a period of 10 years. However, properties bought on the open market could be sold, on the open market, at any time with any outstanding grant. The top-up loan and interest is paid at the time of sale.

Hon. Members, such a proposal would not provide assistance to all age groups at all prices, but would substantially extend the options of older people in purchasing their first home. The proposal I have outlined has a reasonable fit with the existing House Purchase Assistance Scheme 2004 and the Government's investment in the buildings would be reasonably secure. The extra cost of the grant and top-up loans for approved dwellings is not expected to be significant, but the cost of the support package for purchasers on the open market could be in the region of £120,000 per property on a purchase price of £190,000.

However, it is anticipated that the take-up may be quite limited, because of the requirement for applicants to provide a 10 per cent deposit, plus the remainder of the cost of the property by way of private funding. For example, in the case of a property costing the maximum of £190,000, an applicant would need to finance £70,000 of the cost of purchase, inclusive of the deposit.

Therefore, Mr President, in summary, I would ask Hon. Members to note that the existing House Purchase Assistance Scheme 2004 could be amended to provide greater assistance for people who are aged 45 years or older. It is a matter for this Hon. Court to decide whether the proposals outlined in

the Council's Report should be referred to the Department of Local Government and the Environment for consolidation into the House Purchase Assistance Scheme 2004.

Mr President, if that is the will of Tynwald, the intention would be that an Amendment Scheme containing the proposals would be brought to Tynwald by the Department for approval no later than the December sitting of this year.

Mr President, I, therefore, beg to move this Item standing in my name, sir.

The President: Hon. Member, Mrs Crowe.

Mrs Crowe: I beg to second, Mr President.

The President: Hon. Member, Mr Speaker.

The Speaker: Thank you, Mr President.

Can I first welcome the Report and thank the Chief Minister for outlining it and also very much thank the officers of the Department of Local Government and the Environment and other officers who, in fact, in a very short period, have come forward with a basis of a scheme that will help, albeit maybe only a few people, but people who, at the moment, are deprived of the opportunity, for purely reasons of age and cost, of actually being able to purchase their own home, even if they wanted to. I welcome the Report very much.

Mr President, I have put down an amendment which is being circulated and the only reason I do is not because I have a problem at all with the basis of what is there. It really comes again, if I may say to the Chief Minister – and he was conscious of this before – to the actual wording of the recommendation. I was interested to hear the Chief Minister, when he was finishing off, saying that the Department would come back with a proposal and that is fine.

I think the problem is with the wording not being specific enough in 9.1, where it says that Tynwald be asked to note that the existing HPAS 2004 could be amended to provide greater assistance for people who are 45 years of age or older and be invited to decide on whether to approve the proposal outlined in this Report by agreeing that an amendment to the HPAS 2004, incorporating these proposals, be brought to Tynwald for approval before the end of 2005.

The difficulty I have is that it is asking Tynwald to approve the motion, which is a recommendation, and it is asking us to note it, and note that it could be amended. I accept fully what the Chief Minister said and my amendment was dealt with before I heard the Chief Minister speak.

My amendment, really, is just to focus it a little bit more so, in fact, Tynwald is saying, yes, we do want you to come forward with that Scheme and make sure that the Scheme comes forward for approval again, by the end of the year. I hope the Chief Minister would see the amendment as being more definitive and, certainly, not detracting at all from the work that has been done. The reason I say that is for the basis I have just explained.

What my amendment does is accepts the Report and just adds, after 'approves':

Delete the words 'its recommendation' and substitute – 'the Government amending the House Purchase Assistance Scheme 2004 to provide greater assistance, as outlined in section 7 of the Report, and to bring forward

proposals for approval by Tynwald by no later than the sitting in December 2005.'

That amendment, Mr President, I think, strengthens the Report and makes it absolutely clear that Tynwald is looking forward to the Scheme, based on what is in section 7 of the Report. I just think it is unfortunate that the recommendation in the Report, actually, is not strong enough. It is a bit sort of 'we could do it'. Well, I think the point is that we want you to do it. Certainly, I do.

Again, I just say, in winding up, Mr President, I acknowledge very much that, in three months, the officers have done a lot of work and I am sure that I appreciate that as well as others. The Chief Minister made the point that it may only help a few people. My view is that if it helps a few people, then we have given an opportunity to people, who, for many different reasons through their life, may not have had the chance to purchase a home, because of their circumstances, their finances and so on, and when they get to the age of 45 years or over, where they may be in a position to afford, their difficulty is that the cost of the house and their age work against them in terms of a mortgage.

So, I hope that the amendment that I put is seen as helpful. It certainly is put down to be helpful and I acknowledge fully what the Chief Minister said when he was winding up his presentation.

I beg to move.

The President: Mr Houghton, Hon. Member for Douglas North.

Mr Houghton: Thank you, Mr President.

I rise to second the Speaker's amendment, sir. It is a good Report, but I thought it fell a bit short, as far as clarity and definition at its recommendation at 9.1, sir. I wholly support the points made by the Speaker in this particular area. It gives a clear definition and gives a date of return back to this Court for something to be done.

I do acknowledge that it will not affect that many people, but the people that it will affect, it is very, very valuable to those that something is brought in and, therefore, I welcome it, sir.

The President: Mr Rimington, Hon. Member for Rushen.

Mr Rimington: Thank you, Mr President.

People will be not be surprised, because I will be consistent with the position I have outlined before. I have an amendment which is currently going to be circulated which, again, is tailored so that it meets the Standing Orders issue:

delete the word 'approves' and substitute 'disregards'

ie, that no further progress is taken on this particular issue.

This is not a Council of Ministers' policy decision, bringing this forward to you and I have made sure that that is the case. The Council of Ministers and my Department – my officers – are the vehicle by which this has come to you for decision. It is my officers in my Department, then in consultation with Treasury, who have got a scheme together here which works and they have done very well at that, and they are very good at their job. If Tynwald supports that

the Scheme should be introduced, then I have no problem with that and the Department and myself will implement that Scheme.

However, I wish to speak against the introduction of the Scheme for a number of particular reasons. First of all, I think it is discriminatory in that you are, at a certain age, saying to people that, instead of having an income-related grant of up to £25,000, you get to the age of 45 and you are automatically entitled to £25,000. That would mean, certainly, if I was in a position of, possibly, venturing onto this Scheme when I was 42 or 43 years with a moderate income, I would probably say, 'Oh, I will just hang on a few years. I will wait until I get the full payout.'

I think it is discriminatory for those people who are younger, in their 30s or 20s, who have income-related grants. It is also discriminatory, in the sense that people below the age of 45 are only eligible for a 30 per cent top-up loan and, now, when you get to the age of 45 years, you are allowed up to 50 per cent of top-up loan.

The fact that it might only affect a few people – which is probably why my Department's officers are quite happy to say that this can go forward – we can accommodate this within our Housing Reserve Fund, because there will not be many takers of it – to my mind, is a rather flawed and weak argument in that respect. If it was going to be a successful Scheme, then there should be a good take-up of it and then there would be a more serious impact on public finances and then you would have a decision of where that money was going to come from, ie, were you going to get extra money out of Treasury, or were you going to deny some other housing project that was within the Department's budget to put money into this particular Scheme.

The top-up loan that is there, I think is, where it is used – a 30 per cent top-up loan – for people of a younger age or moderate age – is a viable mechanism, but, even so, as has been pointed out by others, that, in itself, can cause problems, because people have got a mortgage to pay on top of that. Then the top-up loan is only a loan and it has, okay, a low rate of interest on it, but it does have a rate of interest and, unless you are paying that interest off on a yearly basis, or paying that capital off, at the end of the 25-year period, you have to pay that loan off and any interest that has rolled up on that, which can be quite a considerable sum of money.

If you are giving an up to 50 per cent loan to people who are over 45 years, then, at the age of 70 or 75 years, besides the quite considerable mortgage that they have been having to pay for a number of years – and then they will be into their non-working time of life – they will be faced with the prospect of having to pay back an up to 50 per cent loan, and any interest that has accrued over those 25 years. That might be there in the value of the property, but then they would have to sell the property and then where would they be?

There is a danger, if this Scheme was to be successful and taken up, that Government, at the end of the day, would be in the market for repossession of properties, which I find particularly dangerous.

I do not think this Court, in progressing this issue, has given this matter the actual detailed thought that it should have done. If you look at the examples on the back as to how it might work, which is in Appendix B, certainly, on the first example, where the Government is putting on only a 32 per cent top-up loan (£70,000), the next one 48 per cent top-up loan (£93,000), and 30 per cent (£77,500), example (4), then, the first batch, £103,000. And then in the next one, obviously

the person has been able to take out a higher mortgage: it is £40,000, £75,000, £61,000 and £83,000.

In my mind, that money would be better spent actually building houses for rent for people, younger people, who are desperately in need of those (**A Member:** Hear, hear.) and I do not feel that this is the right way.

And if you were to say we wish to help people at the other end of the age spectrum, then, yes, I think we should be building more sheltered accommodation, whether that is for rent, or whether that is on some shared equity scheme for people who need – not want, but need – sheltered accommodation. I think that would be more valuable use of public money than what is being done here.

If, perchance, you are giving, say, £103,000, in either grant or loan, to somebody, that is money gone; £25,000 of it is gone completely, and the remainder of it, the loan, has gone for 25 years, and that is opportunity lost. That is money that could have been used, in my mind, to actually build houses.

Returning to the argument, ‘Well it does not matter because there are only a few people going to take it up’, I do not think is a valid reason. It is unfortunate that, whatever way you do it, a Government mortgage scheme, i.e. the mortgage, or through the house purchase assistance scheme, there is no way that you can actually support people getting into the housing market who have not got sufficient funds of their own at that age, without putting in considerable amounts of public money, by whatever construction you try and do it.

What is outlined in the Report here is that not only would somebody be having to pay that mortgage, not only do they have the liability of the loan, and the top-up loan, and the necessity to repay that at a later date, possibly at the very time when they are not able to pay it back, or not wishing to pay it back in their elderly years, they are going to be in a very difficult position, but to actually support a mortgage, and the point is made in here, you are requiring people to actually have to take out insurance, and that would be an additional cost.

And you are encouraging people to go into, possibly, what I think would be quite a dangerous situation when they are 45, 50, when they do not necessarily have those guaranteed years, when, from an actuarial basis, their likelihood of completing their full working life becomes, obviously, less and less, as people’s age increases, because the incidence of health problems, or whatever, or redundancy, or whatever it is, is more likely to impact than it is on a younger person.

Then you could find people who, having gone into such a scheme at, say, 58 or 60, suddenly find themselves unable to actually go forward with their dream of their life, their own house, because it is financially imploding upon them.

I do believe that the money that would be utilised under this scheme would be better served elsewhere. However, having said all that, Mr President, if Tynwald supports this scheme, then without fear or favour, my Department will implement that scheme on behalf of Tynwald.

The President: Hon. Member, Mr Singer.

Mr Singer: Mr President, I have been looking through the Standing Orders book to see if there is a Standing Order on confusion (**The Speaker:** Absolutely.) because, are we meant to understand, Mr President, the Council of Ministers have approved the motion on the Paper (*Interjection by Mrs*

Crowe) and a Member of the Council of Ministers is then standing up -

The Speaker: The Minister of Housing.

Mr Singer: – and telling us all that we should disregard the Council of Ministers’ recommendation?

What is happening? Is nobody talking to anybody? Perhaps somebody would like to explain to the backbenchers here what is happening. There is a confusion here.

And are we going to see a further reshuffle, because –

Mr Henderson: Tell me about it.

Mr Singer: – because somebody is not talking to somebody?

Mr Delaney: There is no more time before the election.

Mr Singer: I think it is quite disgraceful – and I will say this to the Chief Minister – that we should get this sort of conflict here in this Tynwald, that people are not talking to each other, and we are getting the Minister, and the Chief Minister, and the Council of Ministers, at odds with one another in public. That is exactly what is not supposed to happen.

Could somebody tell me what is happening?

Mr Rimington: Mr President. Can I...?

The President: Hon. Member, Mr Gawne.

Mr Rimington: Can I explain that last point, sir?

The President: Yes, if you so wish, sir. You have a personal explanation?

Mr Rimington: The recommendation is for Tynwald to decide. (**Mrs Crowe:** To decide.) It was Tynwald that asked for it, and it has been supplied by the Council of Ministers. It was not Tynwald telling the Council of Ministers ‘this is your policy’.

Mr Singer: I am sorry, that is not the wording. (*Interjection by The Speaker*)

The President: Hon. Member, Mr Gawne

Mr Gawne: Gura mie eu, Eaghtyrane.

Yes, I am getting a little bit confused with all this as well. One of the points that I was going to query, actually, was this is apparently a Council of Ministers document, and yet, in section 6, we read of ‘officers of the Department’, and 6.4 ‘the Department and Treasury’.

Presumably, we are, in that case, referring to the Department of Local Government and the Environment, in which case, again, if it was the officers of that Department that have come up with this proposal, and seem to have discounted the idea of a shared equity scheme, I could not quite see why the shared equity scheme was discounted.

Mrs Crowe: It is a shame.

Mr Karran: Presumably... well, it is obviously not a

Departmental proposal. I do not quite understand what is going on, but I am sure that somebody does.

The Speaker: Can they help us?

Mr Gawne: I think the DoLGE Minister made some very important and compelling points in his contribution. I think we have to be very careful that in our rush to try to assist people, in our rush to try to find an answer, that we just accept the answer that happens to be available at the time. I am not entirely convinced that this is the right answer, and I felt that the points that the Minister put were quite compelling.

However, I am still at something of a loss to understand why the officers of his Department came forward with this particular scheme if the Minister did not think it was a good scheme.

The Speaker: Absolutely, it is his responsibility.

Mr Gawne: I really cannot understand why we refer to, in 6.2(c), 'introduce a shared equity scheme' but then there does not seem to be any reference as to why that shared equity scheme was not drawn up into a proposal and, perhaps, a recommendation.

Certainly, shared equity schemes, I would have thought, would have provided a sensible way forward. It would be an opportunity for Government not to, effectively, just be giving the money away to people, that Government would be investing in the property alongside the actual purchasers themselves, and it would be a joint-owned property.

So, I am at something of a loss to know what I will be supporting, but I am sure I will be supporting something. *(Laughter)*

The President: Hon. Member, can I just make it plain, you seem to be supporting, on a couple of occasions, the Minister's view. Were you actually seconding his amendment, sir? I did not take it that way, but I want to be plain.

Mr Gawne: I am happy to second it, so that it can be discussed.

The President: Hon. Member for Ramsey, Mrs Craine.

Mrs Craine: Thank you, Mr President.

It was my Directorate that was charged to investigate the possibility of this house purchase scheme for first-time buyers of 45 years of age or older.

Why the officers did that is because they were requested, through a motion from Mr Speaker which was approved by this Court (**The Speaker:** Absolutely.) in March. That is why the officers were charged to do it, and why they have come forward with a scheme that is feasible.

The Speaker: The Department was.

Mr Singer: Council of Ministers.

Mrs Craine: The Department was requested to go away and give this consideration, to see how this scheme could be facilitated. That is what the officers have done. Through the Council of Ministers and consultation with Treasury, they have brought forward proposals that can accommodate the wishes of Tynwald.

If I could just make a couple of comments on the Minister's few words there. I would suggest that wherever we have a house purchase assistance scheme, we are going to be discriminatory, because wherever we have a scheme that is not applicable to everybody, we are discriminating, and, frankly, it is impossible for us to be able to accommodate the desires of everybody.

So, yes, we do stand charged with discrimination, and I am afraid that as long as there are constraints on the pot, that will ever be so. We have been asked to consider a way in which we can assist those over 45, and that is what we have done.

I would also like to say that when anybody is making a house purchase, then there is an element of risk. No matter what age you take out a house purchase scheme, then you are required to take out insurance. You are blind if you choose to ignore such things, because you may pop your clogs at 35, or you may live till you are 95, and if you live till you are 95, you are quids in.

But, to be reasonable, yes, there is a risk. There is a risk, and I would hope that that risk is explained to anybody making a house purchase, irrespective of their age, and it really is irrelevant what age, to that degree, that they make the purchase.

The Minister is saying that the money could be better spent elsewhere. I leave that for the Court to decide. What I am saying here is that we have come back with a scheme; it can be accommodated, and there is a willingness to do so.

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

Mr Karran: Eaghtyrane, I was rather alarmed at this proposal in front of us today. I am not really too bothered about the issue of whether the Minister is bailing out of the Council of Ministers' Report or not. I think that does not... that is not the issue today that we should be hitting. I think we should be hitting, really speaking... I have to say that I thought the Report was really quite in a position of little respect, and I am surprised that the Speaker has been as generous as he has –

The Speaker: I will not be now!

Mr Karran: – as far as accepting this Report, as it helps so few.

I have to say to the Shirveishagh, the Minister of Local Government, I totally agree with him. It would be better to be able to build more houses for rent, if it was possible. But I am afraid that you and your predecessors' record on building houses has been terrible. In fact, before you ever thought of becoming a Member of this Court, the fact is that decisions were made in the early 1990s and, quite frankly, Government has never got its act together, since that date, to get a realistic policy on the housing situation as far as getting more houses for rent is concerned. That is why we have left so many people at the mercies of the Rachmans.

What this whole Report was about – and I support the Speaker 100 per cent – the whole idea of this part equity, this introduction of a house purchase scheme for the over 45s, was a compromise, because of the absolute terrible record of getting affordable houses for rent for the last decade and a half, and this was a way of freeing up –

A Member: You managed to get one.

Mr Karran: – freeing up the opportunity of some council

houses, where they both get married at a very early age, they have children, the wife stays at home. She stays at home until she starts work, maybe in the early 40s, the husband has got a bit of promotion but has no equity.

I have been in debates in this Court where I have been told how my parents should have bought me my first-time buyer's house. The reality is, there are a lot of people in that category, which I recognise, with the Speaker, is very, very valid. The fact of the matter is, there is no way that, without some sort of support, we are going to get them out of those valuable houses.

Because of the fact we have not had enough council houses, this was a way of doing something.

Eaghtyrane, I put a plea in years ago... in fact, if I could get the Speaker either to employ a legal draftsman or the Chief Minister to manage to stop the AG's Department's draftsmen suffering from agoraphobia... claustrophobia, and never in the office when I am trying to get a hold of them, maybe one –

Mrs Hannan: No, agoraphobia. (*Laughter*)

Mr Karran: I have the same effect on them, maybe, as I do with this Hon. Court!

But what we should have been looking at in this Report, in my opinion, is people over 45. At the end of the day, we have discrimination for reasons (**The Speaker:** Absolutely.) of people's different conditions. I do not get family allowance, because I have got no kids. Is that discrimination? It is fact. I do not get a pension, because I am not old enough.

The fact is, what we should be looking for in an inclusive society is putting the rungs on the ladder. You get somebody who has had their children in their late teens, early twenties, who is an ordinary working man, he is not on £40,000, like we are, but he is on a lot less than that, who then gets to 45 years of age, he has got no equity apart from maybe a couple of grand in the bank, because he is an ordinary working family man, because the kids are always a liability to parents, if the truth is known – even if I have not got any.

Mrs Hannan: Liability to you, are they? (*Interjection*)

Mr Karran: The situation is, what I would have liked to have seen in this proposal was for people over 45, the ability of us to say, right, we will put up to 50 per cent grant. So a constituent of mine who is 45 years of age or thereabouts, who is living in a three-bedroomed house on Barrule Drive, can go down to Alberta Drive, look at a £180,000 house and we say, right, what we will do, because you are going to release this asset of this house, we will keep a half share equity in that house. So long as you live in that house, that house is yours, but when you die, or whatever happens, and in 15, 20 or 30 years' time, and the house is £200,000 or £300,000, the estate gets £150,000, the taxpayer gets £150,000.

We are giving them an interest-free loan, but the other thing we should be doing is saying, right, as part of the conditions, the caveats, on that property from then on, it has to be that it can only be sold to an Isle of Man worker, and if it is not going to be an owner-occupied house, then they can only rent it out at local authority levels of rental.

That way, you soil the property as far as when it comes vacant; it is not an investor who wants to leech off the backs of the working people. It has to be a person who is wanting to buy that house as a home, as a nest, and not a nest egg.

This is the sort of thing I would have liked to have seen,

and I would like to see a Private Member's Bill –

The President: Hon. Member, I would like to see you either support or reject the motion. I like the ideas, but let us come back to the motion.

Mr Karran: Vainstyr Eaghtyrane, the situation why I am not supporting the motion is because that is the sort of way... When I get the usual 'dumb blonde' routine in this Hon. Court, that is an alternative that should be looked at by the Council of Ministers for that proposal.

I feel today, as far as this Report is concerned, that the Speaker has had a disservice, as far as coming back with something that could be tangible and good. I only hope that, maybe, the Council of Ministers will take on board my suggestion. I would be happy to work with the Council of Ministers, because it is a big issue.

There are a lot of people who live in council houses who did not have the same breaks in life as we did, who would love to own their own home. What we have to do is come up with a scheme where you do not have a ladder that is for purchasing property with the first dozen rungs off it, because that is what we have got at the present time when we talk about these individuals.

I believe we can make the way, because I believe that you would find that there would be, not hundreds in my constituency, but I know of several people who have complained to me bitterly, on a regular basis, because there is no such scheme.

I do hope that the Ard-shirveishagh takes on board... And if he can get me a legal draftsman, even at this late time in the parliamentary session before the next general election, I would love to try and get something like that drafted and debated in another place, in the House of Keys, because I believe it is a social need, and I think the Speaker has identified something that should have been dealt with long ago.

The President: Hon. Member, Mrs Christian.

Mrs Christian: Thank you, Mr President.

In earlier debates on this matter, Mr President, I think it was the expressed view of the Department of Local Government and the Environment that this was probably not the best way in which to utilise resources. (**A Member:** Hear, hear.) However, as has already been said, whatever the view of the Department, the Department has been asked to bring forward a scheme in these terms, and that is what it has done.

I think where we run into a difficulty today is in the wording, not of the motion, but of the recommendation. The motion asks us to receive the Report and approve the recommendation. The recommendation seems to me to be somewhat peculiarly worded (**The Speaker:** Hear, hear.) and probably for a reason, and it will be up to us to decide, I guess, whether we accept this interpretation.

It asks us to 'note' that the scheme could be amended to provide greater assistance for people who are over 45, and that has been explained; it has been drafted and it is all before us. Then it asks us 'to be invited to decide'; it does not give us a specific recommendation saying, 'we recommend that' the amendment be carried out and brought to Tynwald by the end of 2005. It says, 'we recommend you be invited to'. Now, when you are going to be invited to, I do not know.

It is by means of the amendments that are before us that we can express our view on this and make a decision on it today,

but it does appear to allow Tynwald an open vote. Whether that was the intention of the Council of Ministers, I do not know. Tynwald would decide, in either case; if it had been worded more specifically, Tynwald would decide.

I am not clear whether it is worded in this way because the Council of Ministers also want to have an open vote on it; that remains to be seen. I do think that the intention here is not to make an absolute specific recommendation today, although you can support the recommendation by way of the amendments.

I do think the Minister has made some valid points; whether or not you accept them remains to be seen. Whether or not the shortcomings that may exist in this scheme are still acceptable to the Court, or whether those shortcomings will render it, in your view, unacceptable, I am sure the Department will just wait to hear what the outcome of Tynwald's deliberations is.

The President: Chief Minister.

The Chief Minister: Yes, thank you, Mr President.

Speaking to the amendment from Mr Rimington, if I could just remind Members that the motion that was put down by Mr Speaker, I would suggest, was probably put down because he knew the views of the Minister of Local Government of the day, otherwise it would have been specifically different. It does say it requests the Council of Ministers to report on the basis of such a scheme and its introduction – the Council of Ministers.

Mr President, as far as I am concerned, Tynwald is the ultimate power and Tynwald asked the Council of Ministers to do something. The Council of Ministers have done it. The Council of Ministers have come forward with a Report and a recommendation and, as I said in the last part of my summary, if the Hon. Court decides on whether the proposals outlined in the Report should be referred to the Department of Local Government and the Environment for consolidation into the house purchase assistance scheme, if that is the will of Tynwald, the intention would be that an amendment scheme containing the proposals would be brought to Tynwald by the Department for approval no later than December 2005.

Mr President, as far as I am concerned, the amendment put forward by Mr Rimington, he has put that forward because, in his opinion, he does not particularly agree that it is a good scheme. But as far as I am concerned, I am bringing this back on behalf of the Council of Ministers as it was requested, and approved by this Court, that we should do that. I have brought it back and if Tynwald agree, then that is what will happen. The Department of Local Government and the Environment will put that into action. It will be a directive from the Council of Ministers to do so.

So as far as I am concerned, the amendment put forward by Mr Rimington is because he does not agree with the situation. But if Tynwald agrees with the situation, the Council of Ministers will react on behalf of Tynwald, sir.

The President: Mr Speaker.

The Speaker: Yes, thank you, Mr President.

Speaking to the amendment, I am absolutely shocked and so disappointed today on the situation that is going on in here. We have an executive Government to lead the Isle of Man. Ministers do not have their personal views when it comes back to the Tynwald Court with a report that Tynwald

has asked for.

Mrs Cannell: That one does. (*Laughter*)

The Speaker: I just find it absolutely unbelievable.

The Hon. Member for Onchan, Mr Karran, said he was surprised how supportive I was of the document. Yes, again, the document is pretty sketchy. And I acknowledge – and I have said this – the work that was done by the Department, because I presumed, as the normal practice is, that when the Council of Ministers are requested to do something, and what they are requested to do falls into the remit of a Department, the Minister is asked to go away and formulate a scheme, or whatever it may be, to try to meet what Tynwald has asked for.

Mr President, the first thing is, in my motion that was approved by Tynwald – which was introduced because the Minister made it absolutely clear, in Questions a month before, that there was no way he was going to introduce a scheme for people over 45: 'I am having nothing to do with it', or whatever the words were – I said, because I have been on about this now for a number of years to Ministers, that there is a problem and there are people we should be giving an opportunity to.

So I wrote my motion deliberately the way it is. I put in a house purchase mortgage scheme so that Government controlled it for this area, so there was not the problem that now the Minister is telling us there is.

I acknowledged, in supporting the Report, that, in fact, they had changed that over to the normal system because they said there was merit in keeping it in the house purchase assistance scheme. The present house purchase assistance scheme is a load of rubbish. (**A Member:** Hear, hear.) It is an absolute mess for most people (**Several Members:** Yes.), because they cannot afford to save up for the deposit.

Mrs Cannell: That is right.

The Speaker: Ministers sit here, and Treasury allow it, because it means they do not have to find the money for the mortgages any more. That is what it is about.

Mr President, we have got a situation here where there is a Council of Ministers' report... I was 15 years a Minister, and the one thing I will say, when I was there, Mr President, the one thing that mattered was, when you were in the Council of Ministers, you fought your corner and you fought it hard. If you lost, unless it was a matter of principle, a matter to do with your constituency, or a morality issue, you then respected the rest of the Council of Ministers, and you came collectively to lead.

Mrs Cannell: Absolutely.

The Speaker: Unless the Council of Ministers lead, this Government is in a mess.

A Member: Hear, hear.

Mr Cannan: It is in a mess.

The Speaker: Ministers do not have their own individual personal way forward: 'I just do not want this.'

Mrs Cannell: Oh, they do.

The Speaker: We have the Minister for Housing saying, 'Here is a scheme, but it will not work because the figures do not add up, and I do not agree with it. And by the way, here is an amendment to a motion that has been passed by the Council of Ministers to put on the Order Paper, because I do not want it.'

It is pathetic.

The people of the Isle of Man do not elect us to go round like that. They are who matter; not the Minister, not me. We do a job on behalf of the people of this Island.

It is a disgrace what is going on here, an absolute disgrace. I have never heard such nonsense in my life, Mr President, and I have not ever – ever – seen a situation like this occur in this Court.

The one thing you know when you are a Minister is, if Tynwald Court says it wants something, and you might not agree, that does not matter, because you are there to respond to Tynwald Court. You are not a Minister to be a free agent; you are there to respond to the needs of the people of the Isle of Man, through Tynwald Court. Tynwald made its views clear: it wants a scheme; but it also, Mr President, wants a scheme that will work.

The Minister said, 'I could spend the money better elsewhere'; but you have not. We could all say that. It says in the Report this scheme, if it attracts people out of public sector houses, will help those who need housing in the public sector. But the Minister says, 'Oh, I would rather build more houses for the public sector.'

It is £140,000 for a house in the public sector, or in that region. You will get three in this scheme, or two, and help somebody who might have an ambition to own their own property.

And is it not very easy for some of us who were fortunate to be able to buy a house because the circumstances at the time meant we were able to. (**Mr Houghton:** Hear, hear.) I have got lots of friends who got married young, live in public sector houses, brought up their children on limited incomes and now, at the age of 45 and 50, have more money than they used to have, cannot get into the housing market, are starting to get hit with rent (**Mr Houghton:** Hear, hear.) by the same Department, who now, I understand, is introducing a rent addition for children living at home.

That is a new one coming on the market. I am told it is being implemented. It has not come to us, though. It is certainly not in any documents from the Department, but it is happening, Hon. Members.

Mr Rimington: Not in any document I have seen.

The Speaker: Well, I am asking for clarification. Letters have gone out from your Department. I asked for clarification two days ago and I am still waiting.

So where are we going? We have got a situation where Tynwald has asked for something, Mr President –

Mrs Hannan: They will be asking our kids, next, to pay rent.

The Speaker: There was not an option; we said we are of the opinion we should have a scheme. We all know what that means: please go away and design a scheme for the people of the Isle of Man to meet a need that will work. Once that was done, the Minister's personal views were irrelevant – totally irrelevant. If he cannot put aside that, he should not

be a Minister. It is as simple as that.

Mrs Cannell: Hear, hear.

The President: Come, Mr Speaker.

The Speaker: Mr President, my amendment at least tries to get a way forward. Now, I know why the recommendation in the Report is written the way it is.

Mr President, I feel sorry for the Chief Minister. I support the Report based on the recommendation I put, but I would certainly seek an absolute assurance from the Chief Minister that the scheme that will come forward will be a scheme that works, and not just a scheme.

The President: Hon. Member, Mr Waft.

Mr Waft: Thank you, Mr President.

I will not get into the rights and wrongs of amendments being put forward by Ministers. That is in another category and different situation that I have got no control over, I suppose.

I would just like to reinforce the Member for Onchan, who mentioned the situation with housing. The housing situation in my own area – I dare not say 'constituency' these days – has been a big problem for many, many years. I used to be Chairman of the Works Committee in the 1980s, when they were not building any properties whatsoever. No commissioners' properties or council properties, it was just a time when they did not think it necessary, for some reason. I know money was scarce, in those days.

But I would have thought, with all the bright young people that we have in these top jobs and the politicians, they would have some kind of format to measure just what the property situation is going to be like in the next four or five, six or seven years. We have enormous amounts of information, got at very great cost. We get books about statistics and how many people are going to be on the Island, how many young people are coming out of school, how many jobs we will need, what the economy will need.

And what are we doing about it? We completely ignore that when we get it every year, from what I can see. I never see anything emanating from that document that we get from the Economics section. (*Laughter*) I hope somebody is doing something about it, but, apparently, from the housing point of view, very little. Then we come to the crisis we find ourselves in now.

I know the situation was not relieved by the surgeries that we used to have every month. Two of the members of the authority would sit and find out all the problems of the people who were on the list, and they were varied and wide. We knew that we would try and do what we could and go through them with them, what their situation was, and make sure they filled in the form correctly, and any sort of points they would have or did not have, or how they could be helped in any way.

One of the dreads that we had was somebody of 45 coming through the door, single, perhaps, man or woman, and finding themselves in the situation, 'What chance have I got?' You knew, hand on heart, they had virtually no chance whatsoever. I mean, a young family were the first priority, and I think quite rightly.

There was a points system established to try and be as equal as you could, but you could never please everybody all

the time. The situation we found ourselves in was that points in one area were quite different from the points in another area. We tried to harmonise the thing many, many years ago – I think we are still at the point of trying to harmonise the points system. But, by the fact that you have a points system, you are discriminating against somebody who has got less points than someone else because of one particular reason or another.

So, I think I would have to disregard the Minister's amendment there. I do not think it is realistic when you say you cannot really segregate one portion of the population (**Mr Henderson:** Hear, hear.) because of the lack of accommodation. I really do not see the problem that we have when we try to help one particular sector of the population. We are doing it all the time, and that is discrimination, I am afraid.

With regard to whether we should go for the amendment or the motion, I think I would err on the side of Mr Speaker, who has been blagging on about this for a number of years. (**The Speaker:** Absolutely.)

Having been through the process of it, and tried to sort it out, the lack of housing, people applying for a house and trying to go through all the mire of form filling, points systems, all the tragedies that occur in people's lives, trying to help them out one way or another, if we can get some help for somebody anywhere, even if it is for the 45s, I would say we go for it, it will help somebody at least. (**Mr Henderson:** Hear, hear.)

Thank you, Mr President.

The President: Hon. Member for Peel, Mrs Hannan.

Mrs Hannan: Thank you, Eaghtyrane.

I believe that this document that we have is the start of allowing a house purchase assistance scheme for people over the age of 45. It does mean that we have to receive back, by the end of the year, an amendment to the house purchase assistance scheme for us to consider, and I welcome that.

I see this particular proposal as being value for money. It is investing in our people. We have done a lot over the years to invest in our people, and I believe this is the next step.

Because of our prosperity, house prices have increased. We were told years ago that house prices would not stabilise until we developed more housing. We have developed more housing. There might be criticism of the number of houses that have been built, but we have built more houses. But what has happened is it has only bolstered and supported the house price market. It has not levelled it out; it has kept it up. We have seen in some of the documents about what has happened. The support that Government gives actually then raises the price of the properties.

The developers have argued the case that it has not; they have come back and they have robustly defended their position. We all know that they are making lots of money out of the Isle of Man. We all know how they are able to do that, because they do not go through existing merchants, everything is brought in direct. The number of houses they can get on the land is so much greater than it used to be, smaller units, all the rest of that.

But, in saying that, I think we have to recognise that, because we have been prosperous, because the house prices have increased, it actually makes the purchase of houses more desirable, but less able to be demonstrated to be purchased by people over 45. As some of their responsibilities are left behind, their income does not have as many demands on it as

it had in the past. So I think this is a good opportunity here to invest in our people, to assist them onto this next step.

It not only does that, if it is local authority housing it actually relieves that existing housing stock, as the Speaker has said. Even during this sitting we had a vote for sheltered accommodation at Jurby. There were only three houses there; who are we going to house in that? We are going to spend money on providing housing for somebody to move into, to relieve the existing housing stock. That is what we are doing when we invest in any of our sheltered accommodation. It does not matter whether it is private or public sector, it allows people to use the income that they have got for different purposes, maybe selling their house, maybe renting it or whatever, but selling their property or moving out of local authority housing into a smaller unit so that they have got better use of their money to spend. We have done that just this sitting.

So, I see that this is just the system that we need. We need, following our prosperity, to invest in our people. I would hope that the Court will support the document that we have got before us, and I shall be supporting the Speaker's amendment.

Thank you, Eaghtyrane.

The President: Hon. Member for Michael.

Mr Cannan: Mr President, thank you very much.

We have got three documents before us. We have got the Report of the Council of Ministers, we have got the amendment from Mr Speaker, and we have got the amendment from the Minister for Local Government. I want to follow and reiterate what Mr Speaker has said.

First of all, I will say I accept the Report, and in particular section 7 and the need to provide homes for people who, as their life goes, improve their circumstances and want the opportunity to own a house. So that has my support.

But what I find amazing is, in this sort of disintegrating Government, that the Minister for Local Government, responsible for housing, puts an amendment in that says does not approve of the recommendation, but 'disregards'. You cannot be in the club and kick against it.

Mr Houghton: Yes you can.

Mr Cannan: This was the same Minister who, in a broadcast this morning, said that he had dismissed the Chairman of the Planning Committee because she did not support him – did not support him – (**Mr Henderson:** Hear, hear.) when he wanted to reform the whole of local government. Yet here he is saying to the Council of Ministers –

Mr Henderson: Get knotted. (*Laughter*)

Mr Cannan: – saying to the Council of Ministers, 'your decisions, I have the prerogative to vote against them'. Yet, in his own department he zeros in on an excellent Chairman of the Planning Committee and says, 'Ah, but she did not support me, when I wanted to reform local government.' Double standards, Mr President, (**The Speaker:** Hear, hear.) double standards.

The President: Come back to the motion, then, Hon. Member.

Mr Cannan: I was referring, Mr President, with respect, to an amendment from a Government Minister, wanting to disregard the recommendations of the motion.

The President: I think your point was made.

Mr Cannan: All I want to say, Mr President, is that I will support the motion and, in particular, the amendment by the Member for Castletown.

The President: Chief Minister to reply.

The Chief Minister: Thank you, Mr President.

I will be very, very short in saying to the Hon. Members that I will be supporting the amendment of Mr Speaker, and I can assure Hon. Members that, as I did in the summary, if the Court of Tynwald decides that this is the way forward, this is the way forward that will be, and that a scheme will be consolidated into the HPAS 2004 scheme (**Mr Houghton:** Hear, hear.) as I described and illustrated in my introduction to the Report.

With that, I so move.

Several Members: Hear, hear.

The President: Now, Hon. Members, the motion that I have to put to the Court is that printed at 20 on the Order Paper. Hon. Members you have before you the two amendments here, the amendment in the name of Mr Speaker, and the amendment in the name of the Hon. Member, Mr Rimington. Hon. Members, I propose first to put to the Court the amendment in the name of Mr Rimington. If Mr Rimington's amendment is accepted, it overrides the motion and Mr Speaker's amendment.

Hon. Members, first I will put to you the amendment in the name of the Hon. Member, Mr Rimington. Do you wish to take your seat sir? You may. The amendment, Hon. Members, is to delete the word 'approved' and substitute 'disregards'. Those in favour of Mr Rimington's amendment, please say aye; against, no.

A division was called for and voting resulted as follows:

In the Keys – Ayes 1, Noes 18

FOR	AGAINST
Mr Rimington	Mr Anderson
	Mr Cannan
	Mr Teare
	Mr Rodan
	Mr Quayle
	Mr Gill
	Mr Gawne
	Mr Houghton
	Mr Henderson
	Mrs Cannell
	Mr Shimmin
	Mrs Hannan
	Mr Bell
	Mrs Craine
	Mr Karran
	Mr Corkill
	Capt. Douglas
	The Speaker

The Speaker: Mr President, the amendment fails to carry

in the House of Keys, with 1 vote for, 18 votes against.

In the Council – Ayes 0, Noes 9

FOR	AGAINST
None	The Lord Bishop
	Mr Lowey
	Mr Waft
	Mr Singer
	Mr Butt
	Mrs Christian
	Mr Gelling
	Mrs Crowe
	Mr Downie

The President: With 9 against, 0 for in the Council, Hon. Members, that amendment, therefore, fails to carry.

Hon. Members, I now put to you the remaining amendment, the amendment in the name of Mr Speaker. Those in favour of Mr Speaker's amendment, please say aye; against, no.

A division was called for and voting resulted as follows:

In the Keys – Ayes 17, Noes 2

FOR	AGAINST
Mr Anderson	Mr Karran
Mr Cannan	Mr Corkill
Mr Teare	
Mr Rodan	
Mr Quayle	
Mr Rimington	
Mr Gill	
Mr Gawne	
Mr Houghton	
Mr Henderson	
Mrs Cannell	
Mr Shimmin	
Mrs Hannan	
Mr Bell	
Mrs Craine	
Capt. Douglas	
The Speaker	

The Speaker: Mr President, the amendment carries in the House of Keys, with 17 votes for, 2 votes against.

In the Council – Ayes 9, Noes 0

FOR	AGAINST
The Lord Bishop	None
Mr Lowey	
Mr Waft	
Mr Singer	
Mr Butt	
Mrs Christian	
Mr Gelling	
Mrs Crowe	
Mr Downie	

The President: With 9 for, 0 against, in the Council, Hon. Members, the amendment in the name of Mr Speaker, therefore, carries.

I put to you now the motion printed at Item 20, as amended. Hon. Members, those in favour, please say aye; against, no.

A division was called for and voting resulted as follows:

In the Keys – Ayes 18, Noes 1

FOR

Mr Anderson
Mr Cannan
Mr Teare
Mr Rodan
Mr Quayle
Mr Rimington
Mr Gill
Mr Gawne
Mr Houghton
Mr Henderson
Mrs Cannell
Mr Shimmin
Mrs Hannan
Mr Bell
Mrs Craine
Mr Corkill
Capt. Douglas
The Speaker

AGAINST

Mr Karran

The Speaker: Mr President, the motion, as amended, carries in the House of Keys, with 18 votes for, 1 vote against.

In the Council – Ayes 9, Noes 0

FOR

The Lord Bishop
Mr Lowey
Mr Waft
Mr Singer
Mr Butt
Mrs Christian
Mr Gelling
Mrs Crowe
Mr Downie

AGAINST

None

The President: With 9 for, 0 against, in the Council, Hon. Members, the motion, therefore, carries.

**Chief Minister's Strategy for Children
and Young People 2005-2010
Debate commenced**

21. The Chief Minister to move:

That the Chief Minister's Strategy for Children and Young People 2005-2010 be received.

The President: Hon. Members, we now turn to Item 21, and I call on the Chief Minister to move.

The Chief Minister (Mr Gelling): Thank you, Mr President.

We have before us today the Island's first Strategy for Children and Young People. The Strategy has been prepared under the guidance of the Council of Ministers Strategy Committee on Children and Young People. The Committee was established with Ministers from Health and Social Security, Education, Home Affairs, Treasury and Tourism and Leisure.

I want to first impress on Hon. Members the enormous subject that this Strategy deals with. Children and young people make up nearly a quarter of the Island's population. Spending on children's services for education, health, social

services, careers and policing is a very significant proportion of our annual capital and revenue budgets. Until this Strategy, there has been no single approach to our services for them.

Hon. Members, I consider that helping children thrive is one of the great challenges of policy-making, service delivery and personal life in the 21st century. It is important that we all agree on the direction we are heading in and that we all make a contribution to giving our children and young people a head start in life. What is good for our children and young people will inevitably be good for us as a nation.

It would be useful, I believe, to briefly tell you how this Strategy came about and to tell you some of the things that it covers. The Committee and the Cross-Government Working Party were tasked to prepare a Strategy which firstly reviewed the policies relating to children whose behavioural difficulties were not being addressed by parents and carers, and addressing the welfare needs of these children. Secondly, we were also tasked to look at the co-ordination and implementation of the key cross-departmental policies applicable to children. We needed also to take into account the United Nations Convention on the Rights of the Child.

Mr President and Hon. Members, this Strategy seeks to address those areas but, in so doing, there has been a need to examine a wide range of services and to set out a long-term strategic framework for children's services. This has not been a small task.

The Strategy is a means to provide a long-term direction to all Government and non-statutory agencies concerned with delivering services that influence the health and wellbeing of children and young people. It gives us a strong platform to do our work. It has meant that we could look at issues that broadly cross over sectors', agencies' and services' frameworks, and all the associated agendas that go with them. Having these issues on the agenda gave us an excellent opportunity to push that discussion forward, so that we can plan for better outcomes of all our nation's children.

Mr President, this Strategy is intended to benefit all of our children and young people. It builds upon our Government's core purpose to maintain and build on the high quality of life enjoyed by the Island's community, and the Strategy's long-term aim is:

'to continue to support the lives and health of all children and young people, whilst recognising that some children, young people and their families need extra support.'

Hon. Members, I would like to say that the Strategy will help to prevent problems for children and young people, but, sadly, no strategy can eliminate the risks. We can only seek to reduce those risks.

The Strategy contains many objectives and carries these forward into a range of actions. It has four main ways of driving forward. Firstly, we need to make our children's services more integrated and improve our delivery, both at the local and strategic levels. Secondly, our services for, and our information about, children need to be more accessible and shared where appropriate.

Thirdly, we want to increase the preventative areas of our work, with the ultimate aim of producing services in high-risk areas. And finally, we want to work more closely with children, young people and their families, involving them and working in partnership with them to improve their lives.

This Strategy is not a set of woolly themes; it contains a great many specific actions to translate our policies into real differences. Just a few of these are: supporting parents in the

difficult work of bringing up children; a local community partnership area to deliver joined-up services at the local level; a youth bank for helping children to understand financial matters and balance competing requests for funding; a dedicated youth justice team; and improved information about children and young people.

However, Mr President, the Strategy does not cover some important services, such as those for drugs, alcohol, volatile substances and tobacco; they have their own strategies. There are other local topics which are very important but are not specifically mentioned, such as the provision of local facilities for children's recreation. The general direction of these topics is set in the Strategy, but not the specifics.

Hon. Members, it is important to remind ourselves that, while parents are often the greatest advocates for their children's interests, carers, families, friends, professionals, Government agencies and non-Government agents, organisations, all play a role in different aspects of children's lives. As a community, we all share a responsibility to protect, nurture and promote the interests of children and young people.

The Strategy for Children and Young People is just the first stage of working towards improving our services. As Hon. Members are aware, there is a Commission of Inquiry into the Care of Young People, set up by the Council of Ministers, currently hearing evidence. The Commission will continue its work into the autumn. The findings of the Commission will have direct relevance to this Strategy and the Council of Ministers Committee will want to review the Strategy against their findings.

You may ask why we do not wait until the Commission has finished its work, but to do that would hold up unnecessarily the work we know and want to undertake now to improve our services.

One of the key messages from the Strategy is that there is no simple quick fix to improving children's health and wellbeing, but by using our diverse skills and expertise, we can make a difference.

Therefore, in concluding, Mr President, I think I must pre-empt any concerns Members may have about the wording of the motion. Originally it had been the Council of Ministers' intention to move that the Strategy be endorsed as a general framework for the development of children and young people's services over the next five years, this being consistent with a resolution passed by this Hon. Court in May of this year regarding Ramsey Cottage Hospital. Unfortunately, Mr President, it appears a motion in those terms is not consistent with the requirements of Standing Orders, despite the fact that the Strategy does not, in itself, contain recommendations.

I hope, therefore, the Strategy has been read with interest and its aims and objectives are those that Members can share. We are looking to gauge the views of Members on the Strategy, to talk about the issues it raises, and hope that you will support the principles behind it. I want it to be the way forward for us to work together, to give our children the best possible start in life.

By receiving the Report, Members will have been given the opportunity to express individual opinions on its content, which will inform the work now to be undertaken in developing the Strategy further. Specific Tynwald approval will, of course, be sought on those elements of the Strategy requiring further approval, such as financial motions.

Mr President, I beg to move, sir.

The President: Hon. Member for Garff.

Mr Rodan: Mr President, I beg to second, and reserve my remarks.

The President: Hon. Member, Mr Corkill.

Mr Corkill: Thank you, Mr President.

I welcome this document today and I thank the Chief Minister for bringing it to this Hon. Court. I fully acknowledge the explanation of the way the motion is worded, and just to let him know that I would have supported the motion in its original intent, as well as just receiving it today.

I think that this Children and Young Persons' Strategy is now making progress, and it is with regret that, certainly for a time when I was at the helm, it was the devil of a job to get it back on track because there were events, there were motions in this Court, there were events outside of anyone's control, that knocked it off the rails for a time, and I am very pleased to see that this overall Strategy is now here.

It is so important, I believe, that Government gets behind this sort of strategy, because it is the strategy which makes Departments communicate with each other and, when dealing with young people, there is no Department of Government that is not involved somehow somewhere along the line.

I would like to pay tribute to the co-ordinator, who is now in post. Certainly, the short time I was able to work alongside her, I was very interested at some of the new ideas that were brought along – things such as the youth bank, which I believe will enable young people to actually start to learn about taking initiatives and taking actions that affect their own lives, and being made aware, at an early stage, that along with a good life comes responsibility, and if you take those responsibilities sensibly, then a good life tends to come from that. Those sorts of frameworks, I believe, are most important.

So, I just would wish to congratulate the Chief Minister for getting it to the Court, and I would ask Hon. Members to give it full support.

The President: Hon. Member for Peel.

Mrs Hannan: Thank you, Eaghtyrane.

I, too, welcome this Report, but I wanted to hear from the Chief Minister, in him moving it, where the money was going to come from. We are told if we want any more money in Departments it has got to come from another Department. So maybe the Chief Minister could explain where the money is going to come from.

The other thing that concerns me greatly is that there just seems to be another Department of Government being set up, and I think Government should be honest about that, that it is now going to be controlled by the centre. My understanding is that a strategy is worked out and a strategy is given to someone to get on with; this seems to be a strategy just to say this is what we would like to do and it is this, and that, and the other.

It just concerns me that the responsibility for many of these issues is going to be taken away from Departments, and from people working in the Department, and from officers with responsibility for these areas. I know we have waited some long time for this document; I think it has been something like five years in the making of this, probably even

longer than that. I accept what the previous speaker has said, that there were things being requested in the meantime from this strategy group, but I am concerned.

I would hope that the Council of Ministers will look at this afresh. If the centre is going to be responsible for continuing with this strategy, where does the responsibility lie? The responsibility for the organisation of this group lies with the children and young people's co-ordinator, and that is the working group and it also is the voluntary sector. It is going to continue for five years; we have already had five years waiting for this document to come along.

And in this document, you see, when I was listening to the Chief Minister and hoping that he would come forward with where the funding is going to come from, in the document it says,

'Funding for children and young people's services comes from Government Departments and on- and off-shore corporate/charitable sources.'

Now, you know, I do not understand that. I understand 'from Government', but are these Departments going to get any more money to carry out these services? And which on- and off-shore corporate/charitable sources are being talked about? I know that Government pays charitable or non-profit-making organisations for services, but that is Government money. I cannot understand where the money comes from in the other direction. It might support some of those services, but it does not certainly pay for all of the services.

It does go on to say,

'The majority of actions in this Strategy do not require additional long term funding'

but if we are going to have short-term funding, where is that funding going to come from? Then we go on down this funding paragraph and it says, a submission,

'Each October Council of Ministers will consider the Children and Young People's bid separately from Department Bids. If bids are successful each Department will have the use of the successful bid money which will be ring fenced in their budgets. The Coordinator will monitor the money spent against the work specified in the bid and will report to the Chief Minister's Committee accordingly.'

So, it is not going to be the chief executive in the Department, or the director in a Department, or whoever, to look after the spending of that money; it is going to be with the co-ordinator.

It just seems to me that we are setting up this other Department of Government, and I think, therefore, Government ought to be up front about it and say that some of the issues within this are outside Government Departments and will be progressed outside Government Departments. Because otherwise, there is nobody responsible for the Strategy; it is between the Department, it is between the centre, and it concerns me that a strategy is being set up and all it has done is set up this new department of Government.

I accept, under the health and wellbeing indicators, that there are issues here that should be progressed, and it is the many areas here that are discussed on a regular basis within the Department of Health and Social Security, because they mainly relate to health and wellbeing indicators; but the timescale has not been set by this Strategy.

When it comes to schooling, there is an issue here which

I take exception to, and I wonder if all the schools have been asked about this. It says:

'Unlike the UK there are no children permanently excluded from school and without a school place.'

We know from the Inquiry that one of the children involved did not have a school place. Has that position been righted? Probably both of the children did not have school places. But to, you know, 'we are so much better than everybody else'... but, in this instance, it is on record that at least one of the children did not have a school place.

I would imagine that if we have got children that are difficult, then one secondary school does not want what another secondary school cannot cope with. That is what I had in my time in education. There was a huge problem with that. It was attitudes within the school, not necessarily the Department, but within the schools, and they were saying, 'Why should I take that child? I am not taking them.' So, it is a great difficulty.

The Chief Minister said that most of these issues are going to come back for assessment, but once this document has been reported, and once it has been commented on, even although it has been received... because the document is received, it is before us...

I am concerned that, under the sharing of information – and I have no problem with the sharing of information because it could be seen as being in the child's best interest – but on page 38 it says:

'In addition, local authorities, commissioners and non-statutory voluntary service practitioners may also require access on a case by case basis.'

I would like to know why local authorities need that information. It does not say why, but I would like to know why local authorities need information that, maybe, professionals have got. I am concerned about that. Commissioners: why? Non-statutory voluntary service practitioners: I do not understand why they need information. They can ask one of the people that have responsibility for this, and they can assess whether that information needs to be shared. I do not see that they should have access to this system. I might be wrong, but nothing in this document has spelt out to me why local authorities, commissioners and these voluntary services should have access to these systems.

Within this document there is quite a lot about nursery, pre-school facilities, but until we get down to providing really good quality nursery education from an early age, and to all our children equally, we will be discriminating. At the moment there is a pre-school strategy and it is for some areas and it is free, and in other areas families do not have that. So, this area needs to be looked at, and it will need more money – it will need more money – to be addressed.

What we have done, Eaghtyrane, is we have spent a lot of money, or we are spending a lot of money, on building a prison. What we have got to look for is investing in our young people early on, and once we have invested in our young people early on, then maybe we will not have to spend the money in the criminal course of events later on.

In the area of valuing all children and young people, I accept that there are a lot of different cultural backgrounds to people living in the Isle of Man now, but one of the cultural backgrounds which is, and I think will continue to be, not represented in the best way is local children. I think

we have failed all the way through with our education. We have an education system now which means talking about such things, about the Isle of Man, history and geography, the language and that, but we need to be more committed to that so that our children know and respect their culture, and that is not happening in our education system.

I agree with partnerships, and one of the partnerships that has worked extremely well has been the Youth Justice Team, being promoted by the Social Services but working in conjunction with the Department of Home Affairs, with the Home Affairs as the lead. It is something which must be progressed. There must be inter-agency working in this area, but I do believe that that is working extremely well and that it should be built on.

Again, as the Chief Minister has said, we are not going to wait until the end of this Young People's Inquiry to carry out things, in the same way as Social Services and the Department of Home Affairs did not wait for the Young People's Strategy to be developed before they got on with working with young people to try to stop this cycle of criminality and criminalising young people through the courts.

I also believe that the secure unit has worked extremely well. I know that there are moves afoot to try to extend, or at least rent out, the places that we have to other jurisdictions, which I think would be a major disaster. I believe that we should use the places that we have got when we need them, and they should be there and available for when we need them. I do think it has helped, that and the Youth Justice Team, to address some of the behaviour of young people.

I support the motion on the Agenda Paper, but I am concerned about a number of issues. I am concerned about another Department of Government being set up and the responsibilities not being with Departments. I am also concerned that we talk about funding and you will have to fight for your funds under this. I believe that if you want the Departments to do things, you have got to put the funding and the responsibility with Departments.

So, I consider that the approach in this document is not correct, and I would hope that the Chief Minister will listen to what is being said, will go back and look at these issues, and will address it from a different angle.

The President: Hon. Members, I think it is an appropriate time that the Court took a break. When we return at six o'clock, Hon. Members. The first to speak will be the Hon. Member for Rushen, Mr Gawne.

A Member: Do not be late.

*The Court adjourned at 5.30 p.m.
and resumed its sitting at 6.00 p.m.*

**Chief Minister's Strategy for Children
and Young People 2005-2010
Debate continued
Motion carried**

The President: We continue, Hon. Members, with Item 21, and, as indicated when we made our break, I call on the Hon. Member for Rushen, Mr Gawne.

Mr Gawne: Gura mie eu, Eaghtyrane.

I am very happy to support the motion that we have before us. I think the Report that we have is, on the whole, a good Report. I think, as the Chief Minister said, when he was introducing this Item, this is not necessarily a list of specific ways forward. It is a general strategy, rather than a report which goes into great detail as to how exactly everything is going to be achieved.

I will not go through, in great length, but there are few areas that I would like to refer to.

The first one is in section 3, 'Framework for Action', 'Better Working'. I was very pleased to see, in action number 2, we were are talking about a:

'Children and Young People's Delivery Group (CYPDG) to be established to include representation from non statutory agencies and children and young people.'

I think, if these things are going to work it is absolutely essential that we do have, working alongside Government, the non-statutory agencies that are involved and, as well as that, the young people themselves.

All too often, we are very keen to make pompous conclusions, as to what it may be or may not be that children want, and, quite frankly, if we want to engage children in politics, and encourage them to be interested at a later stage of their life, I think getting them young is an ideal time to do it.

So, I was very pleased to see that. I think it really is important that we do engage people at grass-roots level, and that we do not always dictate from the top, exactly what we feel is the right thing to do.

I was also pleased to note on the following page, 'Community Partnership', which seems like an excellent idea, bringing all the different agencies in a particular area together. Now, this seems to be a pilot project.

I was interested to note that this was in Ballasalla. I am quite sure that that is purely coincidental, that the Chief Minister is moving this, and Ballasalla has been picked, but I would be interested to know about that.

But I think it is an excellent idea, and the more these schemes can be pushed out, the better. It is important that we get more community involvement in the decision-making process and particularly, I think, for young people that has to be a good thing.

The one slight criticism I have, and this is an area I have raised before – it is also an area that I do have an interest, as Members know – and this is in relation to pre-school provision. I am a little concerned that we seem to have two agencies with control over pre-school, and it, certainly, appears, from the non-governmental agency side, that there is not one specific agency in Government which can give a lead in terms of pre-school provision.

Obviously, Social Services have certain responsibilities. The DoE have other responsibilities. In fact there are two arms of the DoE: there is one, in terms of actually providing nursery education; there is also another, in terms of training people who will then go on to be nursery nurses and the like.

On certain occasions, anyway, it seems clear to me that not all of the agencies of Government are singing off the same hymn sheet – not working to the same plan, perhaps that is a better way of putting it.

So, it is a point, that actually reading through there was

not any specific recommendation there, to try to identify one specific agency of Government that will take the lead, in terms of looking at pre-school children, and how that area can be developed, although I, certainly, do recognise the good and valuable work that is undertaken, by both the Department of Education and the DHSS, in that area.

I suppose Members will not be too surprised to learn that I welcome, in the section 'Objective J, Valuing all Children and Young People', when we talk about:

'much good work being undertaken currently to promote Manx language and culture',

and one of the actions, number 5, is:

'Arts Council to report to the Chief Minister by March 2006 on innovative projects to promote Manx culture in the Arts to Young People.'

Again, that is something, not surprisingly, I very much support, and am very pleased to see that that is being taken seriously in this document.

I do refute, to a certain extent, some of the comments made by the Member for Peel, in which she said that we were, perhaps, not making very much progress, in terms of Manx history and culture in the schools. I, personally, feel that, in the last two or three years, there have been tremendous steps forward.

It is not as much as I would like. I would much prefer to see every child in every class learning about Manx history, geography, culture (**A Member:** Hear, hear.), music and the like, but we have made a very significant start and I think the Department of Education is doing a fantastic job, in that area.

So, I think, on the whole, I am very pleased with the Report. It is a strategy, it is indicating a general direction in which we would like to go, and, certainly, with the one caveat of the pre-school area, which I think, perhaps, there does need to be a little bit more clarification on, I think this is a good Report, and I will, certainly, support it.

The President: The Lord Bishop.

The Lord Bishop: Thank you, Mr President.

I too welcome this Report. I think one of the words that I would want to pick up from the Chief Minister's introduction was that he talked about an integrated strategy. That is, I think, the most important thing about this particular Strategy, that all Departments will work to the same Strategy.

I want to put on record my thanks for the churches being involved in the early stages of getting to this Strategy, because all the churches on the Island, between them, obviously, have a fair deal of contact with the young people on the Island, especially some of the non-conformist churches, in Douglas and in Port St Mary, with very big youth churches, and I think those two elements of church life should not be overlooked, and for us to be involved, to be integrated, to be part of that Strategy is, really, very important, because I think we have a part to play there.

So, there are thanks there, but also a cry that, yes, we were consulted early on; let that carry on, let that consultation carry on, because I think we do have a part to play.

Singing from the same hymn sheet might have come from me, rather than Mr Gawne. It came from him, but I can say that I, too, would hope that we did sing from the same hymn

sheet, even if I have to sing in English. (*Laughter*)

Thank you.

The President: Hon. Member, Mr Rodan.

Mr Rodan: Mr President, I well remember, some years ago, being at the Ballakermeen High School prize-giving and hearing the then head teacher, Ian Masterton, very strongly announcing that, henceforth, there would be zero tolerance within his school for disruptive behaviour, disrespectful pupils who did not come to school to learn.

At the same time, and in parallel with that, I remember the then Minister for Health and Social Security, the Hon. Member for Council, Mrs Christian, very strongly telling the Council of Ministers about the difficulties facing the budgets of her Department, in terms of the same issue I referred to this morning – spot placements, especially off-Island, and putting children into care, either for their own welfare or through the criminal justice system – and how this was then unsustainable to the budget of her Department, as it is today, Mr President, in the DHSS.

The result of that was the decision by the Chief Minister and the Council of Ministers that it was high time that we started to look at the issues concerning this minority of children – and it is a minority – but to look at the features of their childhood, which, in fact, were leading to bad behaviour, intolerance and the need for spot placements, and that this should be looked at, not just in isolation, but in the context of the big picture of all children and young people, acknowledging that the vast majority of young people and children thrive in the Isle of Man and, in fact, grow up as a credit to themselves, their families and their communities.

So, the result was the Chief Minister's Strategy, and I am pleased, after a number of years, that we actually do have a Strategy document that sets out, in a very powerful way, with a series of objectives, recommended actions, timescales, all the things that pull together the various agencies of Government, so that we are doing, in fact, what we should always have been doing, but doing it in a co-ordinated manner.

So, the Department of Health and Social Security, certainly, welcomes this Strategy for Children and Young People and, indeed, we have been instrumental in developing the Strategy, recognising, from an early stage, that the needs of children must be considered in the round, as I say, and that they need a whole-Government approach.

The Department also has statutory duties itself towards children in need, and children in need of protection. However, these are best met in the context of services delivered in a joined-up way, and in the interests of all children and young people, that can respond quickly to issues of concern and prevent or minimise difficulties.

So, Mr President, I want to just highlight three or four aspects of this Report, fairly briefly, and the first is the issue my colleague in the Department, Mrs Hannan, referred to. It is the issue of funding, which comes quite early on in the Report.

Of course, the Report says that:

'The majority of funding will be from existing funding used in different ways.'

In principle, this is good sense, but there are practical difficulties and, certainly, our child care budget has been

overspending – or, what is more accurate to say, has been underfunded – to meet the demands for a number of years, now.

In the short term, at least, to take funding from an underfunded budget for new developments, however positive, will not be practicable, Mr President.

At the least – and I know the Hon. Member for Peel believes this, as well – there is going to be a need for short-term additional funding or transitional funding, so that core services are not affected before the Strategy begins to work, and, ultimately, hopefully, in the longer run, the Strategy will reduce the need for those core services.

As for the various objectives that were set out, the objective of family support, and on page 34, the action proposed of establishing:

‘a Safeguarding Children Interagency Review Group (sub group of the Island Child Protection Committee) to review monthly active social services children/family cases which are causing concern, children suspended from education and juveniles referred to the youth justice team’.

I think we very much agree with this notion, but it will have to have some resources at its disposal, in order to try and trouble-shoot and fast-track services in challenging cases.

The Hon. Member for Rushen, Mr Gawne, referred to the community partnership objective, which is on page 36, and the pilot scheme to be established in Ballasalla, based around the needs of children in a particular geographical area, using existing resources such as health clinics, schools, family centres, and so on and so forth.

This is very good. In the DHSS, we, of course, do have an example of this working well, in the past, and that was at Jurby, in the early 1990s, when Hon. Members of this Court, I am sure, were involved in establishing that: a scheme of co-operation between health visitors and social workers that had a number of positive benefits, many of which we still see in place today, and, in fact, are reflected in the... I suppose one could still call Jurby Primary School as Jurby Community School, where social workers and health visitors integrate very closely with the school, in that particular community. So, this is to be very warmly welcomed.

I just wanted to refer to two other objectives, Mr President. Without repeating what others have said, ‘to improve the referral system for children and young people entering the criminal justice system’: as has been said, the Youth Justice Team initially proposed within DHSS has been running for just over a year, in cooperation with Home Affairs, and it is proving very successful to date.

Now, on page 53, it goes on to have as an objective:

‘legislation so that the age of juvenile/adult court and places of custody are within the parameters of the United Nations Conventions on Human Rights’.

That is fine; but the impact of this will be to increase the numbers of young people in the secure unit, as the age limit is raised. That is inevitable and, again, there will be a resource issue there, Mr President.

The objective on page 54:

‘To empower children and young people to be involved in, take responsibility for and control solutions for themselves’ –

I have no doubt that this is an area we do need to develop and,

undoubtedly, the Commission of Inquiry will have things to say about the need to develop in this area.

Lastly, Mr President, developing:

‘partnerships between the public and the private sector, raising awareness of the needs of children and young people’ –

the objective on page 55. We very much agree with this. This is a critical area and we have, I am sorry to say, and I think we know, perfectly well, we have many examples of public hostility to the care of young people, and we need to educate the community, and the public at large, and involve them more in our work with children and young people.

So, Mr President, I am delighted with this Report and I do commend the work that has gone into it, and the coordinator Mrs McCauley, in particular. I am pleased we have now got a real agenda to work to, so that the intended meetings of the Strategy Group, every three months, will actually be to oversee a programme of action, and not just to talk academic theory, which has, perhaps of necessity, been a lot of what it has been all about, until this point.

I very much look forward to our being able to report on the actions that are all set out here, with the timescales, and to account for whether, in fact, they have been successful.

Thank you, Mr President.

The President: Hon. Member, Mrs Christian, Member of Council.

Mrs Christian: Thank you, Mr President.

I am very pleased to see this Strategy document before the Court, today. As the Hon. Member, Mr Rodan, has said, it is some years now, since the situation in the DHSS prompted me to make a plea at Council of Ministers for some interdepartmental approach to the issue of the difficulties of young people, and, thankfully, he heard that plea and a group was started.

Now, we have heard about the stop-start approach that the Strategy has had. However, today we have something in paper, before us and I think – I hope – a lot of commitment interdepartmentally, towards the principles that are embodied in it.

However, I would not minimise the difficulty, perhaps, in implementing it. The resource issues have been touched upon, and it does say that new moneys will not necessarily be required. It is extremely difficult, in many cases, to change systems around, within your existing budget. It is like fighting in a sack, but it can be done.

I think the pilot project on youth justice has illustrated that, and I was very pleased that that went ahead. It was in an earlier document and the Departments concerned – or some of the Departments concerned – went ahead within their existing resources to push that on.

So, it can be done, but it is not an easy situation, particularly as we recognise, this morning, that, in terms of Children and Families Services, the DHSS had an overspend of £2.2 million, last year. It is a huge problem, to contend with the costs in this particular area – although I do recognise that there were some specific difficulties last year.

The delivery of the Strategy, some of us have experienced the delivery of, for example, the Drug and Alcohol Strategy. It took – it is taking – much longer than originally had been hoped, and it has to be slotted in with other demands on Government resources.

We know the financial position we are heading for is going to make things even more difficult, and, therefore, we do need to be sure that, if this Strategy is to work, that all Departments will have to commit themselves to meeting the targets that are set out in here. It is not only the Departments; we, as a Court, need to commit ourselves to supporting the allocation of funding that will enable it to happen.

But apart from Government's involvement, I do think that the issue highlighted by the Hon. Member for Garff, Mr Rodan, in respect of community involvement is a pretty critical one.

It is quite right to say that there is not a particularly helpful approach to young people with difficulties. Perhaps, that is because most young people in the Isle of Man have straightforward lives – apart from the usual glitches that all young people and families have – and that most families do not come into contact with, or experience, or have any knowledge of the sorts of situations that some young people find themselves in, which promotes the sort of behaviour that they indulge in.

Although, on page 56, they have outlined examples of good community practice, and cited Ramsey Young People's Project there, I do not think it would be wrong of me to suggest that, even in Ramsey, they do not have entirely whole-hearted community support for that project. I know there is a lot of support for it, but it cannot be said that they have won over everybody, and that everybody is prepared to have an open mind about the provision of resources for children.

So, that is an excellent project, but it is still a task to overcome some elements of community resistance, and I think that we will have quite a task in that.

I do not want to go on, Mr President. I would be tempted to comment on some of the timetable and the specifics, but I am conscious of the very long Agenda.

I just wish the relevant Departments well with the delivery of the Strategy.

The President: Hon. Member for Glenfaba, Mr Anderson.

Mr Anderson: Thank you, Mr President.

I am brought to my feet, really, by the comments of my hon. friend from Peel, Mrs Hannan, in relation to start with, to nursery education.

I think we have to point out that the Department recognises the value of high quality nursery education and is, where funding is available, rolling out on a gradual basis throughout our community.

It has to prioritise, obviously, and it has done this, in the past, on a social need basis, so that most of the areas that we could see could most benefit from this have been done as a priority.

Obviously, as we build new schools that does give us the opportunity, as well, to incorporate new nurseries. I do not want to criticise the Hon. Member, but I would say that nursery education has a very high priority now, within our Department, (**Mrs Hannan:** Oh, right.) and, obviously, where we have the financial ability to do something in the community, we are doing it.

In relation, as well, to comments made by the Hon. Member, as far as the curriculum is concerned, I think we give them a very good understanding of their culture and their history, and, to that end, we have recently rolled out a new history curriculum that emphasises the history of the Isle

of Man, and where that sits, in relation to the history round about the Isle of Man.

Hopefully, in the future, we will be able to do that in more subject areas, and Mr Gawne recognises that as being a lot better over the last few years. Hopefully, with strengthening the advisory centre, we will be able to do that in other areas, in the near future.

One of our targets in our business plan is to increase the delivery to children that are not attending school on a regular basis. This is one area that we have not been terribly successful with, in the past, it is high in our priorities, but it is a very high cost delivery, to provide this service.

It is highlighted in this Report, and I think this Strategy really goes a long way to help each individual Department to focus on the way forward to help our young people. It helps also to identify roles and goals, but, at the same time, has very good examples of Government Departments working together.

I think it is a very significant step forward, and I hope the Hon. Court will support this, unanimously.

The President: Chief Minister to Reply. Oh sorry, Mr Waft.

Mr Waft: Thank you, Mr President.

I would just like to make a plea with the people who draw up these books, and all the work that goes into them – all the good work that is there. It is absolutely essential to make sure that the most benefit is obtained from the well-meaning practices that are here encompassed, and that is the communication to those people who need the services.

Unfortunately, we are still having cases of... in my role as a trustee of Manx Mencap, I have got a particular interest in those being born with chromosomal defects. It is absolutely essential that they have the ability to contact people who have been through the same situation, know what is ahead of them, how to get the best out of all the services that are provided, and educate them to look out for what is happening in the future.

The ability of education in those circumstances is to help that family to achieve the best possible for the child in those circumstances. The teachers, indeed, in the inclusion service that we do have on the Island, know what to look out for, and know now to look after that child.

I complimented the Department of Education on the pre-school units; they are a very worthwhile improvement to what we have had.

The early identification of those who have had problems with learning difficulties, early identification has been essential. And the good practice that has been spelt out in here is certainly is good practice, because I have been to the services at the school at Pulrose. It is, certainly, an eye-opener for those people with young children with difficulties, to see some of the help that can be obtained by that service.

The situation that we find ourselves in now, from the DHSS point of view, and from the educational point of view, with regard to children, is the fact that, with such early diagnosis, and families are aware of what the problems are, they will want to get the best possible facilities and the best possible accommodation.

We do find that particular services are requested by different families for different problems, within that family situation, and we must try and help the obtaining of such services.

I know Autism in Mann, particularly, have a problem, at the moment, with trying to find funding, and they would appreciate any help that they can get.

When they do grow up the College of Further Education can provide for those with learning difficulties, but there is a cost involved, and there is only a certain amount, of course, that is available in that situation.

So, it is just the awareness of the problems which can be alleviated, if only we have early intervention and the professionals there, available to help, but they can only help if they are made aware of the situation.

I had a situation, I explained to the Court a year or so back, when a lady was about to be evicted with two children – one six and one five. The Department of Education did not know about it, the DHSS did not know about it, and, if they are not informed, they cannot help and cannot get a caseworker to them.

So, there must be some sort of system for an intercommunication of all the well-meaning people, and the access that they have to finances et cetera, and intelligence for dealing with all kinds of problems that do ensue. With all the best intentions within here, if the communication is not there, and everybody is not knowing what is out there and what is available to them, we can find ourselves still having a lot of work to do.

I appreciate the work that has gone in here. I appreciate what they are trying to do. and I think we are on the way in the right direction.

Thank you, Mr President.

The President: Now, the Chief Minister to reply.

Mr Karran: Hear, hear.

The Chief Minister: Thank you, Mr President.

Well, first of all, let me start by saying I do readily accept the congratulations of persons to the officer involved, and to the fact that the Strategy is before us. Of course, it has not come here without a great deal of difficulty, which has already been highlighted, inasmuch as Mrs Hannan, who unfortunately is not in her seat, was asking about everything coming to the centre.

Well, of course, it is not coming to the centre for any other reason but for co-ordination of bringing the whole Strategy together, so that, in fact, the Departments of Government can then carry out their part of the Strategy.

So, therefore, to Mrs Hannan, I would say, yes, we are listening – listening very carefully to what you are saying – because we do listen to what Members have to say, especially those who do make comment and contribute to debates such as this. Everybody has concern about young children but, as has been demonstrated, everybody is not always tolerant about children, and, particularly, those who may be misbehaving.

Certainly, I would like to make sure that everybody knows full well that, although the Strategy is made so that the Departments with that responsibility carry out that which is given to them, it is not done without resource. Of course, that resource should very well be ring-fenced for that area of priority, for the simple reason that we have seen, in the past, I think I can say, with Drugs and Alcohol, we started off with a ring-fenced area of the Police Force. Of course, it was ring-fenced for a period of time, but then, slowly, it was eroded and before we knew, the police were sent off

into other areas of the Police Force, because it was decided that the priority of the Chief Constable was different to what actually our Strategy was.

So, this is the area which I firmly believe has to be brought to the centre, for the simple reason that, to co-ordinate this, and to find out why one Department is not carrying out their part of the Strategy, which could allow the whole thing to fall, it is really to bring them together, and ask why it is not happening, because that is the problem between all the Departments.

But I can say to the Hon. Member bringing it to the centre actually causes a considerable amount of pain, for the simple reason I now find a tremendous amount of time on these Committees, and we just cannot get the Committees in. I do not know how many times we have had to cancel Committee meetings of these central Strategies, because we just cannot physically get the time actually to sit and discuss it. This does give me a great deal of concern.

Now, one thing that I have done of recent times, with Mrs McCauley... I do not want the rumour to spread, but I was out with her on Monday night! (**A Member:** Tut, tut!) We were at a youth club, and we went to meet them, on their home ground, to talk to the children about their concerns.

It is fair to say that there is also a little bit of lack of tolerance from those who are healthy and well, and are well behaved, about the way in which some of those who do not behave and are difficult actually get more things given to them. They get more treats and they get more outings and one thing and another.

We were talking about schools –

Mr Delaney: Sounds like the Council of Ministers!

The Chief Minister: – and you end up with those that do behave having their particular thing cancelled, because there is no money left in the pot.

So, there is a lot of work to be done, just in the children themselves, in being able to get a level and a balance there that, in fact, the resources are being spread evenly, and not just to those who, perhaps, do have difficulties.

The difficulties can only be tolerated by the children themselves, and I think we have got to keep them on board. We have got to keep them on board to be able to accept that that is something that we want to encourage.

Now, yes, I have taken note of the concerns of the Hon. Member for Peel. Of course, the idea of the October decision is to make sure that the Strategy is well resourced, as far as we can, because, of course, it can only be – and it has already been demonstrated – that these things can only happen if we have the resource both in people and in money. But, I think, centralising it, for a co-ordinating situation, is one that will get that finance, perhaps, into those places, rather than it not being co-ordinated at all.

Also it was commented upon about nursery education. I thank the Hon. Member, the Minister, for answering some of the queries that Mrs Hannan has raised. I do not know whether they were answered satisfactorily, but, nevertheless, an attempt was made. Certainly, we will take this, when we come to our next meeting, to actually discuss the areas that you have mentioned.

Now, Mr Gawne supported the Report and, obviously, was well pleased with the comments made about the objectives on the Manx language, and the progress that was being made, which was contrary, perhaps, to what Mrs

Hannan had suggested – it had not gone far enough.

Now, the Lord Bishop also raised the point about the integrated Strategy, and the way the churches have been involved from the very beginning. Again, this demonstrates the point that Government cannot do it on its own. It cannot possibly have the funds, to be able to resource everything, and we do rely on volunteer groups and charities, to assist in this area. They do a grand job, because, in many cases, they can actually do a better job than what Government can do through departmental regimes, which are formal.

They can get into places and get to meet people in a different area, and I think it is, absolutely, of paramount importance that we always go forward with charities and churches, and whoever has got the enthusiasm to actually help in the area of children, and the bringing up of children. The younger, of course, that these children can be brought into this area, the better.

I thank Mr Rodan for his support and, also, demonstrating the co-ordination to the centre. I know that all Departments, and in particular, probably, the Department of which he is Minister and, of course, Mrs Hannan is a Member, have a difficult job, because an awful lot of the work does go down to their Department, and they could use every penny extra that they could get and more.

So, therefore, there are practical difficulties, but there is good work going on, and we must continue to encourage it.

Again, Mrs Christian touched on the interdepartmental groups, and bringing it to the centre, and, probably, if it was not brought to the centre, at that time, we might still very well be looking at, possibly, doing it.

So, I think what we have done, perhaps, has not gone far enough, in the time that we have had. However, I am quite sure it is just as well that we started it.

Again, I thank Mr Anderson for answering some of the questions, and Mr Waft for his support.

Mr President, I beg to move.

The President: Hon. Members, the motion I put to the Court is that the Chief Minister's Strategy for Children and Young People 2005-2010 be received. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Petition of Redress of Grievance of

John Armstrong Maddrell

DoLGE Report on Select Committee recommendations

Motion carried

22. The Minister for Local Government and the Environment to move:

That Tynwald receives the Report dated June 2005 on the Recommendations of the Select Committee appointed to investigate the Petition for Redress of Grievance of John Armstrong Maddrell and approves its recommendations.

The President: We will turn to Item 22, and I call on the Minister for Local Government and the Environment to move.

The Minister for Local Government and the

Environment (Mr Rimington): Mr President, the Select Committee on the Petition for Redress of Grievance of John Armstrong Maddrell made four recommendations, one of which required the Department to report back to Tynwald.

However, the Department believes it would be helpful to update the Court on the other three recommendations, as well.

The first recommendation requires the Department to take steps to clarify the situation with regard to the possibility of the separate development of Mr Maddrell's land, by proposing an amendment to the Local Plan, or otherwise. This will be achieved through the preparation of a new Area Plan for the south of the Island, work on which will commence later in the year.

There are no practical means by which this could be achieved earlier. Any change to the zoning of the lands will be of particular interest to the surrounding householders and Port Erin Village Commissioners. There can be no simple short cut, to achieve the end required, without denying the legitimate rights of the local community. A formal process of public consultation and public inquiry would need to be followed.

The Select Committee Report found no evidence of a miscarriage of justice or planning maladministration that would justify the level of expense and officer resources that would be required for such an inquiry, ahead of the Area Plan process.

The second recommendation, on which we are required to report, is the adoption of a simplified and comprehensive model for local authority standing orders, dealing with declarations of conflict of interest and the participation of members of the authority in related business.

Our Report highlights section 27 of the 1985 Local Government Act, which covers the need for local authorities to have such standing orders, and annex C to the Report reprints section 17 out of the model standing orders which are contained within our handbook.

This has, previously, been issued to all local authorities on the Island and, indeed the section 17, which is in there, as an annex to the Report, refers to section 11 of the Local Government Act, where it quite clearly states that members with an interest must remove themselves, and not take any part in the proceedings. That is actually in the legislation itself.

Our handbook, which is given to local authority members and clerks, also contains an extensive section on declarations of interest, which outlines the ethical principles involved, and which reflects the requirements of the legislation. This section on declarations of interest is printed as annex D to the Report.

I would bring the Court's attention, however, to one particular line, which says – and it is written in bold, in the annex, and in the papers that are sent to local authorities – 'If in doubt, declare'.

The Department believes that it has already addressed this recommendation. I do concede, having discussed this matter, briefly, with my hon. colleague from Rushen, Mr Gawne, that, possibly, a slight improvement could be made to section 27 of the Local Government Act, subparagraphs (4) and (5), where it says the local authority 'may' make standing orders and could possibly be rephrased as 'shall' make standing orders, although it is, in fact, covered in the primary legislation. But I appreciate that is something that we should take on board and look closely at.

The third recommendation requires the Department to provide specific guidelines for when it is or is not appropriate for public business to be conducted by boards of commissioners, in private, with the presumption being against such a practice.

Our handbook clearly states that members of the public are not entitled as a right to attend the meeting of a local authority, but authorities are encouraged to allow them to do so, unless the nature of the items to be discussed, i.e. housing allocation, requires the proceedings to be in private.

I do not believe we could, or should, go further than this. If we were to insist, through legislation or otherwise, that all local authority meetings are held in public, subject to these specific exclusions, then, quite rightly, the local authorities would turn the spotlight on all other areas of Government, and ask that we should behave likewise.

Meetings of Departments are not held in public. Meetings of the Statutory Boards are not held in public. Select Committees may hear evidence in public, but then consider such evidence in private. The Tynwald Management Committee does not sit in public, and nor does the Council of Ministers. It would place an impossible burden on the process of Government, if such meetings were all required to be held in public.

Local authorities should be encouraged to find the right balance between the need for openness and transparency, and a need to be able to conduct their business in a sensible manner.

The first fundamental principle is that all decisions of a local authority should be clearly recorded in the public minutes, and such minutes should be easily available to the public.

The second principle relates to planning. As we are shortly to embark upon an open process for the Planning Committee, I think it is particularly important that local authority consideration of planning applications should be dealt with in a like manner, in future – although, I am aware that most authorities do so already – and I hope that they will take due note of this.

The third principle is that democracy exists to provide good government, which is responsive to the concerns of the people. Openness is important, but so, also, is wisdom, and wisdom needs to be cultivated through discussion and deliberation, which cannot always take place in public.

I would use the example of draft legislation, or proposals for legislation, which have been sent to local authorities, as it affects them. You are unlikely to have a fruitful discussion on the proposals, if every word is being picked up and reported upon. You may well have a number of sound bites and, in some instances, you will have carefully drafted statements, made as a pre-cursor to the next general election, but will you have a well considered response to new legislation that will eventually impact on their ratepayers?

In this example, it would be sensible to deliberate in private, but the outcome of that deliberation should be recorded in public, and signed off as an accurate record in the minutes.

Mr President, I emphasise the word, ‘accurate’, as it has come to my attention that one local authority only signs off their minutes as being, ‘reasonably accurate’, (*Laughter*) which I find a little disturbing. As far as I am concerned, the minutes are either a correct and accurate record, or they are not.

The last recommendation requires the Department to

publish a leaflet on how interested party status in planning is determined. We will produce a guidance note on this matter, which will outline the criteria used when the Planning Committee makes its decision.

However, determination of interested party status will never be black and white, and no set of criteria will cover every circumstance. Thus, it has to remain a decision of the Planning Committee which is charged with that responsibility, and whose members are skilled at exercising such judgements.

Mr President, I beg to move.

The President: Hon. Member, Mrs Christian.

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

The President: Hon. Member, Mrs Hannan.

Mrs Hannan: Thank you, Eaghtyrane.

I was on this Select Committee looking at this particular issue. One area I am extremely concerned about – I understand the comments made by the Minister in moving this consideration – but the issue of members of the public not entitled, as a right, to attend a meeting of a local authority, is of concern.

Surely, local authority members are elected by the public, to look after the public interest in the local area. While we are given an example of a housing allocation and I can understand that being taken in private, what I cannot understand is some of the other issues that are taken in private.

In my own area, as far as I know, anyway, there was no public meeting, this year, about the rates. Sale and disposal of land is considered; land which belongs to the public, to the ratepayer, is not discussed in public – not even for it to be reported.

There are a huge number of issues which I feel have got to more open, more transparent of what is going on in local authorities. (**A Member:** Hear, hear.) If local authorities can say that members of the public are not entitled, as a right, to attend a meeting... I would say not entitled to attend and *speak* at a meeting, but to attend and observe most of the public meetings, I would say *is* a right, to observe, in this day and age. (**Mr Karran:** Absolutely.)

The Minister has suggested that we do not have meetings in public, but we have general meetings in public. This is a general meeting, where the decisions are considered in public; we have the House of Keys, where the decisions are considered and debated on, in public.

The local authorities can have all the committee meetings that they want, but when the decisions are made, I believe that the decisions to sell land, to rate individuals, the rents for properties, all of those sorts of issues, should be made in the public domain, and there should be debate and argument, not just, ‘Oh, yes, we will do that’.

I really think that the Minister ought to go back and look at this, and, if it means the changing of primary legislation, then I believe that we have got to change it.

We talk about being open and transparent, and, if we are going to leave one area of government in the Isle of Man to be private, and everything that they do is private, then we might as well not consider anything at all that local authorities are involved with.

I do have my concerns about local authorities. As I

said yesterday, we provide funding for houses; we provide schemes for refurbishment of houses; we leave money with local authorities, after rents are paid, for maintenance and administration and yet, as far as I can see, there is no overview of what takes place with any of the housing. We do not insist that the houses are properly maintained. We just leave the money with them.

All of these sorts of issues, Eaghtyrane, I am extremely concerned about. I will consider my response to this, when the Minister winds up, but I am extremely concerned about allowing local authorities, which handle a lot of public money and a lot of the interest of the public, to meet in private.

The President: Well, Hon. Members, let us not try to have a local authority debate, but stick to the reception of the Committee's Report, please. Hon. Member, Mr Gawne.

Mr Gawne: Gura mie eu, Eaghtyrane.

Interestingly enough, this has not been choreographed. I was not actually going to speak on the particular section Mrs Hannan has spoken on. I, too, was on the Select Committee that looked at Mr Maddrell's Petition, and it was actually two areas that I was concerned about. One, I was going to welcome.

So, I think, if we start with the good news, with regard to recommendation 4, and the Department's moves to actually issue guidance notes on the information on interested party status, I think that is a very good and positive step forward. I look forward to seeing the Order when it comes to Tynwald, in November 2005.

I think, though, recognising these are difficult areas and they are grey areas, and, I think this was something that the Select Committee recognised, at the time, when we finally reported, there are no easy and straightforward answers.

I think that was one of the reasons why we actually referred the matter to the Department. The Department has the expertise, or greater expertise, perhaps, than the Select Committee, in addressing these issues.

I am a little bit disappointed that, what we have come back with, bearing in mind we recognised that there were some causes of confusion, to say the very least, in relation to this matter, in relation to the local authority concerned, that the Department's response, effectively, seems to be: 'everything in the garden is rosy, there are no problems, and everything we are doing is fine.' I think that is a little bit disappointing.

I think, particularly, for Mr Maddrell, the most disappointing thing is that the Department is, basically, saying that:

'The Department can confirm the preparation of a new Area Plan for the south of the Island will commence later in the year. The future development of Mr Maddrell's land will be one of many issues addressed by the Plan. Once approved by Tynwald, the Area Plan will have the effect of revoking the current Local Plan for Port Erin.'

Sounds fine, but when you actually look in Item 28, if we eventually get to it, it actually states, on page 3, the third paragraph down:

'Therefore full area plan coverage is not likely before 2010 at the earliest.'

Mr Maddrell, I think, feels that he has been thwarted, and,

yet, the Minister has come back and, basically, said, 'Well, we will have this Area Plan, it will come out eventually – maybe another five years' time.' I think it is a little bit disappointing.

I think, all we really need is some sort of statement of clarification as to what exactly is going on, with relation to this planning issue, in that it is quite clear, in the Area Plan, what is supposed to be there, but an inspector seems to have ruled slightly differently from what was in the Area Plan. If the Minister could provide some comfort, when he is winding up on that particular issue, I think it would be very helpful.

Then the other issue that I wanted to raise was the issue in relation to declarations of interest. Certainly, the Minister pointed out that section 27 of the Local Government Act does provide for standing orders to be made. When we actually look, and I pointed this out to the Minister earlier:

'a local authority *may* by standing orders provide for the exclusion of a member of the authority' –

not 'shall', but 'may'.

Now, certainly, when we go on to section 11 – I think it is section 11 – of the 1985 Act, there is a very clear and definite restriction on people with a pecuniary interest actually taking part in discussions, but, in the particular matter that we investigated on the Select Committee, the fact that the legislation was there did not seem to affect, or did not help, the matter, and there was a degree of confusion.

What we asked for, from the Select Committee, was that there was a greater amount of clarity brought to the situation and I, certainly, do not feel that what we have is that greater clarity.

Certainly, the model standing order that the Minister provided showed – number 17, 'Interest of members in contracts and other matters' – it actually lists a variety of things, and we get down to (c):

'The authority may invite the member to remain'.

So, on the one hand we have got model standing orders, which say that the authority may invite a member of a local authority to remain in a meeting, and the legislation, on the other hand, says that you cannot.

I, personally, feel that I am a little bit disappointed with this Report. I do not feel that it has brought the clarity that the Select Committee was looking for and, unless the Minister pulls something pretty amazing out of the hat, when he is winding up, I will be opposing.

The President: Hon. Member, Mr Delaney.

Mr Delaney: I will not keep the Court long, Mr President. I agree with a lot of what the Member for Peel has said, obviously, and Members know why.

The one scenario I want to put to the Minister – I fully support it, if it works – I am going to put a case to him.

He has mentioned about minutes being taken. If three members of local authorities sit on a committee, they come to a decision – and the Minister will know where I am coming from on this one – and, subsequently, you find out that the decision they came to has just been overturned, either by officers or other members of the council, not at a meeting, what action can your Department do to make that right?

That is the question.

Three members of a local authority are sitting on a subcommittee; they come to a decision of action; the action that is taken is not the action that they agreed to. What can you do, if they complain to you about that injustice, or that matter? Where is the power under your authority?

The President: Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, I have to say that I totally support the Member for Peel. The absurdity of having a situation with the refusal to allow the public or the ratepayers of a local authority not to see the standing orders of the local authority is an absolute scandal! I think that these are the sorts of issues that need to be addressed.

The Member for Peel is quite right, as far as the way things are done far too much behind closed doors. I support her aspirations, as far as that is concerned.

I do feel that it is a bullet that, unfortunately, the LGB should address and, if they put their priorities into trying to make the present structure of local government work better, to start off with, it would be step in the right direction, before going off and throwing the baby out with the bath water.

The madness that some of these local authorities are allowed to get away with, at the present time, is one of the issues that needs to be publicly audited, as far as that is concerned. Where the ratepayers of some of these local authorities are being seriously financially penalised, through the way things are done, has to be brought out more into the public – the way that they are selling off land, when they are paying exorbitant rents for libraries, and the likes in Douglas.

When the Hon. Member talks about the maintenance side on housing, I think it is –

The President: Hon. Member, we are discussing local authority, again. Come back to the motion, which is Mr Maddrell's Petition.

Mr Houghton: Hear, hear.

Mrs Hannan: Yes, local authorities.

Mr Karran: Yes, we are talking about the issue of the way that the restrictions that should be on, to make local authorities be more public, as far as what they are doing. That is what I am on about, and I am just trying to give examples of it.

I know, with one committee that I was on, a housing maintenance scheme of local authority housing, and we had no control over how they spend that money, and yet it is government that is subsidising it.

I believe that that should be part of the recommendations, when you are talking about the transparency, as the Hon. Member for Peel is talking about. We should know, because I know, as a former joiner for one of the local authorities, how badly managed that resource was done.

I believe, at the moment, the only reason they get away with it is because of the fact that they do not have to give the detailed orders of the council of where that money is going. Unless that has changed in the last six months to a year, that was the case when I was on a committee, and we could not get our information.

When the Hon. Member for Rushen talks, Eaghtyrane,

I think it is important that he does not just forget about the issue of not just the interest of the members, but about the senior members of staff, who often run these local authorities by de facto.

I think that the Minister could have done with being a little bit more positive about trying to direct them, especially when there are such major concerns with certain local authorities within the Island. There are one or two, at the present time, who face major revelations coming out, because of the way that they have been able to brush everything under the carpet.

I am only getting up to support the Member for Peel, because I totally agree with her principles about the way things are done in local authorities. I feel that the Department has not seized the opportunity.

We are running off, talking about local government reform. We could start with just making sure of what we have got, at the present time, because I feel that we are not doing that. We have an Item on the Agenda further on, where I think, unfortunately, the Select Committee has not grasped it enough, in my opinion.

The President: We will talk about that when we get there, Hon. Member. (**Mr Karran:** Yes.)

Hon. Member, Mrs Crowe.

Mrs Crowe: Thank you, Mr President.

Of course, I take on board all that has been said by the Hon. Member for Peel and Mr Karran from Onchan, but that is for another debate. It is a debate that has gone on and on and on, in this Court. It is the ratepayers of the district that hold the local authority to account, and not the Department.

However, the point I wanted to ask the Minister was: I know the extensive work that went into compiling and publishing the excellent handbook and guidance notes for commissioners. My problem is that handbook is not, necessarily, read by commissioners. I wonder if there is a way in which you could ensure that all clerks give the handbook to their commissioners and, perhaps, get some signature that they have actually read the handbook.

It is pointless. The Department publishes guidelines, help, advice, notes, letters, telephone calls. Those are all to the clerks, and what *really* needs to happen is that the commissioners themselves, who are not being held to account by the ratepayers, do need to fully understand the legalities that they have, in law, regarding their position.

The President: Minister to reply.

The Minister: I am not sure if I am going to say thank you, Mr President!

The crux of the issue, to my mind, is what level of control and direction you wish central government to have over local authorities.

Mr Delaney: Have we got any?

The Minister: There is limited control.

Mrs Crowe: We shouldn't have.

The Minister: It is limited control at the moment. One has to be very careful about saying, 'Right, we are going to

put you in a particular straitjacket and we are going to define exactly how you behave, that you will have to sign off that you have read all our instructions, et cetera', when they are bodies which are democratically elected.

That is their constitution, or that is their position, under statute. As Mrs Crowe, quite rightly, said, they are responsible and accountable to their ratepayers. (*Interjection by Mr Karran*)

If Tynwald is saying, on the other hand, that there is another line of supervision which is far more onerous than exists, I find that quite a strange and difficult position to be dealing with.

A lot of the local authorities... I know there has been, obviously, because of the reform issue, a bit of contention there, between the Department and certain local authorities. If we were to take the line that seems to be coming out from the Court, at this moment in time, that contention level would go sky high.

We would be seen as the big brother dictating everything that was being done –

Mrs Crowe: You can't.

The Minister: – and I am not sure that is the right thing to do, here.

Mrs Hannan: The public wants it.

The Minister: I think it is more the ethos and culture of local authorities, in the round, that we need to encourage, and we need to encourage that openness. Yes, people do need to be encouraged in how to conduct meetings; how to record matters in public. As the Hon. Member for Peel has said, that openness – if they do go off in committee to deliberate or discuss something that needs to be discussed in a committee, that matter is not just one line in the minutes. It comes back and it is openly recorded, and available there for the public.

The matter of putting the local authority meetings, by primary legislation, in public has been addressed and has been addressed before my time. But each time it has been addressed the message has come back, quite clearly, I am afraid, if you do that, then the same principles will apply to all or many areas of Government.

Mr Delaney: They cannot direct the Government. We can direct them; they cannot direct us.

Mrs Crowe: We can't!

The President: Hon. Member.

The Minister: There has to be consistency in law.

Mr Delaney: They can ask for it, they cannot direct us.

Mr Downie: Change the law.

The Minister: That message has come back that it would be a dangerous path to actually specify that in primary legislation, when it is not specified so for other bodies of Government, whatever they might be.

The point is, yes, they should be encouraged, more strongly, to be in public, wherever possible. I think you

would find it very difficult to actually define that in primary legislation.

We can, obviously, put down specific guidelines and reissue the guidelines that are already there. Unless I am informed otherwise, primary legislation is not actually a possibility.

Now, in respect of the Area Plan, we have said the full Area Plans will not be there by 2010, to the Hon. Member. But the South Plan, I sincerely hope, will be the first of such plans, and will be well before 2010.

I note what the Hon. Member has said, the zoning is there. It is an inspector's ruling or decision, if you like, that has complicated the issue. But let us be quite clear: an inspector's decision is not binding on the next inspector. The next inspector may well give consideration to that decision, and that condition, but it is certainly not binding on that inspector.

Indeed, the zoning factor itself is not necessarily binding, although it is very strong as an influence. It is the zoning of the land – and the land is zoned for tourist use – which is the important one, not the inspector's decision.

So, I do believe that there are mechanisms which could allow that land to be developed, prior to an Area Plan, although an Area Plan would make greater clarity, in respect of that.

I, honestly, do believe that we have put forward what I would consider a pretty fulsome response, on what is there, in terms of declarations of interest: the extensive section that we have in our handbook which goes out; the fact that it is there in legislation; the fact that it is there in section 17 of the model standing orders; and that I have agreed that the area where it says 'may', we will look at making that into 'shall', to make it even further watertight.

I know the Hon. Member picks out part (c) of section 17. However, that standing order cannot contradict the purposes of section 11. But in respect of another matter, which is the pecuniary interest which section 11 refers to, then section (c) probably could apply. The local authority, for good reason, having accepted and noted somebody's particular interest in a matter, might say, 'Well, we consider that interest to be of a de minimus nature', or 'to be not particularly material to the issue that we are going to be discussing', and invite him to remain. That does allow some flexibility. It cannot, necessarily, be absolute in all respects.

To the Hon. Member from Douglas West, Mr Delaney, I am afraid that within the space of giving you a response there, on my feet, what action could be taken by the Department, in that respect, without referral to the Act, I would say, probably not very much on an isolated incident.

If we felt that there was a continuation of such acts, and that it was a matter that was repeatedly being drawn to our attention, then I do believe that you get to the point where you can do.

But the mechanism where we can are quite clumsy. You have to have quite big grounds before you enter into those mechanisms. That is, you have to hold an inquiry. That is an inquiry which is quite a full blown affair.

Mrs Hannan: In public.

The Minister: And in public – well, not altogether in public, necessarily, but, obviously, with a public element to it.

That is one of the issues that we may well be addressing,

in legislative changes that we are proposing to take.

To the Hon. Member for Onchan, Mr Karran, it was not standing orders that the Hon. Member for Peel was talking about, but anybody should be able to see those standing orders, and I realise there was an issue related to that before. They should be able to see the minutes.

Mr Karran: It was about transparency –

The Minister: Yes, it is all about transparency, but, in a sense, it is difficult for Tynwald, as a Court, to overlay that transparency in legislation, in the minutiae on the conduct of local authorities. It is the ratepayers of those authorities that actually need to be motivated to hold their elected councillors to account.

Mr President, I beg to move.

The President: Hon. Members, the motion that I put to the Court is printed at 22 on your Order Paper. Those in favour, please say, aye; against no. The ayes have it. The ayes have it.

Electronic voting in Tynwald Court Tynwald Management Committee Report Motion lost

23. The Chairman of the Tynwald Management Committee (Mr Speaker) to move:

That the Report of the Tynwald Management Committee on Electronic Voting in Tynwald Court be received and its recommendation approved.

Notice given at the sitting of Tynwald in June 2005 by the Chairman of the Committee (Mr Speaker) to move this motion again at the sitting of Tynwald in July 2005 under the provisions of Standing Order 3.19.

The President: Item 23.

The Speaker: Thank you Mr President.

Mr President, We went into a full debate into this last month, as Hon. Members are aware, and the motion was lost due to the voting pattern between the two branches.

The recommendation that we have from the Committee is to rescind the decision of May 2003, and not to install electronic voting within Tynwald Court.

Mr President, I, again, wish to confirm that no request or representations whatsoever were made by Manx Radio, regarding this matter, and they were totally unaware that the Committee was, in fact, even considering it, and only became aware when the Report itself was made public.

I just remind Hon. Members that the decision to have electronic voting was made prior to the decision to broadcast our proceedings. The point that we are making, quite firmly, is that it would be unfortunate to have a full debate on an issue and then the public who are, whether we like it or not now, listening to the proceedings, do not know how individual Members vote.

As was said by the Hon. Member for Douglas West, Mr Delaney, in the debate last time, the public want to know and have a right to know how we, individually, voted.

I believe that we should rescind the decision, so that that will continue to be the case.

I beg to move.

The President: Hon. Member, Mrs Craine.

Mrs Craine: Thank you, Mr President. I do not wish to second, sir.

The President: Right, in that case, Hon. Member, Mr Anderson.

Mr Anderson: I beg to second, Mr President.

The President: Hon. Member, Mrs Craine.

Mrs Craine: Thank you, Mr President.

Mr President, we discussed the issue last time, at some length. I would like to say that this is not about the denying the public any information.

We are asked here to consider electronic voting. As we have discussed before, and I feel it necessary to reiterate, we are now in a situation where we are in the 21st century. (**A Member:** Yes.) We have the ability to use electronic voting. Most jurisdictions that I am aware of elsewhere – large and small – do use electronic voting, quite successfully.

What seems to have come to scupper this argument is that, in fact, our voting is recorded by broadcast. Now, as I have said, and I will continue to say – and I hope that those who are listening will listen to what I say, and not what they want to think I say – that we are here trying to conduct the business of Tynwald Court. I am concerned that the process of voting that currently takes place is open to corruption.

We have a system whereby the only person within this Court who can cast a clear vote is the Member for Glenfaba, Mr Anderson, because he is the only person who first casts his vote. It is, therefore, possible, thereafter, to see which way the voting is going, and to put your vote accordingly.

Now, Mr President, when we came to discuss this matter, before the Court, last time, as a brief aside, as I was entering the Court that day, I spoke with Mr David Callister of Manx Radio, from whom we had received this letter.

In the letter, he said to it:

'as the report makes clear, with electronic voting, listeners and, perhaps more importantly, constituents would no longer know how Members had voted.'

Now, when I had my aside with Mr Callister, as I entered the Court, he actually was quite bullying in his manner, and suggested to me that I would not dare to vote against this, because that would not please the electorate out there.

Well, I am sorry, I think that there is time to stand up and be counted, and I think the real crux of the matter is that Mr Callister was purely concerned about how he was going to convey the votes to his listening public.

Now, we have since had a letter from Manx Radio saying that Mr Callister's letter was sent unknown to them and, whichever way we cast our votes, they undertake, and it is implicit in their role, that they should convey that information to the public.

Now, I believe that that is the method that should be adopted. (**Mrs Hannan:** Yes.) We are not here to provide an entertainment service. Yes, it might be entertaining some days!

Mr Corkill: Not often!

Mrs Craine: We have reference in here to the nuances of how Members vote for or against, and that can be quite amusing, but, we are not here to provide a comedy show. We are here to conduct the business of Tynwald, and we should be able to do that, in a clear functional way, which is just and fair. I do take exception to the suggestion that we are actually denying the public information.

In the last debate, Mr Delaney protested the lack of democracy – not at all. We are actually interrupting the flow of proceedings.

I would suggest that in adopting electronic voting, we will be having unadulterated, uncorrupted voting. (**Mr Cannan:** Hear, hear). The public will not be denied knowledge of who has voted which way. The information will still be given to the public.

The Speaker: It is impossible.

Mrs Craine: I should suggest that they should have that information. It is quite clear that we can have a system whereby there is a display, both for us in here and for the radio broadcaster, so that he would be able to convey the voting.

Mr President, the public will, I believe, be pleased to know the result of each vote, and they would be pleased, too, that the vote was my own vote, not corrupted by weighing up the ways in which other Members are voting.

The Speaker: You mean you do that?

Mrs Craine: I have no problem accounting for my vote –

Capt. Douglas: I don't!

The Speaker: Others do?

Mrs Craine: – and I welcome the public being informed of what that will be.

The real issue on this one comes from Manx Radio being able to release that information.

I believe it is up to them to overcome the difficulties of conveying that information. I urge Members to move forward, with some maturity, in adopting electronic voting. (**Mr Cannan:** Hear, hear.) It is a tried and proved system. (**Mr Cannan:** Hear, hear.) We have the opportunity of installing the system into our refurbished premises now, and it is an opportunity in this 21st century that we should grasp.

Mr Cannan: Hear, hear. Well done.

The President: Before we continue, Hon. Members, can I just tell you that, in fact, it is a new debate. Mr Speaker having last month asked to bring it back, under Standing Order 3.19(5), if this motion is to be subject to a division, Tynwald will vote as one body, and not less than 17 votes in favour will be required for the motion to pass.

Mrs Crowe, Hon. Member of Council.

Mrs Crowe: I have listened to the speech from the Hon. Member for Ramsey, Mrs Craine, and I am full of

admiration for what she says, but, being the practical lady that I am, (*Laughter*) with my cement mixer, I am really more concerned about the cost of the installation of this system in five or ten years' time.

We have an opportunity now, whilst we are refurbishing that building, to place, in place, a system for the future.

Mr President, the analogy must be there: £5 to install an electrical plug, whilst you are building a house; get the electrician back two years later and it is £50. You know that for a fact – ripping out walls, ripping out floors, putting in wires.

We have got an opportunity at the present time – whether we use it or we take some time to work through that process, to me, is immaterial.

Like the former Member, I vote the way I wish to. I am not influenced by anyone else's vote. What I do say is, whilst we have this opportunity... and I do realise that it will be at a small cost, that cost will be multiplied, if we revisit electronic voting in five years' time.

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

Mrs Cannell: Thank you, Mr President.

I will just be very brief. I hope those Hon. Members who actually voted for this recommendation in this Report last time will really reconsider the way in which they voted that time, and perhaps think about supporting openness and transparency, which this system will enhance and provide, whether or not it is used straight away or, as the Hon. Member for the Legislative Council said, whether or not it is installed now and operational in a time in the future.

I really do hope that they reconsider the way in which they voted last time, because I think there was a little bit of scaremongering went on, last time. It was not helped by the letter, of course, that came up from the news reporter, Mr David Callister, on Manx Radio letterhead paper. That perpetuated the uncertainty for some Hon. Members, I believe.

The Hon. Member for Ramsey, Mrs Craine, referred to the letter. We have had another letter from Manx Radio from Mr Pugh, who is the Managing Director. I think the most salient part of that, and all Members will have a copy, is right at the very last sentence he says:

'We will find a way of distributing voting results to our listeners irrespective of the way they are cast by the public's representatives.'

So, there you are, it is all a bit of storm in a tea cup. This is an ideal opportunity. This is for openness and transparency. It is for true democracy. It is for true democracy and, when you look at the overall costing that has been identified in this Report, they actually say, in their conclusion, that it is going to cost... the estimated cost is a little bit less than first envisaged.

We are talking about a very small sum of money but for a very big, important issue. It will be up to Members to decide whether or not they want to switch on the light, but, nevertheless, the technology is there. The opportunity is now. It is a policy of Tynwald Court, and I would really, sincerely hope, that Members will support it and give their majority support, so that we can get the necessary 17 votes. Otherwise, it is a huge opportunity missed, and that would be a big shame.

The President: Member for Malew and Santon.

Capt. Douglas: Gura mie eu, Eaghtyrane.

I think it, probably, is the time to put the wiring in, as one of our previous speakers, Mrs Crowe, has mentioned, sir, but, I would like to take slight issue with my good friend from Ramsey, Mrs Craine.

When you are last to vote or, in my case, I am next to last to vote, there is quite considerable pressure on you not to do the wrong thing. I have had a hand-bagging here, because I made a mistake when I was in here, quite early on.

Mr Corkill: Only one mistake.

Mrs Cannell: First sitting, Member – first sitting

Capt Douglas: Yes, I know who did it too, Hon. Member!

When you look at how voting takes place within the UK Parliament, and you have got a massive majority on one side, then it is quite easy. You know there is going to be a victory for the Government. Here we have to work quite a lot harder, I believe, sir, to get our vote correct.

Yes, Mr Anderson has quite a difficult job, because he has to vote and get it right, I suppose, first, sir, but, I have to vote and get it right for what my conscience tells me. I would be horrified, if anybody thought, ‘Oh, do a tally up and let us just vote the other way, just to be awkward’. (*Laughter and interjections*) That is not the case, certainly for me.

I can understand what Mrs Craine is saying. You could get somebody who does not take their bat seriously, on a vote or two.

I think, I would prefer to see the preparations put in, Mr President. We are not sending a very good signal out, when we have already been told yesterday that our new building is going to cost a lot more money. We are not going to get into it for quite a few more months than we thought, and we have to indicate that we are prepared to save some money, to cut our cloth accordingly. There may come that day when we can afford to put it in, and I hope it is soon.

That is nothing to do with the letter from Manx Radio. Manx Radio will have to find a way round the problem, and I am sure they will, in the future.

Thank you.

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

Mr Karran: Eaghtyrane, I actually think that the Hon. Member for Ramsey is a breath of fresh air, (**Mr Cannan:** Hear, hear.) in the fact (**Mr Cannan:** Hear, hear.) that it comes away from the usual carry on. We have this great thing about: we have all these ‘independents’ within the Isle of Man, and they all vote independently in this Hon. Court. She is quite right. I think the idea of electronic voting will help to solve that matter in some respects.

I have to say that I am a little bit concerned with the Questions that we put down yesterday, and the Statement from the Speaker that the Wedding Cake is substantially running over, and I do think that we have to be concerned about them issues.

But I do feel, Eaghtyrane, that has to be taken into account. What concerns me is that we have to have a way that the public gets that information. If we have live broadcasts, there must be a way to ensure that Members,

once the debate is over, that the broadcasting facility gives that information over.

We are not there for entertainment, as the Hon. Member for Ramsey says, but the thing is it is about the public getting the information, and one of the biggest problems, I think, in Tynwald, over the years...

To be fair to Mr Speaker, and a number of others, who fought for live broadcasting, and I was not keen on the idea, I have to say it has been a success. It was the right decision, because I think the people now get more information, as far as what is going on.

We have got a long way to go, but I would be interested to know from the Chair whether it is going to be a 17 majority in this Hon. Court, or whether a simple majority, (**The Speaker and Mrs Hannan:** Seventeen.) as far this Court –

The President: Seventeen. You have already been told, sir.

Mr Singer, Member of Council.

Mr Singer: Mr President, I think there are a few red herrings swimming around in here today, especially with the introduction of the argument on behalf of Manx Radio, because many of our votes, starting with the vote for the Chief Minister to vote for select committees are secret ballots, anyway. Then there must be a silence on the radio at that time, anyway. The people do not actually know, cannot possibly know, which way any Member voted at all. (*Interjection and laughter*)

But I have got no particular feelings. I am quite happy with this system as it is at the moment. Certainly, the argument that Mr Anderson has a free vote is not quite true, if it is a vote with the Council of Ministers, because *most* Ministers know which way they are going to vote, (*Laughter*) when the vote is called –

Mrs Cannell: Not always, not always. (*Interjections*)

Mr Singer: Can I ask, perhaps it is not too clear, or it is not clear enough, in the appendix to this Report, where we are told that there will be two display boards; one visible in the public gallery and the other to Members, identifying, at the same moment, the way in which each Member has voted in a division and showing the total votes.

So, can Mr Speaker tell me, would this board be visible to whoever is broadcasting for Manx Radio –

Mrs Cannell: Of course.

Mr Singer: – so they could actually see and read down the board and tell the listeners which way each person has voted? (**Mrs Cannell:** Yes.) (*Interjections*)

If that is so, I do not see what this argument is about at all. (*Interjections*) If the radio can convey to the listeners which way each person has voted, because it is there in front of them, and it is left up there long enough for it to be relayed to the listeners, then I believe there is no argument against electronic voting. (*Interjection by the Speaker*)

The President: Mr Speaker to reply.

The Speaker: Thank you, Mr President.

I think I will start, Mr President, on something that I find most intriguing, when I hear Members talk about this, and it

was said again, today, as it was last month: 'We need to have this, because the present system is corrupt, but by the way, I always vote the way I think I should vote'. (**Mr Lowey:** Yes!) So, in other words that means somebody out there, that is not 'me', whoever 'me' is, is the one that is corrupted.

Mrs Craine: It's the possibility.

The Speaker: And I find it quite insulting when a Member will say that, but say 'But I, of course, don't ever do that'.

Hon. Members there are 33 Members in here, a vote takes about 45 seconds. Now, that is just putting it into some sort of perspective. For us to take a vote, it is about 45 seconds, a minute at the most.

We have the issue of the ballots thrown in. A ballot, for a start, as the Hon. Member of Council, Mr Singer, said is a secret vote. That is why it is a ballot, it is not open. If you want to make all votes open, then that is another issue.

Mr Karran: Oh, that would be terrible!

The Speaker: Well, maybe, but that is another issue. And the ballots... in fact, the amount of ballots we have, over our five-year period of Tynwald Court sitting is a very, very small percentage of the work we do.

Mr President, I want to make it clear, there is no problem having screens, there is no problem having a computer screen, in with the Manx Radio reporter – none at all.

What Members are forgetting is the practicality of it. If you are expecting Manx Radio then to read out who voted for and who voted against, if that is what you are expecting, then he or she will have to talk over a Member who has got on their feet to move a motion or is debating.

Mrs Craine: That's their problem.

The Speaker: So, I just make that point, because that is where you are. There is no time for them to, realistically, to read out all the names of who voted for and who voted against –

Mr Cannan: Rubbish. Absolute rubbish.

Mrs Craine: Forty five seconds.

The Speaker: So, the point is... I am just making that point, and I come back to the point I made at the last sitting, Mr President: I just find it strange, from where I am, that we will enable the public to hear everything that goes on in here, and the one think that they will be deprived of is the one thing that matters – not what we say, but how we vote. (*Interjections*) That is the point.

So, I just make that point, again. This is about a change, because we have moved from a situation when the decision was made, when we did not broadcast, to the decision where we do broadcast.

To blame Manx Radio, I think, is unreasonable. Mr Pugh's letter: I do not know where he thinks he is coming from, how he is going to make it work, because under the basis of the rules of broadcasting which we set, they cannot do it.

Now, maybe they are going to do that on FM, so that listeners can swap between AM and FM. I do not know, but

I would be interested.

So, the point is straight forward, Mr President, I made the case, last time, as strong as I could. I believe that we are making a mistake, because we have changed how we deal with our business. The public have a right to know how we voted, as much as what we said, and that is what I believe is important.

I do not believe that Members, on a regular basis, feel under pressure, when it gets to them to vote, and I do find it unfortunate, when people say we need electronic voting, because others cannot make their mind up, or might be pressured to vote a different way. It is not a responsible point to put forward.

Mr President, I have made the point, I leave it with Members. I would say that whatever the decision is, of course, Tynwald Management Committee will carry on, and do the work it has got to do.

I beg to move.

The President: The motion, Hon. Members, is that printed at 23 on your Order Paper. Those in favour, please say aye; against, no. The noes have it.

A division was called for and voting resulted as follows:

In Tynwald – Ayes 10 , Noes 15

FOR

Mr Anderson
Mr Rodan
Mr Quayle
Mr Rimington
Mr Gawne
Mr Henderson
Capt. Douglas
The Speaker
Mr Lowey
Mr Waft

AGAINST

Mr Cannan
Mr Teare
Mr Gill
Mrs Cannell
Mr Shimmin
Mrs Hannan
Mrs Craine
Mr Karran
Mr Corkill
The Lord Bishop
Mr Butt
Mrs Christian
Mrs Crowe
Mr Gelling
Mr Singer

Mr Singer: I was near the end, I could influence it!

The President: Hon. Members, the result is that 10 voted for and 15 voted against. The motion, Hon. Members, therefore, fails to carry.

Mr Cannan: Well done. (*Interjections*)

The President: We turn now, Hon. Members –

The Speaker: Mr President, could you confirm how many Members have leave of absence, to be absent this afternoon?

Mr Cannan: Well done, good result!

The President: The Members with leave of absence are Mr Cretney, as I indicated this morning, Mr Duggan and Mr Braidwood.

The Speaker: Thank you, Mr President. No influence

of voting, eh?

Mr Cannan: Good result!

**Tynwald Honours Committee
Second Report
Amended motion carried**

24. The Deputy President of Tynwald (Mr Speaker) to move:

That the Second Report of the Tynwald Honours Committee 2004-2005 be received, and the recommendations of that Report be approved as follows:

With respect to the Tynwald Honour –

1.1 That an honour, to be known as the Tynwald Honour, should be awarded to suitable recipients.

1.2 That the design for the Tynwald Honour should be that detailed in paragraph 2.4.5 and illustrated in Appendix 2 of this Report.

1.3 That the Tynwald Honour be cast in sterling silver, with recipients also receiving a vellum certificate.

1.4 That nominations for the Tynwald Honour should be made to the President of Tynwald, in confidence, for consideration by your Committee.

1.5 That, to ensure Tynwald Court remains the final arbiter of public honours and to avoid public debate about particular nominations in Tynwald Court:

(a) The Committee should advise all Members of Tynwald in confidence and in writing, one calendar month in advance of any report being made to Tynwald Court recommending the award of the Tynwald Honour, so that Members can make any observations they may have, in confidence and in writing, to your Committee.

(b) The Standing Orders Committee of Tynwald should give consideration to amending to Standing Order 5.18, so that when a report making a recommendation for the award of the Tynwald Honour is laid before Tynwald, a Member may at that sitting move, without debate and without prior notice under Standing Order 2.4, that the report be referred back to the Committee for further consideration with 17 votes being required for such a motion to carry.

1.6 That, under normal circumstances, the Honour be conferred, by the President of Tynwald, on Tynwald Day in the Royal Chapel during the Captioning Ceremony. With respect to the Manx Patriots' Roll of Honour that the following persons should be approved by Tynwald Court for inclusion in the Manx Patriots' Roll of Honour –

2.1 Rt Rev Isaac Barrow DD;

2.2 John Christian Curwen;

2.3 Captain John Quilliam;

2.4 Sir William Hillary;

2.5 Miss Eleanor Brennan;

2.6 Henry Bloom Noble;

2.7 Sir James Gell CVO JP;

2.8 Thomas Edward Brown;

2.9 Arthur William Moore;

2.10 Sir Thomas Henry Hall Caine;

2.11 Mrs Marion Shimmin;

2.12 Sir Joseph Davidson Qualtrough CBE;

2.13 Sir William Percy Cowley CBE JP;

2.14 Miss Mona Douglas MBE;

2.15 Major Robert Henry Cain VC; and

2.16 Sir Henry Charles Kerruish OBE LLD (hc) CP.

The President: Item 24. Mr Speaker to move please.

The Deputy President (Mr Speaker): Yes, thank you, Mr President.

Mr President, the Tynwald Honours Report is provided by the Tynwald Honours Committee, which was established by resolution of Tynwald, at the sitting of 16th December 1998.

At the December 2002 sitting of Tynwald, the remit of the Committee was extended as laid out in our Report, and at the October 2004 sitting of your Committee, we proposed the creation of an honour, to be called the Tynwald Medal of Honour. We also submitted a proposed design.

However, Tynwald requested that we should give further consideration to the criteria for the award, presentation and title, and the design of the award.

All Hon. Members were then written to, by the secretary to the Committee, seeking ideas for the design for the Tynwald medal and a suitable name for the medal. Alternative designs were commissioned from Mr Colleen Corlett, and her brief reflected comments made in Tynwald at the sitting of 20th October 2004.

Mrs Corlett produced six possible designs: these were circulated to all Hon. Members for comment.

In addition, three possible titles for the medal were also forwarded to Hon. Members, these being: Tynwald Medal of Honour; Tynwald Cross of Honour and the Tynwald Star of Honour.

A number of Members responded, giving their preference, and they can be seen in page 3, paragraph 2.4.4.

After considering, carefully, the views of the Hon. Members, your Committee asked Mrs Corlett to produce a design combining the key features of the two designs favoured by Hon. Members. Your Committee then circulated this new design to all Hon. Members for further comment.

In relation to the title of the Honour, your Committee took note of Members' comments and recommend that the title should be the Tynwald Honour. Our reasons are laid out in the Report for Members to see.

The title is proposed to also be inscribed in Manx, and a recipient will be entitled to use the abbreviation 'TH' after their name.

It is proposed that nominations will be able to be put forward, as set out in paragraph 2.5. It is also proposed that the Honour should be presented, as set out in paragraph 2.6.

Part 3 of the Report covers the matter of the Manx Patriots' Roll of Honour. At the April 2000 sitting, Tynwald approved the first four names for inclusion in the Roll of Honour, and these are set out in our Report at 3.1.2.

Since October 2003, your Committee has been considering further names for possible recommendation, and this process is ongoing. Names for inclusion have to fall within the criteria approved by Tynwald, previously.

In section 3 of our Report, we list the names we recommend to be added to the Roll of Honour. The recommendation includes a brief resumé of why your Committee believes that they should be honoured in this way. The names are set out on the Order Paper for approval.

We appreciate that not all those who may be appropriate

for inclusion have been listed, at this time, but it is also an ongoing process, and, in the future, further names, I am sure, will be recommended to Tynwald Court.

Finally, a lot of work and research has gone into undertaking this task, and to make the recommendations that we have put before Tynwald today. On behalf of the Committee, I would place on record our appreciation to Mrs Colleen Corlett, and especially to Phil Lo Bao, from the Clerk of Tynwald's Office, and other officers who have assisted us in this task.

I beg to move.

The President: Capt. Douglas.

Capt. Douglas: I beg to second and reserve my remarks.

The President: Hon. Member for Rushen, Mr Gawne.

Mr Gawne: Gura mie eu, Eaghtyrane.

I have an amendment, which I hope will be circulated – only a minor amendment – which I hope that Members will be able to support:

- (i) in Recommendation 1.1 after the words 'Tynwald Honour' insert '(Onnor Tinvaal)', and
- (ii) in Recommendation 1.2 for the words 'Appendix 2' substitute the words 'Appendix 3'.

I think it is a good report, much improved on the previous one we had, and, certainly, I am quite happy to support it.

The amendment, basically, refers to recommendation 4.1.1, in which we refer to:

'an honour, to be known as the Tynwald Honour' –

and I have asked that the words 'Onnor Tinvaal' – that is the Manx version – be inserted there.

I think it is important that, if we are going to use the Manx on the actual award, this award should be officially recognised as having both titles. Likewise, I think, if you are going to have TH after your name, you should, if you so wish, have OT after your name, as well, if you prefer the Manx Gaelic version. It seems a bit silly, to me, to go to the trouble of putting the Manx on the award, in the first place, if you then do not allow those who wish to use that as the title to have that opportunity.

The other issue, really, is a very minor amendment. Recommendation 4.1.2 actually says that the Honour is illustrated in appendix 2. Of course, you go to appendix 2, and it is not illustrated there; it is actually in appendix 3.

Other than that, I have some concerns at the large number of people we are adding to the Manx Patriots' Roll. (A **Member:** Yes.) I have got no particular problem about any particular name there, but I just wondered whether you were, effectively, just going to have a version of A W Moore's – is it A W Moore's? – Manx worthies, anyway, and there is a new book on Manx worthies coming out shortly, as well. We could end up with all the worthy Manx names we have ever heard of on this Roll, which would concern me a little bit.

So, we have got a very lengthy list of new names for the thing. There do seem to be rather a lot of political names there. I would, certainly, like to see consideration... if we are going to open this up as significantly as we appear to be, I would

like to see names such as Dr Clague, Doug Faragher, William Cubbon the founder of the Manx Museum, Samuel Norris, who did such excellent work in terms of bringing a greater democracy in the 19th century, and, indeed, Sophia Morrison, who was a great pioneer of study of Manx culture.

I would be very grateful if the Committee would give consideration to those names, at some point in the future.

I beg to move my amendment.

The President: Hon. Member for Peel.

Mrs Hannan: Thank you Eaghtyrane.

I am happy to support the amendment moved by the Member for Rushen, Mr Gawne.

My concern is, and I hope the Committee will take my comments as they are meant, I have a great difficulty with the words 'Manx patriot', when it comes to the Roll of Honour. If it was just a Manx roll of honour, and people who had either been in the Isle of Man, and had carried out their remit under certain aspects of their time here, or whatever, I can understand that.

But a patriot, to my mind, is a political term, and it is a term of somebody who has been patriotic – not necessarily to what they are doing, but patriotic to their country, which I think is a lot different from some of the reasons why the people here have been suggested for this Roll of Honour.

It concerns me that, in a way, we have not got a proper definition of what a Manx patriot is. I accept that some on the list are what I would call Manx patriots, have been patriotic to the Manx nation; but other people have filled a particular role, without necessarily recognising the Manx nation, and that is what gives me a great deal of concern.

In our first – and it is something that did not really come to me, at first – was Godred Crovan. Godred Crovan came here and fought a battle, killed an awful lot of Manx people – or the people who lived here at that time, however you want to call them. The people that he killed are not remembered. I think there are two plaques up – one at Ronaldsway and one at Sky Hill – and they were put up by the Society for the Preservation of the Manx Countryside, because members were concerned that there was not a recognition of these battle sites.

But he is described as a Manx patriot, and he is already on the Roll!

Mr Anderson: Too late.

Mrs Hannan: Right, so he is on the Roll, and then we have other people. Let us look at it: we had Bishop Barrow. Bishop Barrow was involved in improving the lot of Manx clergy, and also education, but that was because then he could preach to the local people. So, it was not necessarily... it was so that he could use his skills for missionary, you might say.

And I could go on: we have got John Christian Curwen who was a Member of the House of Commons and of the Keys – (Interjection by Capt. Douglas) so, was he a patriot? I do not know, but there is nothing in here – (Mr Henderson: Lhiam-lhiat.) Yes, that is right, so it concerns me.

Capt. Quilliam: yes he was a Member of the House of Keys at one time, but the real reason why is because he fought at the Battle of Trafalgar.

Mr Quayle: Born in Marown.

Mrs Hannan: Yes, born in Marown, lived in lots of

places. (*Interjections*) I know that these people have lived here, and I know they have done things here, but what I am concerned about is the title. That is what I am concerned about, it is the title of 'Manx patriot'.

I believe certain people are and have been patriots, and I would specifically mention just one or two that I consider to be patriots. Those are: Sir James Gell – even though he was knighted – T E Brown, Mona Douglas and Sir Charles Kerruish.

I would reckon that they are in a class 1 patriot position. I accept the names that have been put forward by the Member for Rushen, and I think they also should be honoured.

There is another name, and I am not necessarily sure that... You see, there is this difference: we have got the Roll of Honour, which Members are looking at, which is fine, because that separates out people that are living, and it does not say Manx Patriot Roll of Honour, it is the Tynwald Honour – and this is my concern.

I know lots of people will not understand my concern, but it is there. It is there in words, and I think we have got to be very careful how we use words. I would like the Committee to go back and look at this particular word of 'patriot', and why this word 'patriot' has been suggested and being used for the people that have been proposed.

The President: Mrs Christian, Hon. Member of Council.

Mrs Christian: Thank you, Mr President.

I appreciate that the Court has already decided on the word 'patriot', but I do have some sympathy with the comments of the Hon. Member for Peel, and the evaluation of the list that is recommended, against the criteria which were set out in the first Report. I do not believe that... It cannot be an easy task for the Committee to deal with.

But further to that, Mr President, in the recommendations, we are setting out procedures by which the names that are to be considered, amongst other things, would be submitted to Members of Tynwald in confidence, and in writing, one calendar month in advance of any report being made to Tynwald Court. As far as I understand it, we are being asked to approve that process today.

At the same time, we are being given a list of names to approve for which – unless I have missed something –

The Deputy President: You're on the wrong thing.

Mrs Christian: – we have not had an opportunity, in confidence, to express a view.

The Deputy President: That is the Tynwald Honour.

Mrs Christian: Right, so there is a difference in procedures. (*Interjections*) Well, okay, I have missed something. Right, on that basis, I will sit down, Mr President, and read it again! (*Laughter*)

But I do think that, in respect of some cases, it is hard to see where, for example, the outstanding contribution was to an area of Manx life.

Mrs Hannan: Yes.

The President: Hon. Member for Middle.

Mr Quayle: Thank you, Mr President.

I just wanted merely to say that I know the Committee, originally, when they came forward with proposals... I was one of the ones who gave some criticism to the particular first design that was before us, but I would now like to congratulate the Committee (**Mr Anderson:** Hear, hear.) for going to the lengths that they have, to have come up with a design which I think will received widespread support, and one which I think is particularly appropriate for anybody who will be worthy enough to receive such a Tynwald Honour, or an Onnor Tinvaal.

So, without adding anything further to that, I think it is an excellent design, well done to the Committee for coming up with something which, hopefully, will get support.

The President: Hon. Member for Ramsey, Mrs Craine.

Mrs Craine: Thank you, Mr President.

Having been a critic of the original design of the medal, it must have been... I do not know, if it came to the notice of any Members that, in fact, I have made no submission in the Report.

In fact, I was somewhat surprised to find I had not made a submission myself, (*Laughter*) because I did, in fact, send a letter on 11th February in this connection and I have been told that, through an administrative error, my letter had been omitted.

But I would ask, sir, if I could read the contents of my letter, so that it can be placed on *Hansard*. It was headed 'Tynwald Honours Medal'.

'I write to comment on the proposed style of medal as illustrated. 1 and 6 bear too much resemblance to the Captain of the Parish badge. The crown is too prominent on all of the designs, and is in danger of beginning to look like a Constabulary badge.

Only number 6 makes use of the influence of our ancient crosses, or what is more recently regarded as a Knox style; 2 and 4 are too angular.

I would have preferred to have seen some use of our Sword of State, which, of course, integrates the use of the Three Legs emblem and a stronger use of the influence of our ancient cross work.

There is no indication of whether these are to be in silver or gold metal, and whether there would be any enamelling. There is also no indication whether this is to be suspended on a ribbon or a pin badge. I think this influences the ultimate design.

I have no real feeling about the title for the Medal of Honour, except that I think 'star' indicates the highest order and, ultimately, the title may depend upon the shape that is decided upon.

Anne Craine.'

Mr Anderson: An excellent letter.

Mrs Craine: Thank you. (*Laughter*)

Mr President, that is history now, and we have before us the medal as illustrated. But – and this is the only area I wish to comment on now, really – is this medal an actual size of what is to be produced?

If it is, it is actually four times the size of the brooch that I have on today, which is regarded as a rather large brooch, and it will be very heavy to wear. I am still unclear as to whether this is to be suspended on a ribbon or a pin; I think I have read that it is a pin –

A Member: Scaffolding, actually. (*Laughter*)

Mrs Craine: Scaffolding!

Mr Delaney: Elbow job.

Mrs Craine: From a purely practical point of view, I wish to know whether that is the actual size, or whether it is reduced, is it intended to be worn, or is it intended just to be for display?

And with that, I will leave it at that, sir.

The President: Hon. Member, Mrs Crowe.

Mrs Crowe: Thank you.

It is commenting on the design, once again, and we have heard the comments of those before us on the list of the Manx patriots.

But on the design, it has been brought to my attention, through some other work that I have been doing, that there are actually two styles of crown. There is a crown for a queen and a crown for a king.

So, I do wonder if, perhaps, it might be best if we did follow the advice of the Hon. Member for Ramsey, Mrs Craine, and look at something like the Manx Sword of State, or whatever, to replace that small portion.

The President: Hon. Member, Mr Karran.

Mr Karran: Eaghtyrane, all I would like to say is I just think that, if we are looking seriously at this issue, we need to try and broaden, maybe, the membership of the Committee that actually picks this – the Honours Committee – because when you look at the list, I have to be honest with you, there seems to be, predominantly, an awful lot of parliamentarians that are on the list. When you see who is on the Committee, they are all parliamentarians! (*Laughter*)

I just think, Eaghtyrane, that we do need to look – I know it is a bit difficult – at broadening it. We have had a number of names that have been mentioned, and yet there are lots of people who I can think of.

We were talking about the Bishop that did a lot for clergy education; in our own time, we have had Bishop Atwell, who restarted all the training for the education within... (**A Member:** Women.) and did more in the few years that he came, at the time.

You can go into the likes of the trade union movement – people like Arthur Quinney – and I do feel that that is one thing that I do hope that the Committee will take on board, that maybe there needs to be a broader base of how they come to pick the names, because I do think there are people who should be on this list, who would never get on this list, simply because... No, no, (*Laughter*) I am sure they would like to see me deceased!

But there are a lot of people – the likes of Red Callister – I have forgotten his name – the Member for Douglas North –

Mr Rimington: Ed the Red.

Mr Karran: – Ed the Red, and people like that, who did a tremendous amount of good to try and put some sort of control on the vested interest within this Chamber.

So, I feel, in the past, Eaghtyrane, that I do think the Committee needs to look that maybe there needs to be a broader base, as far as how they select these people, in my opinion. Otherwise I think it might take away from the credibility of the subject.

The President: Mr Speaker to reply.

The Deputy President: Thank you, Mr President.

Mr President, I will try and answer most of the points that have been made.

First, could I say that the title ‘Manx Patriot’ was decided by Tynwald in 1998, and if Members are concerned about that, that may well be something the Committee can consider, and look at again, Mr President.

The procedure: Mrs Christian raised the issue, and the procedure that is laid out, about Members getting it in confidence, is in relation purely to the Tynwald Honour, because that would be a person’s name coming forward for ratification. We are recommending a change in Standing Orders, so that, in fact, Members would only be able to vote for or against without any debate.

We think it is only fair that, in such an important issue, where we are deciding these things by a big committee of 33, that Members have the opportunity, at least, to have an input at an early stage.

As far as the list itself is concerned, I think we just have to, again, take the point, Mr President, there will be lots of people with different names. What this list is doing is endeavouring to catch up on people who have served the Isle of Man, in many different ways, regardless of the title of ‘Manx Patriot’, fall into the criteria that Tynwald has approved and the list of names are there, and they are: Rt Rev Isaac Barrow DD; John Christian Curwen; Capt. John Quilliam; Sir William Hillary; Miss Eleanor Brennan; Henry Bloom Noble; Sir James Gell CVO JP; Thomas Edward Brown; Arthur William Moore CVO MA JP; Sir Thomas Henry Hall Cain; Mrs Marion Shimmmin; Sir Joseph Davidson Qualtrough CBE; Sir William Percy Cowley CBE JP; Miss Mona Douglas MBE; Major Robert Henry Cain VC; and Sir Henry Charles Kerruish OBE LLD (hc) CP.

Now, Mr President, throughout Manx life that is quite a broad sphere of people who, over the time, have influenced this Island in certain ways. Again, I come back to the point, it is not the Committee just plucking out of the air; this is a matter of the persons that we are putting forward falling within the criteria that we as Tynwald Court have given to the Committee, when they should look at this sort of issue.

Again, I make the point that I made in my introduction, this list will grow sometimes fast, sometimes slow. People will put forward names, and they will be considered.

So, I think Members just have to, at this stage, acknowledge that the Committee has done a lot of work, in going through these names. I would say that the Committee did put a lot of effort into going through lists. You have a brief resumé about the person, but, in fact, we had pages and pages of information about different individuals, to read and consider, and satisfy ourselves that those names being put forward, which we take to be very important and, therefore, need to be examined very carefully, are, in fact, justified.

The size of the medal will be a size that can be worn, and it will be appropriate for what it is.

The crown style: there is a quite straightforward answer to that, Mr President. The crown on it is the crown that is on the Tynwald badge, simple as that.

Mr President, I beg to move the motion standing in my name.

The President: Hon. Members, the motion that I put to the Court is that printed at 24 on the Order Paper. To that,

we have the amendment in the name of the Hon. Member for Rushen, Mr Gawne. I put first, Hon. Members, the amendment. Those in favour of the amendment, please say aye; against, no. The ayes have it. The ayes have it.

I now put, Hon. Members, the motion as amended. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**Mount Murray residents' compensation claim
Select Committee Report received and
recommendations approved**

25. The Chairman of the Committee (Mr Shimmin) to move:

That the Report of the Select Committee on Mount Murray Residents Compensation Claim be received and its recommendations be approved.

The President: We come, then, to Item 25 on our Order Paper, and I call on the Chairman of the Select Committee on Mount Murray Residents' Compensation Claim, Mr Shimmin, to move.

The Chairman of the Committee (Mr Shimmin): Thank you, Mr President.

I would like to firstly thank my fellow colleagues on the Select Committee, Capt. Andrew Douglas, Mr Eddie Lowey MLC, and our clerk, Mr Les Crellin, for all the work that they have put in. **(A Member: Hear, hear.)**

I do not believe it is necessary to repeat the contents of the Report. It was looking at a specific area, and the recommendations I will summarise, which are on page 13.

There is a typographical mistake on recommendation 5.2, where the word 'notational' has been put in, instead of 'notional' figure.

Your Committee recommends that the Department of Local Government and the Environment should recognise its failings and issue an apology to the injured parties.

Second recommendation: your Committee recommends that a notional *ex gratia* payment be awarded to each of the injured parties in the sum of £2,500, such funds to be made available by the Treasury.

Mr President, I believe all Hon. Members have seen the justification in the eyes of the Committee, and both myself and the Committee members would be pleased to listen to comments, and answer where appropriate.

I beg to move, sir.

The President: Hon. Member for Malew and Santon.

Capt. Douglas: I beg to second sir and reserve my remarks.

The President: Mr Speaker.

The Speaker: Just a question to the Chairman of the Committee.

Could he confirm that the *ex gratia* payment, when we talk about 'to each injured party', means per couple?

The President: Mr Shimmin to reply.

Mr Shimmin: Yes, that is our intention, Mr President. It is to the two parties identified in the base of the Report, which are the Vakil and the Cox partnerships.

The President: Hon. Members, the motion I put the to the Court is that the Report of the Select Committee on Mount Murray Residents' Compensation Claim be received and its recommendations be approved. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

**Port St Mary Commissioners
Select Committee Report
Amended motion carried**

26. The Chairman of the Committee (Mr Gawne) to move:

That the Report of the Select Committee on Port St Mary Commissioners be received and its recommendations be approved.

The President: We turn, then, to 26, Hon. Members. I call on the Hon. Member, Mr Gawne.

The Chairman of the Committee (Mr Gawne): Gura mie eu, Eaghtyrane.

I would like to start by thanking my two colleagues, initially, anyway, Hon. Member for Douglas West, Mr Delaney, who sat for most of the time on this Committee, and, indeed, the Hon. Member of Council, Mr Singer.

I think it was a good committee to be on, and I think – I hope, anyway – that Members will agree that we have found some very interesting things, which, hopefully, will help in the development of the relationship between local government and central Government.

I think it is important, as well, to point out that, at the May sitting of Tynwald, our remit was quite specific. We were not asked to look at the role of the local authority; we were actually asked to look, quite specifically, into the role in which the auditors, Treasury and local government played, in relation to Port St Mary Commissioners.

The actual remit was as follows:

'to inquire into the conduct of the Treasury, the Auditors and the Department of Local Government and the Environment in relation to the affairs of Port St Mary Commissioners in the period from 1st April 1998 to 31st March 2004, having regard to their statutory and other responsibilities in relation thereto, and to report with findings and recommendations to the December 2004 sitting of the Court.'

Members will be aware that I made a Statement, to the February 2005 Tynwald sitting, that it had proved impossible to meet the December deadline.

Your Committee met on 13 occasions, four of which were public hearings, at which we received evidence from the following people: Mrs Wilson; Mr Hall; Mr Popper; Mr Butler; Mrs Horne and Mr Hughes from Port St Mary Commissioners; Mr Fayle and Mr Gardner from the auditors, KPMG; Mr Tovell and Mr McGreal from Treasury; and Mr Whiteway, Mrs Mellor and Mr Hamilton from DoLGE.

The Committee having spent – as I say – some considerable time reviewing the evidence – we had considerable amounts of written evidence and, indeed, oral evidence to consider – following our considerations, we reached the following

conclusions, and had the following concerns.

The Committee was concerned that the emphasis appears to have been only on the timing of submissions of audited accounts from a number of local authorities, not on the quality of accounts or the reasons why they were late. This seemed to be somewhat surprising to the Committee, bearing in mind that there, clearly, was some kind of problem. The only attention, though, seemed to be from officers to actually look at the fact that these accounts were late, not perhaps looking into the reasons, specifically, why they were late, and I think that was certainly a big concern of the Committee.

The Committee was also concerned that there appeared to be confusion about the actual role of the auditor. Although KPMG did raise concerns at meetings of the Audit Committee, and had spoken to the Public Accounts Committee, on a couple of occasions, there is no time limit on the audit process, and no clearly defined process or statutory requirement for reporting perceived failures uncovered during that process.

The role of the auditor does need to be clearly defined.

Another concern was that a proposal by Treasury to review the Audit Regulations was not progressed. Treasury and DoLGE expressed differing views on the reasons why the proposed review was not progressed, citing the possibility of local authority reform as a reason for not progressing.

Your Committee was concerned that the decision not to proceed with the new Audit Regulations was a significant political issue, which appears to have been made purely at officer level.

Your Committee was also concerned that DoLGE clearly failed in its obligations under section 3(2) of the Local Government Act 1985, namely:

'Every local authority shall annually deliver its accounts, together with the auditor's report or reports thereon, to the Department who shall lay the same before Tynwald in pursuance of section 11 of the Audit Act 1983.'

It is a matter of conjecture whether, in the case of Port St Mary Commissioners, the non-receipt of accounts for three years would have highlighted any particular or potential problems at an earlier stage.

Your Committee is concerned that correspondence concerning any criticism of performance of a clerk or his or her staff should not be addressed to that clerk, but to the chairman of the local authority concerned.

Again, it appears that, on a number of occasions, correspondence, certainly from Treasury, and I think from DoLGE, was addressed to the Clerk of Port St Mary Commissioners, expressing concern about particular matters but, of course – certainly, it would appear from our investigations, anyway – that information was not passed on to the board of the Commissioners.

It does seem somewhat surprising that when you are criticising a particular member of staff of a particular organisation that you write, purely, to that member of staff, and you do not write to the people who are employing that member of staff.

Your Committee is also concerned that there is no requirement for a clerk or deputy clerk to have financial experience or qualification. Your Committee is concerned that DoLGE is required to approve the appointment of some clerks, but not deputy clerks, in certain authorities, without any responsibility for ensuring the competency of the appointee to carry out the responsibilities of the post.

The Committee feels that it is more important to ensure that a robust financial management plan exists for each local authority, and that the said authorities have access to qualified financial advice, either in-house or from external sources.

The Committee is also concerned about the actual role of DoLGE, in respect of local authorities. It is not satisfactory for DoLGE to make a case that local authorities are legal entities in their own right, when it is clear that DoLGE has a supervisory role, in respect of local authorities. Local authorities require DoLGE approval to borrow money; local authorities require DoLGE approval in some cases to appoint a clerk; and local authorities do not have the right to appoint their own auditors.

So, I think, really, that those were the main concerns that we found, as we were looking into this matter.

The conclusions that we reached, in respect of the performance of Port St Mary Commissioners, were that there appears to have been a good working relationship between the Deputy Clerk and the auditors when that function was undertaken by Coopers & Lybrand. There appears to have been a change in the working relationship following the appointment of KPMG, with Mrs Horne having to chase up accounts.

The elected members relied heavily on the advice of the Clerk and staff, and the role of the Clerk was not made clear, in relation to financial management at the time of appointment, and still remains the case. It is clear that the Clerk relied heavily on the competence of Mrs Horne, and her departure in 1999 was a significant loss to the authority's financial management.

In respect of the performance of the Treasury, although Treasury has no statutory obligation in relation to local authorities accounts, save for the appointment of auditors, the making of regulations and provision of advice, it was aware, at an early stage, that there were problems with late submission of accounts, whether or not those accounts had been properly prepared in accordance with the Regulations.

Having assumed the responsibility for laying auditors' reports before Tynwald, Treasury should have ensured that adequate steps were taken by DoLGE, to ensure that local authorities were made aware of their obligations, and offered advice, if required.

Treasury did put forward proposals to amend Audit Regulations, which also suggested that a tiered level of responsibility should be introduced to reflect the size and capability of the authority.

However, there is disagreement between Treasury and DoLGE, at officer level, over the reason why the proposals were not progressed.

Treasury officers made what the Committee believe to be an important political decision, not to proceed with amended Audit Regulations. Officers should not be selective in providing documentation to an official inquiry.

At one point, during an oral hearing, I think it was Mr Delaney who was questioning Mr Tovell on a particular matter. Mr Tovell, at that point, produced some letters, which were relevant, certainly, to our inquiry, and it came as some surprise for us to see these letters.

Mr Delaney asked Mr Tovell: had these letters actually been submitted in evidence, either to us or, indeed, to the Kissack Inquiry? At that point, Mr Tovell pointed out that he had selected what information he felt was appropriate to send to the Kissack Inquiry.

Consequently, we feel that that is wholly inappropriate... if a public inquiry is being held into a particular matter, it is not for the officers that are being inquired about to decide what information they should or should not supply.

In respect of the performance of the auditors, there appeared to be a good working relationship between the auditors and Commissioners' officers, up until the appointment of KPMG. Your Committee received no evidence of criticism of performance by the Commissioners, up to that time.

It may be that the previous auditors did more than was required under the terms of their appointment, whether or not additional fees were appropriate.

Whether or not the change of auditor affected how the accounts were prepared, KPMG did undertake to examine accounting systems, as part of their terms of engagement, but did not undertake to report on inadequacies in the way in which the accounting system was operated.

Again, I think members of the Committee were quite surprised to hear from the auditors that the auditors had felt that the accounting systems were appropriate, but the staff were not capable of running those accounting systems. The auditors felt that it was their duty to report on whether the accounting system was adequate or not, not on whether the staff were up to running the accounting system, which again seemed quite surprising.

The auditors did acknowledge problems at Port St Mary, caused by staff changes and inexperience. They also chose not to contact the client with queries, as they felt that the Commissioners' staff would be unable to provide the answer in any case.

They, also, explained to us that they were busy with other client commitments, close to the financial year end, which caused them certain problems.

Your Committee considers that the auditors should, notwithstanding their contractual obligations, have exercised a duty of care, by ensuring that DoLGE was fully aware of any problems which caused delay in completion of accounts, or which raised any concerns about mismanagement, before the problems emerged.

The auditors did raise concerns, at meetings of the Audit Committee, but, as the Audit Committee had no formal remit, and met only sporadically, any follow-up action seems to have been ad hoc.

In respect of the performance of DoLGE, DoLGE has recognised that it is not easy to explain its role, in relation to local authorities. So, if DoLGE finds it difficult to define, so may local authorities.

DoLGE has been clear in stating that local authorities are legal entities in their own right. However, your Committee feels it is not satisfactory for DoLGE to use that fact to diminish the importance of DoLGE's role, in overseeing local authorities.

It is clear that the creation of the Local Government Unit has provided a good source of help and advice to local authorities. It is also clear that the involvement of assistance provided by Mrs Mellor is appreciated by both officers and commissioners, and has been very effective in establishing good management practice and a monthly reporting system.

However, this line of help only came about after the problems at Port St Mary had already commenced. There were occasional reminders sent by DoLGE about late submission of accounts, but this was not effective, judging

by the continuing number of late authority returns.

Concern only seemed to be about the lateness of accounts, and did not address the reasons why they were late. Early intervention may have identified problems, whether they were the lack of knowledge of officers, the inability of officers, or financial mismanagement.

Officers and elected Members have stated that the induction course run by the Department does not place enough emphasis on financial matters –

Mrs Crowe: It is not a training course.

Mr Gawne: – but tries to address all the functions of the Department, over two days.

The Speaker: Should be professionals.

Mrs Crowe: Yes.

Mr Gawne: The Department has a statutory responsibility to ensure audited accounts are submitted, and the introduction of a simple check list to trigger reminder letters could well have highlighted problems at a very early stage.

Your Committee received no evidence to support the view that DoLGE used Port St Mary Commissioners as a political scapegoat, to progress local authority reform, although this was referred to by both the Chairman, at the time, and the previous Chairman, in their oral submissions.

Your Committee is disappointed to conclude that had the Audit Committee been taken seriously by Treasury, DoLGE and the auditors, when it had already recognised the worsening record of local authorities failing to submit their accounts for audit on time, the Audit Committee could have been put on a formal footing, and any problems identified and addressed at an earlier stage.

In respect of overall performance, your Committee concludes that there was a general failure of the Treasury, the auditors and DoLGE to co-ordinate their responsibilities, until the problems at Port St Mary emerged.

Until the Audit Committee was established in 1999, there appears to have been little in the way of communication on a formal footing. (**Mrs Crowe:** Nonsense.) although it was clearly recognised that local authority accounts were being presented late, by a number of authorities. (*Interjections*)

In drawing up our conclusions in this Report, we have endeavoured to try to provide a balanced view on the situation as happened in Port St Mary. It has to be said that it was not a particularly happy chapter for that village authority. It would have been nice for me, as a representative for the area, to have come to this Court with a number of recommendations, having a go at the Government, having a go at Treasury, the auditors and DoLGE, suggesting all kinds of reparation to the people of Port St Mary.

However, ultimately, our findings showed very clearly that whereas there have been failures in terms of the regulatory system, it was quite clear that the main blame for the problems in Port St Mary seemed to have been the lack of control that the Commissioners had on their staff, and, indeed, the inability of the staff to effectively manage the financial affairs of the authority.

The Committee has made nine recommendations. The first recommendation is probably... Well, I think there are two fundamental recommendations, really, but the first one I think is, perhaps, the most fundamental recommendation, and

that is really that Tynwald, in fact, needs to take an opinion on what it is that they require from DoLGE, in terms of its relationship with local authorities.

At the moment, there does seem to be a degree of uncertainty, on the one hand people want to see local authorities left alone and allow them to get on with their own affairs. On the other hand, people, when local authorities do actually slip up, seem to want to have DoLGE there, to come in there like a tonne of bricks on the local authorities, to make sure that they are doing their job properly – effectively, acting as a kind of a nanny for the local authorities.

So, I think, really, to be fair on DoLGE they need to have a clear steer from Tynwald, as to what it is Members actually want, in terms of this relationship. So, the first recommendation that we have put, is that:

‘DoLGE should submit a report to Tynwald by December 2005, with proposals for any required legislative changes, to decide its future role in relation to Local Authorities in respect of the following

- a) a clearly defined supervisory role
- b) a clearly defined statutory role
- c) having no role, recognising Local Authorities as being completely autonomous and not required to seek DoLGE approvals for any matters thus being accountable only to [their] ratepayers.’

The second recommendation, I think, is, equally, quite important. That is that:

‘Treasury should take the lead in formally re-establishing the Audit Committee, the Committee to comprise officers of the Treasury, DoLGE, and the Auditors, reporting to the Treasury. The Audit Committee should report at least once per year to Tynwald.’

The findings of the Committee were that this Audit Committee met on a very infrequent basis, and, I think, a formal structure with formal meetings would certainly assist.

The third recommendation is that:

‘The review of the Audit Act currently being addressed by Treasury should be progressed without delay.’

It seems very clear that whereas with much enhanced Audit Regulations, the difficulties in Port St Mary may still have happened, it seems fairly clear that had there been more enhanced Audit Regulations, we would have perhaps discovered the problems a little bit sooner. So, I think it is pretty clear we need to have improved Audit Regulations.

The fourth recommendation is that:

‘Treasury in conjunction with the Audit Committee should undertake that review of the Audit Act and Audit Regulations with particular focus on

- defining the role of the auditor
- defining a statutory timescale for the audit process
- the requirement for an auditor to report to the Audit Committee any perceived failures in accounting standards or failure by an Authority to present accounts within a statutory timescale
- defining the role of Treasury
- defining the role of DoLGE in relation to the provision of financial training and guidance’.

I heard various interjections earlier on. Some people seemed to suggest that it was not DoLGE’s role. Well, if it is not DoLGE’s role to provide financial training, (*Interjections by Mrs Hannan and Mrs Crowe*) then that needs to be made very clear. I think that, in terms of the courses that are run for local authorities, that needs to be made very clear in

those courses.

If DoLGE is to run induction courses for local authorities –

Mrs Crowe: Not training courses.

Mr Gawne: – then I think that DoLGE needs to be quite clear. DoLGE, in the fact that it is running those courses, is, effectively, accepting some sort of responsibility. (**Mrs Crowe:** Rubbish!)

Now, if DoLGE has no wish to explain about the financial management of local authorities, I think it needs to make it clear in those courses, because – certainly, Members can shout ‘rubbish’ as much as they like – as far as the local authority members were concerned, they felt that they were not given that proper advice.

Now, if on that induction course, it was made very clear to those local authority members that it was not the responsibility of DoLGE to train them in financial management matters, I think that would certainly assist. (*Interjections*)

I think the final point, there, is actually:

‘• identifying who is to be responsible for ensuring that Local Authority accounts and auditors’ reports are laid before Tynwald.’

Certainly, at the moment, it is clear that it is DoLGE’s responsibility, although Treasury did actually take on that responsibility for a short while.

Our fifth recommendation is that:

‘Local Authorities should be required to satisfy DoLGE that the Authority has in place a robust financial management plan and has access to qualified financial advice either in house or externally.’

We feel that that is a far more valuable requirement than the existing requirement for certain local authorities to seek DoLGE approval for the appointment of clerks. It seems to your Committee that it would be far more important that the local authority has a robust financial management plan than to worry about the appointment of clerks. So, that was effectively why that recommendation is here.

The sixth recommendation is that:

‘Any concerns raised about the performance of a Local Authority and/or its staff by any member of the Audit Committee should be addressed directly to the Chairman of the Authority and if necessary a meeting held with the Local Authority concerned.’

Again, it seems somewhat bizarre that the auditor would, perhaps – or indeed, I think it was Treasury – write to an officer saying, ‘We do not think you are up to the job’, and not let the chairman of that authority know that those were their feelings. It does seem somewhat strange that that would be the reporting process. I cannot imagine it would be that difficult to copy the letter to the chairman of the authority.

The seventh recommendation is that:

‘Local Authorities should be able to appoint their own auditor if the existing structures for supervising the auditing of local authorities is to be retained.’

Again, it seems somewhat bizarre that, effectively, all these different elements of Government are involved in the appointment of auditors, in the delivery of accounts and all the scrutiny of the financial matters, but, ultimately, it is the

local authority that pays for that. It does seem a very strange system and, certainly, the further we were looking into the matter and the evidence we were getting, it seemed clear that this was adding to the confusion.

The eighth recommendation is that:

‘The DoLGE Induction Course needs to be overhauled with on going advice and training, particularly at the time of personnel changes.’

I think that is a fairly self-explanatory recommendation. The ninth recommendation is that:

‘An individual or Department should ensure that all information, documentation and evidence held on file is provided to any enquiry established by Tynwald unless that enquiry is specific in its request.’

Again, I think that is fairly self-explanatory. It does seem very peculiar to me and, indeed, if we had not established our Committee, we would not have found this, that an officer of Treasury decided to choose which information to send to the Kissack Inquiry, which investigated Port St Mary Commissioners. (*Interjection by Mrs Hannan*)

So, I do hope that Members will be able to support these recommendations. The Committee did spend a lot of time considering this. We put a lot of thought into this. We have not gone for headline grabbing recommendations or conclusions; we have tried to keep the Report as balanced as we possibly can, because I think all the members of the Committee want to see an improvement in this relationship between local authorities and central Government. I do hope that Members will be able to support.

I beg to move.

The President: Mr Singer, Member of Council.

Mr Singer: I beg to second, Mr President, and reserve my remarks.

The President: Hon. Member for Rushen, Mr Rimington.

Mr Rimington: Thank you, Mr President.

There are many aspects to this Report and some of which go back over history and things that may have not, or obviously have not, worked perfectly or well in the past. To a certain extent we have to accept that that was the case, and draw a line under that and look forward.

Obviously, the areas to do with the Department’s advisory role and the Audit Act are being actively addressed, at this time, and a new Audit Bill, I understand, will be out for consultation in the not-too-distant future – certainly, some time in the summer, or towards the end of the summer. That will be a positive step and that will address many of the issues that are contained in the recommendations.

The Department itself is bringing forward legislation in relation to local authorities, as we have consistently explained, in a variety of areas, and that will have a bearing on this supervisory aspect. I do say that it will have a bearing, but it will not necessarily have a major bearing, and we are looking within that to get parity. So, we should not say to one body of commissioners, ‘We will approve the appointment of your clerks’, and not to others. Really, we should treat all local authorities relatively equally, in that respect, and also in respect of submitting estimates and approval of rates, so there would be some parity in that newly defined process.

Can I just say that when the Hon. Member refers to what is called the ‘robust financial management plan’, local authorities are required to provide such a plan every year, and it is called their estimates and no more, no less. If those estimates are good, and the audited accounts, which precede those estimates, are good, then you have that robust system there. That is all that is really required in that respect.

In respect of the first recommendation, obviously, I could report to you on that now. We do have a statutory role, we do have a supervisory role. We are the Department of Local Government. There is the 1916 Act, the 1985 Act, there is other legislation – that role is there already. It is inconceivable that there be no role, and that we just cut ourselves adrift. It would perchance end up with the local authorities having to pay for the whole of their housing deficiency on their housing, which, as you can imagine, is an inconceivable thought, and would put the rates up most considerably, in those housing authorities.

So, there will be a role, but that role, again, as we talked about, in the earlier discussions, is finding the balance. Finding that balance, that grey area, is the difficulty that we have, and that difficulty will always be so, but, again, one can try and fine tune it, in response to changing circumstances.

In respect of the Audit Committee, that is something I would be more than willing to look at, and, in terms of the particular recommendations, in 10.4, on the Audit Act and Audit Committee, then those will be addressed within the new Audit Regulations.

There is a concern, there, in terms of the provision of financial training and guidance, in that we are not, first of all, equipped to provide financial training. We do not have such staff that might do that. It is a particular thing. There are areas where better financial training within local authorities would be beneficial, and I can say to the Hon. Member that I am actively progressing suggestions that have been made to me, on that particular issue, and we will look at that. But it is not, necessarily, a matter which is going to be one of our officers going out there and giving that dictate.

Mr President, you will have this amendment in front of you, which is:

Delete the words after ‘received’ and add ‘and the Department of Local Government and the Environment and the Treasury report back to Tynwald before 31st December 2005 on the recommendations contained therein.’

By that time, a lot of the issues will be clearer in relation, to the new audit legislation, and in relation to our own legislation.

Can I just ask, if Hon. Members have been invited to have an input into that new legislation – I did make that invite by letter last month, and we will be taking our shopping list to the legislative draftsman, shortly – so, if any Hon. Member does want to have an input into that, then they need to be contacting us fairly quickly. Otherwise, obviously, when the legislation comes to the floor of the branches, then it can be addressed.

I note that 10.7 says that the local authorities should be able to appoint their own auditor, if the existing structures for supervision of the auditing is to be retained. Well, that existing structure is not to be retained. Obviously, there are going to be changes in that, so, that, in a sense, would tend to nullify that recommendation as it stands.

But I would say that to have individual authorities choosing their own auditor, I would consider to be a retrograde step, in the management of public finances, and you do need consistency. If you are going to have an Audit Committee, say, with the auditors there, then they have to be (**A Member:** Government.) involved in that audit process. There is a logic there.

I do have concern with the statement, 'The DoLGE Induction Course needs to be overhauled with on going advice and training'. I did look in the Report for the evidence of that and I actually could not find that evidence. Now, the two officers that were saying they did not get, maybe, enough financial training out of that had gone on the induction course right at the very beginning, when it was first introduced, and it has progressed considerably, since then, and has proved quite successful.

One thing that is done on that induction course is that at the end of those two days, the participating members are given a form and asked to give their views on the different sections. Have they got any criticisms? Do they want to have any greater input in particular areas? And we get that feedback, and it has been fine-tuned accordingly, over the years. Generally, they have been very well received, so, we do not actually believe it needs a fundamental overhaul.

Now, if we are talking about financial management and financial training, on these financial issues, with specific areas of concern, whether that is targeted on particular authorities, by name, or a particular type of authority, like a parish, then that would be something we should take place outside of any induction course, but would be a specific thing to be addressed, in that respect.

But again, I think we will need to report back on that more fully, and, hopefully, by then, we will be able to identify some of the steps that we will hope to be taking in respect of trying to ensure some sort of consistency, in terms of financial management within the local authorities – recognising, again, that, within the present structure, there are different layers, as, indeed, the new Audit Act will recognise.

There are different layers of complexity and responsibility between the smaller authorities, the villages and the larger town authorities. So, it can not be 'one size will fit all', in relation to that issue.

Mr President, I have this particular amendment here which is that we will take the recommendations away. We will try and come back, by which time there will be greater clarity, in terms of the legislation that is coming forward, which will address many of the issues, and some of the outstanding issues like the Audit Committee will be taken on board, and we will respond properly, when the time comes.

The President: Hon. Member, Mrs Crowe.

Mrs Crowe: Thank you, Mr President.

I am pleased to second the Minister's amendment and, of course, this whole sorry affair came to light in my tenure as Minister, and as the Hon. Member for Rushen said, 'It would have been nice for me, as the Member for the area, to have been able to criticise DoLGE'.

Well, actually, I think he did quite a good job of that, but it would have been certainly nice for me, as the Minister of the day, who lived, brought up my family, knew all the characters involved in that area, not to have had to have dealt with this matter, but, indeed, it was a matter that had

to be dealt with.

When I took office at that Department, I was appalled, and the colleague that now sits in the House of Keys, who used to sit beside me, will tell you that.

Mr Delaney: A different view from here, I can assure you. (*Laughter*)

Mrs Crowe: I was appalled by the lack of fiduciary responsibility within many of the local authorities on this Island. I was appalled. My hon. colleague who shared the work in the Department is nodding his head. I could not believe it.

I could not find accounts for some authorities, we had not seen accounts, they could not produce accounts. We have got criticisms of the auditors and, indeed, the Hon. Chairman says the auditors need their role clearly defined.

Sir, auditors do not need a definition of their role. It is clearly defined in law and, indeed, I would suggest that neither does Treasury need a clear definition of their role.

What is needed is a clear understanding from local authority members of what their role is, and what the role of the Department is, and what the role of Treasury is, and what the role of an auditor is, and what the role of an accountant is, because it is clear in the Report, they did not know the difference in this particular authority, between an accountant and an auditor – two clearly defined roles, and they are defined in a letter to the authority every time that the auditor visits.

So, I do not mind that the Department... Well, I do mind that the Department is taking all this criticism, at this time – I do mind. I feel genuinely sorry for the Minister that he is having... and I accept any blame that is apportioned, whatever that might be.

But there is so much missing from this Report, it really is untrue. There was an inquiry in Port St Mary, paid for by the Department – it actually should have been the Commissioners that paid for it (**A Member:** Hear, hear.) but, no, the taxpayers have paid for it – paid for by the Department.

And why did that inquiry take place? The Department was fully aware of the problems in Port St Mary. We knew we had not got accounts. We were asking for accounts. We were trying to help. 'Could you give us all the information you have got, give us the figures, we will help you'. They could not produce them. That was the problem.

And what happened next? Matters were reported to the Financial Crimes Unit. So, a letter was received in the Department – so what could the Minister of the day do?

I have a newspaper cutting, here, where the Chairman of that particular authority was *amazed* that I had put a default notice on the authority. And what was the reason for that? Because it was the only course the Department had, in law, in case the Department had to take over the functions of that authority – bearing in mind there was a local authority election coming up, and I could not believe that anyone, really, having fully thought out the problems of that area, would have dreamt of standing, to inherit the deficit that was being borne in Port St Mary.

A Member: Personal liability.

Mrs Crowe: So, whilst I am sure that all the Departments of Government... you can blame the auditors whose role is to audit accounts, and not prepare accounts; you could

blame the accountants who had to pick up what seemed to me like a jumble of papers, and sort them out, into three years' worth of accounts, to be presented to the auditors, and the local authority wondered why there was a delay; Treasury, busy writing letters, 'we are not going to give you any more funding'.

What were they thinking of – that we were happy? But we could not march in with an army. There is no provision for DoLGE to walk into the offices of any local authority, and take their accounts. There is just none.

Maybe that should be... if that is the point. It is the ratepayers of that area who should have been holding that particular authority to account. (**The Speaker:** Hear, hear.) Surely someone, in the 1,000 households that were down in Port St Mary, in three years, wanted to see the accounts of the authority, for some reason or another.

I am sure the Hon. Member for Peel asks to see their accounts. I know Mr Delaney –

Mrs Hannan: They do not have them, either!

Mrs Crowe: No, well, I know, that is another problem. But I know the Hon. Member for West Douglas, Mr Delaney, wanted to see the accounts. I think you were charged to see them, in his local authority, weren't you, sir?

But people do enquire: surely someone enquired, at that particular time.

I was also the person who imposed the drastic charge of £10 per household per annum to dispose of waste – what an outcry there was from the benches!

Mrs Cannell: Quite right.

Mrs Crowe: But the people in Port St Mary were paying £100 per household per annum for the administration of a tiny office in the town hall. Let us get things into perspective. (**A Member:** Hear, hear.) No-one seemed to query that.

In the Report... and I really feel sorry, and I am sorry, actually, that I have got cross, but I would not have done, had I not felt that there was this kind of attitude that everything was right down there, and everything was wrong up here. That just is not the case.

There is plenty of mention being made of the induction course. The induction course is not a training course – nothing of the type! It is a welcome to our visitors from the local authorities, to come and view the work of the Department of the day. They are taken to the Government laboratory. Are you suggesting we train them as public analysts? They are taken to see environmental health; they are taken to see the other numerous parts of the Department.

So, why on earth, when they were told about the rules and the financial responsibilities that they should have, why would they consider that we would train them? It is the responsibility of the local commissioners to employ people to carry out that role, (**A Member:** Hear, hear.) and one might look at the salaries which we have had circulated – I think twice, now – (**A Member:** Hear, hear.) for these people that are carrying out the function.

The particular authority, at the time, who were in financial difficulties advertised, in fact, for a replacement, and one would have expected one would have picked someone with expert financial ability. Certainly, I think, if I had been there, I would have been looking... That would have been the prime... I would not have minded whether they knew about housing

or drainage or anything else. I would be just saying, 'what do you know about financial affairs?'

Now, I have no criticism of the gentleman that was picked, but in my opinion... no, not in my opinion, his career was a career of a social worker. Now, he may, in the background, have had huge financial training, but I do not believe that was the case, and, indeed, I think that experts are being employed to do the accounts, at this time.

So, I really do take exception to what has been missed in the Report. It was a very sorry affair, and that can be clearly illustrated, when we have a person who is now a Commissioner, who was, at that time, employed as the Deputy Clerk saying, at a time when there was a deficit of £70,000:

'We never had a deficit in the whole time I worked in the Commissioners. I worked there for 19 years. We never had a deficit until this last year.'

Suddenly, it was there! (*Laughter*) The deficit –

'suddenly appeared for that year' –

The Speaker: Wow!

Mrs Crowe: – but:

'It was still not a deficit, because we had a surplus brought forward'.

No, we did not, we had a deficit brought forward, so we had a double deficit! (*Laughter*)

So, we get all this in perspective, if you read the Report. It says, quite clearly, 'we have still not got a deficit'.

Mr Bell: It sounds like the MEA!

Mrs Hannan: Yes! (*Laughter*)

Mrs Crowe: Maybe that is why I am going on the Committee, Mr Bell – I have got experience of sorting my way through these things, now!

It is a sorry affair. It is in my own area with people that I knew, and I can best illustrate that by the words of Mr Fred Kissack, our ex-Government Chief Secretary, whom I greatly respect. He reported at the inquiry – and I am sure you do not want to circulate this, it is a tiny piece:

'The story revealed in this report is a sad one. There are no villains, but equally and unfortunately there are no heroes. It is a story of decent, well intentioned local commissioners seeking to do their best for the community, but falling into deficit because they had no grasp of financial circumstances. Their officers, equally dedicated and equally well intentioned, should have been able to alert the Commissioners to the position, but they had no information, they had no control systems on which they could rely, so inexcusably they too were in the dark',

and that, I am afraid, is the story of Port St Mary.

It is very sad, and it is sad that, still today, on the Island, with all the thoughts of local government reform that have been mentioned before, we still have authorities that do not know how to set a rate, they do not know how to properly set estimates.

I do believe the Minister could confirm there are authorities that have still not produced accounts, and for me, at that time, to go and meet with local authorities... One of the few things that was said by many of them was, 'Oh, we

are so glad you came. Will you explain the accounts to us, because we never really understood them?"

Now, I am not saying that was over all the Island, but that was said to me on a number of occasions, and I think it is something that this Court should bear in mind.

The introduction of new Audit Act will, of course, sort out many of those smaller authorities, but I am sorry that there is not a structure in place with which to replace them.

The President: Hon. Member for Peel.

Mrs Hannan: Thank you, Eaghtyrane.

I was extremely alarmed by this Report, and I refer to 9.6 where it says:

'In respect of overall performance your Committee concludes that there was a general failure of the Treasury, the Auditors and DoLGE to coordinate their responsibilities until the problems at Port St Mary emerged.'

Now, we look at the reason why the Committee was set up, and it was set up to enquire into the conduct of the Treasury, the auditors and the Department of Local Government and the Environment, in relation to the affairs of Port St Mary Commissioners, in the period, having regard to their statutory and other responsibilities.

It was the statutory responsibilities of the Treasury, the auditors and the Department of Local Government. So, they were on the rack.

I listened very carefully to what the mover, the Chair of the Committee, said, in moving this motion, and he got to the end and he said, of course, it was not just the Treasury, the auditors and the Department of Local Government and the Environment; the local authorities had a responsibility, too. But I cannot see that in the Report. (**Mrs Crowe:** Absolutely.) (*Interjection*)

That is the problem that I have with this Report. This Report does not acknowledge... It acknowledges – well, it suggests – that there was a general failure. It does not suggest that there was failure anywhere else.

If I could, first of all, refer to 5.16, where it relates to the Tovell letter which explains the duties of the local...

Sorry, if I start off:

'In a further letter dated 10th April 2000 addressed to Mr Popper, Mr Tovell [of the Treasury] explained the duties of the local authority and of the auditors in the preparation of accounts. In that letter he stated "your Commissioners appointed Auditors are simply engaged to Audit your Accounts under the Audit Act 1983 and have no responsibility whatsoever to prepare your Accounts. That responsibility lies completely with yourselves and if for some reason you are unable to prepare your own Accounts ready for Audit, it is a matter for you to engage someone to complete that task."

That letter is included in the Report.

It then goes on, at 5.17, and it says:

'Your Committee has no evidence that either of these letters were passed on to the Commissioners' –

this letter was written to the Commissioners. It was written to Mr Popper –

Mr Singer: That's right.

Mrs Hannan: – who was Clerk of the Commissioners.

Then it goes on:

'or made available to the Kissack Enquiry. In evidence Mr Tovell stated that only correspondence which he considered important was sent to the Kissack Enquiry.'

The local authority had that letter. (*Interjections*) The local authority had that letter – it was sent to the local authority.

Mr Singer: It was sent to the Clerk.

Mrs Hannan: The Clerk *is* the local authority, for receiving communications.

Mrs Crowe: That's it.

A Member: Exactly.

Mrs Hannan: –

'The letter dated 10th April 2000 may suggest that prior to that letter Mr Popper was not aware of his obligations as Clerk in preparing draft accounts, either in house or by external accountants, until advised by Mr Tovell.'

Mr Popper was the Clerk, Mr Popper must have known, he must have prepared the accounts before March 2000.

So, I think the criticism should be there. If the Kissack Inquiry did not get that letter... they did not get it from the local authority.

Paragraph 7.12 relates to late submission of local authority accounts. I wonder: did the Committee enquire how many other local authorities were late with their submissions of accounts?

I think, if the Department of Local Government and the Environment were going to enter into the legislative situation, with local authorities and other statutory bodies, such as housing authorities... I know for a fact that Peel was late for about three years – it is in our Orange Books. We know that. Peel and Western District Housing Committee: also late, that is also in our Orange Books. We know that. You have only got to go through the Orange Book, to see when they are late and how late they are.

So, you could not go and look at their audited accounts, because they do not exist, and they did not exist, but the Department of Local Government and the Environment were very helpful in sending in their senior officer to sort out their accounts. And they would not have been presented to the auditors by now, if it had not been for the Department of Local Government and the Environment.

It is strange that the Committee did not talk about Public Accounts having a greater responsibility for local authorities, or the Internal Audit, or even talk to the Public Accounts Committee regarding the Audit Act.

Certainly, the auditors, KPMG, have spoken on a number of occasions to committees of Tynwald regarding the Audit Act and it has been mentioned a number of times in Tynwald, the need to upgrade the Audit Act, but it was not proceeded with. I am very glad, and I pay tribute to everybody who has now proceeded with the advancement of the reorganisation of the Audit Act, for many reasons.

I think what is suggested in this Report is that correspondence to the clerk does not get to the commission themselves. I think the Department, when they are looking at these recommendations, should really consider how the board

of local authorities can insist that they see correspondence.

My constituents say they write to the local authority, they do not get a response, and they do not think that it ever gets to see the board, so this is still going on.

And I think the other question that should have been asked was: when do local authorities consider accounts? Do they have a finance committee? Are they considered at all their board meetings? (*Interjections*) The public are not going to know because the public are not included or cannot be even in the public gallery of local authorities.

I do feel that this Report... I will be supporting the amendment moved by the Minister for Local Government and the Environment. I do feel that it scapegoated, this Report. It does show that there is need for reform and, if it is not in reform that has already been discussed over a number of years, then I do feel that audit reform is needed, but not necessarily by Treasury, the auditors, how they operate, but local authorities. I feel that completely.

But I would like to pay tribute to the previous speaker, because I do not think anybody has done more for local authorities than Mrs Crowe, (**Several Members:** Hear, hear.) in making sure that local authority members have laws, regulations, their folder, all provided to local authority members.

Local authority members should now be so much more aware of their responsibilities to their ratepayers, and also their responsibility to each other, really, under the laws and regulations that they are supposed to operate under.

So, I would pay tribute to Mrs Crowe, as the former Minister of Local Government and the Environment, for the part that she played, in trying to get this information out to local authority members. I think what she had to pick up, at the time, was failure prior to that.

But you cannot take horses to water and make them drink. You can do all sorts of things with local authority members and with local authority employees, and this was the reason why, I think, the previous Report that was considered, into the Petition of Grievance for John Armstrong Maddrell was that there is this concern over local authorities and how they operate and how they declare. Surely, to make it more transparent, to make it more open, when all of these issues are being considered, they should include the public, so much more, in their decision making.

Thank you, Eaghtyrane.

The President: Hon. Member for Onchan, Mr Earnshaw.

Mr Cannan: What about Mr Gill?

Mr Earnshaw: Thank you, Eaghtyrane.

I would like to start off by saying if ever there was an argument for local authority reform, this is it. (**A Member:** Hear, hear.) It is very easy to blame the Department of Local Government and the Environment.

There are some interesting paragraphs in this Report. I will start off with 4.4, with the then Chairperson of Port St Mary Commissioners, Mrs Wilson, a lady who, I think in my view, is a competent person, did her best for Port St Mary. I have no issue with that. I have met her on several occasions, but she states that:

'there was not enough emphasis placed on financial management advice in the DoLGE Induction Course that was attended by newly elected members and officials.'

In 4.9:

'Mr Popper advised he had been told on appointment that his responsibility was to produce estimates but did not realise the extent of local authority responsibilities and was not aware of the statutory timetable for submission of draft accounts.'

That is a bit of an amazing one, I think.

In 4.10:

'Mr Popper informed [the] Committee that he did not attend a DoLGE Induction Course until at least seven years into the position.'

Well I think there are quite a few... I think they have been, for quite a number of years, running two courses a year, and there is quite a number of members attend, so why that did not happen I do not know.

It is up to Port St Mary to submit their Commissioners or officers for these courses, if they feel they can be of benefit. So, why that was not taken advantage of, I do not know.

As a local authority member myself, in 1996, when I joined Onchan Commissioners, I went on one of these courses, within six months of joining the local authority, and I found it pretty helpful. At least, it gave me an insight into what was happening in Government, and it gave me a good start about what was going on, in the various Departments of Government.

So, it is very easy to blame DoLGE, and I do often ask myself the question, who would be Minister for DoLGE?

Mr Cannan: What about it yourself, sir? (*Laughter*)

Mr Earnshaw: Or you!

The President: Come on, Hon. Members!

Mr Earnshaw: Training, training, training, that is what the Report tells us but, at Port St Mary, did anybody ask? Has anybody gone to DoLGE and said, 'Can you help us'?

Help is at hand in DoLGE. I think there are a lot of helpful officers in the Department of Local Government, and, had they only raised their hand, I think they would have found some guidance there.

Local authorities seem to want their autonomy and their independence, but it seems that, a lot of time, only when it suits them. They are statutory bodies, and I think this has got to be understood.

When I was a local authority member, and I was helped on this, by the induction course with DoLGE, I understood what my responsibilities were, from that course. I was well aware of them, and I believe my colleagues were also similarly aware.

So, in the case of Port St Mary Commissioners, you cannot escape from the fact that it seems to be everybody else's fault, but their own. (**Mr Cannan:** Hear, hear.) They seem to have had a reluctance to speak up, and say, 'Look we have got a problem, can you help us?'

And I was in the Department of Local Government, working with Mrs Crowe, when she was the Minister. I was involved, for a little while, with the local authority business, and she... I can only echo the comments really made by Mrs Hannan. I thought Mrs Crowe worked very hard, she was

very energetic, she did her very best to try and get a lot of things which seemed to have gone astray into order.

I will say, at this point, I was very surprised that Mrs Crowe... there may be a reason for this, but I do not think Mrs Crowe was interviewed by the Committee, when they were formulating their findings.

So, DoLGE is not structured to be a school. There are a lot of competing issues with which they have got to deal, and I am surprised by some of the comments in this Report.

I will just make another one or two excursions into this now. Paragraph 8.6 refers to the fact that the:

'Committee is concerned that DoLGE is required to approve the appointment of Clerks, but not Deputy Clerks'.

Why should it be DoLGE's responsibility, and how far should they go?

We can dig down through layer after layer after layer, if necessary, but I would have thought it is probably about right, at the moment.

The Speaker: It's only the parishes, anyway.

Mr Earnshaw: In 8.7:

'Your Committee is concerned about the actual role of' –

this is an interesting one –

'DoLGE in respect of local authorities. It is not satisfactory to make a case that Local Authorities are legal entities in their own right'.

Why not?

Mrs Hannan: When they are.

Mr Earnshaw: Yes. It says:

- DoLGE has a supervisory role in respect of Local Authorities
- Local Authorities require DoLGE approval to borrow money
- Local Authorities require DoLGE approval in some cases to approve a Clerk
- Local Authorities do not have the right to approve their own auditors'.

Now, the Minister has told us that his Department are going to have a look at these findings, if the Report is approved, and it will be an interesting one to examine that, whether there is a case for dismantling some of these. That would come as a bit of shock to some of the local authorities –

Mr Cannan: I'm sure it would.

Mr Earnshaw: – if they found they did have these powers to borrow, and to make their own appointments, without reference to DoLGE.

Turning to the accounts, Eaghtyrane, accounting is something of a nightmare, if you are unfamiliar with it – but so is reading music, which I cannot do, and so is speaking Latin, which I cannot do.

If you are familiar with accounts, they are usually, at local authority level, in the Isle of Man anyway, not too difficult. But here we have a Clerk who... I do not know how much the Clerk was paid – somebody has made reference already, I cannot remember who it was, to the fact that some of the

clerks around the Island are paid considerable salaries.

But here we have a Clerk who, from a financial point of view, seemed hopelessly lost, in this respect, although I have no doubt that he probably had competencies in lots of other areas. (*Interjection*)

Just staying with the accounts, at 5.9, I thought the Chief Executive of the Treasury, Mr Mark Shimmin, summed things up very well. In 5.9, he quotes:

'changing the regulations was not addressing the fundamental problem, which was touched upon in the consultation document. The problem lies within the present structure and functions of Manx Local Government in that there are too many Authorities, most of which are too small to either acquire or retain the skills and knowledge base to aspire to a higher quality of public accounting'

and that sits pretty comfortably with me.

Now, Mr President, it is far too easy to blame DoLGE. I worked with Mrs Crowe, as I have said, and I think she put her heart into this. She was hampered by a lack of teeth – not Mrs Crowe, the Department! (*Laughter*) – when it came to doing anything about accounts that had not been submitted in a timely manner, and there were lots of them, at the time, (**Mrs Crowe:** Yes.) and we both wrestled as hard as we could, to do something about it.

I can assure this Hon. Court that is exactly what we did, but we were not able to make the progress. We did make some progress – quite substantial progress – but we just were not able to have made the progress we would have liked to have done.

Another point I would like to refer to is the officer at DoLGE, at the time, who is responsible for local authorities, Mrs Carole Sutherland – I do not mind naming her. She put a lot of hard work into producing an excellent handbook for the local authorities. (**Mrs Crowe:** Yes.) There was an enormous amount of work she put into that, and it was very readable stuff, well presented, a very professional and businesslike document, and it was sent out to all the local authorities round the Island.

How many local authorities read it? I bet it is just sitting on the shelf. It contains all sorts of guidance about what you should do, what you should not do, beware of this, do this, contact so and so. I bet it is just sitting, gathering dust, in a lot of authorities' offices.

So, I am coming to a close, Eaghtyrane. What can we learn? There seems to have been a breakdown in continuity, on the resignation of key people. There is a disconnection occurs, when that takes place. Some mechanism has to be found to overcome that, because if the new incumbent into a job is totally unfamiliar with the practice, or has not has the previous experience, where can we get it?

Well, that is something for DoLGE to look at. Maybe there should be an insistence that new clerks do attend an induction course, straight away, with the Department.

There seems to have been an inability of the Commissioners, in this case, to accurately assess the candidates for the roles that were advertised, because, clearly, Mr Popper, by his own admission, did not have the necessary skills. And I think there needs to be better liaison between the Department of Local Government, the auditors and the local authorities, when it comes to the accounts. Perhaps, the auditors could be a little more helpful, if they were to liaise with DoLGE, if they felt the authorities were having a real struggle with their accounts. They are in a good position to judge that.

So, I am back to where I came in, Eaghtryane. There is too much reliance, I believe, on the Department of Local Government. They are there to exercise a supervisory role. Local authority is needed. What happened at Port St Mary can, quite easily, in my view, at the moment, happen elsewhere.

Mr Delaney: Oh, you recognise it! That's exactly the argument!

Mr Earnshaw: So, other areas in the Isle of Man should be aware that the Port St Mary experience may come your way. I hope it does not come anybody's way, but it may come your way.

So, local authority reform, I think, may not be the total answer to everything, (*Interjection by Mr Downie*) but I think it is the right way forward.

Mr Cannan: Rubbish!

The President: Hon. Members, we are not discussing local government reform; (**Mr Cannan:** Hear, hear.) we are discussing the acceptance or not of the Report.

Mr Singer, Hon. Member of Council.

Mr Singer: Thank you, Mr President.

I will be short, because the Chairman of the Committee has outlined in detail the findings of the Committee. There are one or two comments that I wish to make, in reply to some of the comments that have been made here, this evening.

I would like to say, first of all, that the Committee, in taking evidence, were very impressed with Mrs Mellor. She was extremely helpful to us, and she is obviously extremely helpful within the Department. She is a credit to DoLGE (**Mr Gawne:** Hear, hear.) and I would like that passed on by the Chairman. She is a credit to DoLGE in what she has already brought about, and what she is bringing about.

Mrs Crowe was questioning the comment about the possibility of the local authority appointing its own auditors. I think, one of the problems that we seem to realise was that KPMG were overwhelmed with work. They had an awful lot of work to do, and that is why some of the delays were possibly taking place.

When they were asked, when they identified problems, why they did not ask any questions of the local authority, they did not say it was not their responsibility. What, in fact, they did say was, 'We did not ask it, because we do not think they would have known the answer', (**Mrs Cowe:** Yes.) which is slightly different.

Mrs Crowe: They hadn't got a clue!

Mr Singer: And there was no doubt that there was a different relationship between Port St Mary Commissioners and their previous auditors, Coopers & Lybrand –

Mrs Crowe: They did everything for them.

Mr Singer: – who there seemed to be a much closer relationship with.

Mr Hamilton, in his evidence, did comment that the Treasury were reluctant to reform the Audit Regulations, and that was a quite clear comment by Mr Hamilton.

We were concerned that there had been an Audit Committee, which was made up of officers of DoLGE and

the Treasury which met more and more infrequently and eventually died. If that is to be revived, then that is good news.

We admit that Port St Mary Commissioners were certainly not blameless. A lot of it they brought upon themselves. As it has been said, they appointed a clerk with no financial experience. He was hopelessly lost, and he admitted it. There were major failures, but there was no-one to pick up the problem. There was no lifeboat to help Port St Mary and the ship sank.

Mr Downie: The first thing you do before you sink is you send a distress call.

Mr Singer: In relation to the letters that Mrs Hannan referred to, the letters were sent to the Clerk and what the Xommittee had no evidence was that the Clerk had actually forwarded that letter to the Commissioners. Whether the Clerk is the Commissioners or the Clerk is not the Commissioners, we had no evidence that the Commissioners ever saw that letter.

And the other letter: with regard to the one that Mr Tovell produced to the Committee, and which he said he had chosen not to produce at the Kissack Report, that was, in fact, a different letter. The Committee felt that, perhaps, the officers should not be choosing which letters should go and which letters should not go to a committe – they should all have gone.

Mrs Hannan: It's illegal.

Mr Quayle: Right!

Mr Singer: Can I say that I, certainly, welcome the amendment of the Minister, Mr Rimington, who is not in, at the moment. I think that the comments will be positive from the Department, and I look forward to the recommendations that are put forward, because I think it will certainly help – not Port St Mary now, it is too late – but it will certainly help local authorities in the future, and, also, define roles of Treasury, define roles of the auditors, and, hopefully, of the local authority, as well... (**Mrs Crowe:** Yes.) the Department of Local Government, as well.

So, I look forward to that, and I would welcome the amendment and look forward to its reporting in December. Thank you.

The President: Mr Delaney, Hon. Member for –

Mr Delaney: Thank you, Mr President. I realise the lateness of the hour, again.

Mr President, I want to, first of all, put on record m... I am sure the Committee Chairman will do so, the Clerk to this Committee, because, like private business your business is only as successful as the staff you have, and 50 per cent, at least, can be put down to having good staff, whether being in private business or running committees of this hon. place. We had an excellent Clerk, and I would like our learned Clerk to take that message from here to him. He was excellent.

I would also like to put on record there are two persons, particularly, who, in my opinion, assisted this Committee and, I hope, assist Tynwald, whatever way you think about the Report, in their evidence to this Committee – and it is there in *Hansard* – and they were: Mr Whiteway, who is now with

the Ramsey Commissioners, and I will be personally writing to him, because he was outstanding, when it came to giving his evidence; and Mrs Mellor.

Between them, they cleared an awful lot of greyness, which you find when you are sitting down looking at something like this. I am particularly impressed, and I will take the opportunity to speak to them.

Mr President, the last but one speaker, the Member for Onchan, pointed out that this could have happened anywhere. At the beginning of the session of this parliament, I sat up there, next to the then Minister, and I pointed out and I laid Questions upon Questions about the lateness of accounts of local authorities. I did that, because I could see it happening.

I could not point to where it was going to happen, because I did not know what was happening in every local authority, but it was on the cards that it was going to happen. I am only delighted – and I am sorry about Port St Mary ratepayers – that it did not happen to my local authority, and I am sure other Members are delighted it did not happen to them.

But it was on the cards it was going to happen, because the whole thing was let slip. People were not interested in getting accounts – three years. It was just getting a nonsense, and it was making a laughing stock of all the rules and regulations that our forefathers brought in. They brought them in for a reason, I am sure they did. They might not have been perfect, but they brought them in for a reason, to stop such as this possibly occurring.

I am going with the amendment, as well, because something has got to happen from this, otherwise this will occur again – and it may be your local authority, because, unfortunately, nobody ever seems to learn the lessons.

Mrs Hannan from Peel made a remark about horses to water. The reason for this is closing the door, as it can be seen, after the horse has bolted in Port St Mary, but there are another 21 horses in the stable, and closing the doors before they get out, as well. That is the object, here, is to prevent a reoccurrence of the situation in Port St Mary.

I – because nobody else seems to want to do it – want to put on record how sorry I am for the ratepayers of Port St Mary. (**Mr Earnshaw:** Hear, hear.) I apologise to them, because I am one of the people on this ship that is supposed to be, in part, looking after them down there, through the responsibilities we all have, through the Local Government Department, through the Treasury. We are all to blame, if anyone is to blame.

I know a lot of the blame is on themselves, on their own heads down there, but we are also carrying part of that responsibility, because we were here supposed to be keeping a limited eye on them, and it did not happen. So, we all take our part to blame, and I am prepared to take mine, because maybe I should have been more enthusiastic on the Questions I was asking. Maybe I should have been demanding, maybe I should have been putting resolutions down.

I did something wrong, because the message did not get through. This happened at Port St Mary only two years after I was asking the very Questions about what was going on with local authorities. So, I am to blame, in part, I am sure of it.

There are one or two points that will be cleared by the Chairman, I am sure, and I am realising the time here, but there is one very important piece which I thought was here:

‘Treasury should have ensured adequate steps were taken by DoLGE to ensure that Local Authorities were made aware of their obligations and offered advice if required.’

Now, I know that Members are saying, ‘Oh, well, they are offering advice’, and we know that. That came out in clear evidence.

What we are saying is: was enough done? Can enough be done? The amendment that is being put forward is doing exactly what we are saying in there. (*Interjection*) That is what we require.

So, therefore, the Report cannot all be bad. It may not be perfect, but it is not all bad.

When we have a situation, Mr President, where a committee of this place – I have been on enough of them over the years – is put out, it comes back with, virtually, a political stew of different things in it, and you pick out the bits you like and you throw out the things you do not like, or you do not eat the bits you do not like.

But the important thing is that the stew serves the purpose of keeping you going until the next meal. That is what I see in this Report and other reports we get. We might like all of it, but you have got to... The curate’s egg is sometimes used – I would rather it in a stew, because it suits my figure better!

The situation I see, Mr President, is that vote for the Report, vote for the amendment, but what I would like to see, more importantly, is more people taking more interest in local authorities, in what they are doing for your constituents, because they are your constituents. The rates they pay comes out of the pockets of your constituents, and there is nothing wrong, I believe, in us...

We have all been – or most have been – members of local authorities. I, certainly, was, in 1972, but here was a bit of an advancement. From down there to here was an advancement, but I still have responsibility for down there, and where people accuse me, now – and I know it is done to my face sometimes, but usually behind my back – of ‘why is he attacking Douglas Corporation?’

I am not attacking Douglas Corporation. I am attacking the system that is supposed to be responsible to the ratepayers I am responsible to, and I hope that Members feel the same about theirs.

I know they feel the same about their ratepayers. I hear the Questions, I hear the debates, but we have to keep doing it, because we are all responsible to each other, we all have a duty of care to each other. Here the duty of care did not work, it is quite obvious, and the poor ratepayers of Port St Mary are going to pay the cost –

Mrs Cannell: For years.

Mr Delaney: – of that duty of care being lost.
Thank you, Mr President.

The President: Chairman to reply. Hon. Member, Mr Gill – you are late, sir.

Mr Gill: Thank you, sir.

The remit of the Report is one we have had spelt out to us. Members will be aware that, for a period, I was a member of the Commissioners, a period during this era that is under Inquiry, and it has, therefore, been very interesting to hear some of the comments of Members, not only about the issues covered under this Report, but, perhaps, some ancillary points, and some peripheral issues, also.

I do not propose to go through all of the comments, but I would, certainly, support the very positive amendment by

the Member for DoLGE, Mr Rimington, which I think will be very helpful, and very timely.

If I paraphrase the Kissack Report, where Mr Kissack, as we have heard quoted by Mrs Crowe, says, 'there were no villains, but there were no heroes'. Well, if I may say, I think there was one fall guy in this, and that person was the Commissioner who I was elected the same day as, and that is Mrs Sarah Wilson. (**Mrs Hannan:** Hear, hear.)

Mrs Wilson, in my opinion, was extremely anxious, very early on. In her evidence, she does not reflect that as accurately as my recall, because I can, certainly, remember going home from meetings, and from general activities around the Commissioners, and voicing concerns that the disorganisation – and I will say no more than 'the disorganisation' – did not instil any confidence.

It is to Mrs Wilson's credit that, when she became the Chair, she was extremely anxious with the then new Clerk – and we have heard criticism of the new Clerk, that he did not have a financial background. Well, that is true.

But I would say it is a bit rich, coming from Mrs Crowe, when she is criticising somebody educated to graduate level who is, by their own admission of her former officers, doing a good job, and picking up pieces – pieces that, perhaps, I would be criticised for. If I am, people whose criticism I will heed on that will be in the south of the Island. I have to say that most people accept the findings of the Kissack Report, but that is that, we are not talking about that today.

Mrs Wilson – and we have heard her praised by Mr Earnshaw, in his earlier input – was extremely anxious to get to the bottom of the difficulties, and she did that. She did that in the clear understanding – and the board went along with her in that determination – that it would be electorally unpopular, and so it proved. We have a new board, and I am sure we all wish them well.

I do have to say that I think that, perhaps, an almost pathological hatred of local authorities is colouring certain observations, and I had to smile, when I was told that local authorities, as a consequence of this and other meritorious behaviour from Mrs Crowe, that we have heard about, has resulted in the likes of local authorities saying, 'Thank you for explaining our accounts, Mrs Crowe'. (**Mrs Crowe:** Yes.)

Well, I would be very interested to know which local authorities have actually said, 'Thank you very much for explaining our accounts to us, Mrs Crowe'. It is a scenario, I am sorry I have missed, because –

Mrs Crowe: Port St Mary didn't, though, did they?

Mr Gill: – I feel the poorer for it, I have to say.

I appreciate, by her own admission, Mrs Crowe was getting very cross, and had perhaps become cross, by that time.

I would just make one observation about the analogy which was drawn between the cost of the waste that Mrs Crowe fearlessly brought forward, the charges, and the cost of administration, and that was a damnation on the Commissioners.

Well, we heard in the evidence that that was, actually –

Mrs Crowe: A damnation on the ratepayers!

Mr Gill: – categorically, told by Mrs Sutherland and Mrs Mellor, who I share a great deal of confidence in, in the new

team, that four members of staff in an authority the size of ours, that is Port St Mary, was an appropriate number.

Now, that was not questioned. That is by the by, but let us not have any Pravda history re-writing.

Mr Karran: Those are my lines! (*Laughter*)

Mr Gill: As Mr Kissack has said, it is a most unfortunate episode, it is not isolated, we do not know formally of the other areas that might suffer the same situations, but all I would say is that the people in Port St Mary... and I do firmly believe, Eaghtryane, that this was a political football, at the time, with the intention of local government reform.

Mrs Crowe: Totally untrue!

Mr Bell: Absolute nonsense!

Mrs Crowe: Nonsense!

Mr Gill: Well, it is 'nonsense' and 'totally untrue'. I would say that is my firm belief about it, and –

Mrs Hannan: Port St Mary got into this problem, because there was local authority reform?

The President: Hon. Members! (*Interjection and laughter*)

Mr Singer: No Christmas card for you!

Mr Gill: I would reiterate that is my firm belief, that is my experience of dealing with the then Minister Crowe. (*Interjection by Mr Downie*) Now is not the time and place to go into some of the instances that she would perhaps care to gloss over now. (*Interjection and laughter*) The Committee concur that there was no evidence.

Now, I am sure that was not a file marked, 'Top secret – DoLGE eyes only'. That was my inference, that was the belief of other Members.

But what it is not, sir, and I would challenge anybody – and I know Mrs Crowe has previously told me of the clamour of people who are demanding for local government reform to resolve this problem. I have challenged her and requested her to direct those people – given that she was in a haste to give up her constituency and responsibilities, (**Mrs Hannan:** Shame!) (**Mr Cannan:** Oho!) to me, and to date I have not had one.

Now, that may be that that clamour, that throng will arrive tomorrow.

Mr Delaney: Send your husband down to see him! (*Laughter*)

Mrs Hannan: She does not need her husband looking after her.

Mr Gill: This Report we have heard a lot of comment on. That is my comment, the extent of it, Eaghtryane, and I, certainly, would hope the amendment will gain support, because I think it is very positive. I look forward to supporting it.

The President: Chairman, Mr Gawne, to reply.

The Chairman: Gura mie eu, Eaghtyrane.

I thank the Members who have contributed to this debate. I think I would like to begin with Mrs Crowe's remarks and, actually, perhaps, to apologise to Mrs Crowe and, also, to Mrs Hannan, in that I think it is quite clear from the reaction – certainly of those two Members, and I think Mr Earnshaw, as well – that we have not been as clear in our Report as we might have been, as to what exactly our remit was.

Had we been asked to do another Kissack Report, then we would have just photocopied this one, but we were not actually asked to do that. Perhaps, I was not specific enough, when I was opening, and certainly in the Report.

I know sections 2.1 and 2.2 do actually refer specifically to the remit. They do explain that we did not feel it was appropriate to go over the old ground that Kissack had already done.

Also, I did make the point, at the end – perhaps, Mrs Crowe, at that stage, had become so angry that she was not listening to what I was saying – (**Mrs Crowe:** True.) but I did make the point that very clearly that, yes, we had found failings with Treasury auditors and DoLGE. However, the main blame for this has to, really, rest with the local authority, the Port St Mary Commissioners.

I did make that very clear in my summing up, but I do apologise to Members, if I did not make it clear enough.

There are a few points that I think I would have to mention, briefly. Mr Earnshaw asked why Mrs Crowe had not been interviewed. I suppose we could have actually gone through a whole list of DoLGE Ministers – there have been quite a few, over the period that we were investigating into. (*Interjections*)

Mr Cannan: There is going to be another one, now.

The Chairman: However, certainly, Mrs Crowe has had the opportunity to make her feelings known. I think a number of the DoLGE Ministers are here today, who could, quite adequately, contribute to our deliberations.

I think, most of the points, actually, have been addressed by my colleagues on the Committee, Mr Delaney and Mr Singer. I do not know that we are going to get an awful lot more out of me summing up on this matter. All I could say is that the Committee did actually try to come up with... answer its remit. The remit was, specifically, to look at the role of DoLGE, Treasury and the auditors. It was not to look into the affairs of Port St Mary Commissioners, specifically.

That is, effectively, I hope, what we have done. We have looked to see what the central Government was doing, in this affair. I do believe that we have identified weaknesses – indeed, the current DoLGE Minister was content that we have identified weaknesses that need to be addressed.

I think it is unfortunate, perhaps, that whenever we refer to local authorities, people immediately, almost like putting a magnet in some iron filings, spread out to the extremes of the argument and we cannot, perhaps, look at these things as rationally as we might.

I had hoped that this was an attempt to find some middle ground. Clearly, some Members believe that is not the case, but I beg to move.

The President: Hon. Members, the motion which I put to the Court is that printed at 26 on your Order Paper, and with that you have had circulated an amendment in the name of the Hon. Member for Rushen, Mr Rimington. Taking first

the amendment, Hon. Members. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Putting to you now, Hon. Members, the motion as amended. Those in favour, please say aye; and against, no. The ayes have it. The ayes have it.

Mrs Hannan: Divide.

Procedural

The President: Now, Hon. Members, at this particular juncture, when the clock is at quarter to 10, perhaps, Hon. Members, you would be good enough to permit us to finish off one or two of the remaining Items on the Supplementary Agendas that we have not tidied up.

Announcement of Royal Assent Fiduciary Services Act 2005

The President: As you are aware, the Fiduciary Services Act 2005 did not get signature yesterday; it got signature this morning. Royal Assent has been granted.

Fiduciary Services Acts 2000 & 2005 Fiduciary Services (Fees) Regulations 2005 approved Fiduciary Services (General Requirements) Regulatory Code 2005 approved Fiduciary Services (Clients' Money and Trust Money) Regulatory Code 2005 approved

38-40. The Minister for the Treasury to move:

38. *That the Fiduciary Services (Fees) Regulations 2005 be approved. [SD 468/05]*

39. *That the Fiduciary Services (General Requirements) Regulatory Code 2005 be approved. [SD 469/05]*

40. *That the Fiduciary Services (Clients' Money and Trust Money) Regulatory Code 2005 be approved. [SD 470/05]*

The President: Can I suggest Hon. Members, that we take those Fiduciary Service Items now, at 38, 39 and 40, and, on the Supplementary Order Paper number 1, section 5. Minister for Treasury to move.

The Minister for the Treasury (Mr Bell): Thank you, Mr President.

Mr President, the Financial Supervision Commission and the corporate and trust service providers industry have, for some time, been preparing for the introduction of a licensing regime that extends the licensing of corporate service providers to trust service providers.

This has involved full consultation, over a long period of time, to develop the legislation.

The Fiduciary Fees Regulations 2005, and the next two Items on the Order Paper, set out the fee structure and the codes of conduct that will apply to fiduciary business.

Members will have noticed that the copies of the

Financial Services (Fees) Regulations 2005, the Fiduciary Services (General Requirements) Regulatory Code 2005 and the Fiduciary (Clients' Money and Trust Money) Regulatory Code 2005 were circulated in draft form with the Order Paper. This is because it was not possible to make the subordinate legislation until Royal Assent had been announced to the Fiduciary Services Act 2005.

To avoid further delays in inviting applications for trust service provider licences, the subordinate legislation needs to be put in place, so that the Commission can invite licence applications from the 1st August 2005.

Royal Assent of the Fiduciary Services Act 2005 was announced at the start of this sitting, today, and the associated Appointed Today Order has now been made, and the legislation is listed as 38, 39 and 40 on the Order Paper. Signed copies of these have now been provided for circulation to Members.

The fee structure set out in the Fees Regulations takes account of the fact that a fiduciary may hold either a corporate service provider licence or a trust service provider licence, or both classes of licence.

A single fixed application fee applies if both classes of licence are applied for, at the same time.

However, because the licensing of fiduciaries has been introduced in two stages, a current holder of a corporate service provider licence will have to pay an additional application fee, when it applies for a licence for its existing trust services business. In recognition that they are being asked to pay two separate application fees because of the time delay between the licence applications, the trust service provider licence application fee for such applicants has been reduced by half.

The annual licence fee also takes account of the fact that a fiduciary may hold both corporate and trust service provider licences, and is based on the total number of client companies, partnerships and trusts for which the fiduciary provides services.

An existing corporate service provider's annual licence fee will only increase if the addition of the trusts to the current fee calculation takes the total number above the current band, and the annual fee for the higher band now applies.

Mr President, I beg to move.

The President: Hon. Member for Onchan, Mr Earnshaw.

Mr Earnshaw: I beg to second Eaghertyane, and reserve my remarks.

The President: Hon. Members, I put to the Court Item 38 on the Order Paper. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

I put to you Hon. Members, 39, those in favour, Hon. Members, please say aye; against, no. The ayes have it. The ayes have it.

Similarly, still dealing with the Fiduciary Services Acts 2000 and 2005, Item 40, Hon. Members, those in favour, please say aye; and against, no. The ayes have it. The ayes have it.

Supplementary Orders

Rehabilitation of Offenders Act 2001 Rehabilitation of Offenders Act 2001 (Exceptions) (Amendment) Order 2005 approved

5. The Minister of Home Affairs to move:

That the Rehabilitation of Offenders Act 2001 (Exceptions) (Amendment) Order 2005 be approved. [SD No 366/05]

The President: Now, Treasury Minister we have, on the Supplementary Order Paper, Item 5, dealing with the Fiduciary Services Act, as well. Perhaps, you could move that, sir.

Sorry, Mr Quayle.

Mr Quayle: Thank you, Mr President.

In the absence of my Minister, who is off ill, it falls to me to present this.

The Order before the Court will, if approved, amend the existing Rehabilitation of Offenders Act 2001 (Exceptions) (Order) 2001. The majority of changes flow from the passing of the Fiduciary Services Act 2005, which will bring the trust service provider sector under the supervision of the Financial Supervision Commission.

In particular, the Order introduces exceptions to allow the Financial Supervision Commission, and individual licence holders, to take account of spent convictions, in relation to key staff of the fiduciary business. This brings the trust service providers' sector in line with other regulated financial services sectors on the Island.

The Fiduciary Services Act 2005 also introduces new rights of appeal to the Council of Ministers' Review Committee. The exceptions introduced mean that when considering an appeal from such a decision under the Building Societies Act 1986, Financial Supervision Commission Act 1988 or Insurance Act 1986, the Council of Ministers' Review Committee will be able to take account of spent convictions.

This is in line with other appeal rights arising from decisions of the Financial Supervision Commission, and Insurance and Pensions Authority.

A further exception is being made in relation to the persons, directors, secretaries, liquidators, et cetera, disqualified as unfit in relation to companies. The courts already have the discretion to take account of spent convictions, when considering an application for the disqualification of a director of a company. This change will merely clarify the position, in respect of the admissibility of evidence relating to spent convictions.

Hon. Members will note that in the original Order, circulated with the Tynwald Agenda, there was an additional exception sought, which would have allowed the Financial Supervision Commission and the Insurance and Pensions Authority to take account of spent convictions in relation to their own members, officers and employees.

Fiduciary Services Acts 2000 & 2005

Fiduciary Services (Fees) Regulations 2005 approved – Fiduciary Services (General Requirements) Regulatory Code 2005 approved

Fiduciary Services (Clients' Money and Trust Money) Regulatory Code 2005 approved

Rehabilitation of Offenders Act 2001 – Rehabilitation of Offenders Act 2001 (Exceptions) (Amendment) Order 2005 approved

On the advice of the Data Protection Supervisor, this exception has been withdrawn, at the present time, and will be considered in more detail.

Mr President, I beg to move the motion standing in the name of my Minister, the Minister for Home Affairs.

The President: Hon. Member, Mr Bell.

Mr Bell: I beg to second, Mr President.

The President: Hon. Member, Mr Karran.

Mr Karran: I would just like to ask, Eaghtyrane: this process, will it be transparent, will people find out the decisions, which way the decisions go, as far as the banning is concerned?

We have had a number of concerns over recent years with the FSC not being accountable. What I am concerned about is, also: who is going to pick this panel?

The President: Mr Quayle.

Mr Quayle: Thank you, Mr President.

I have every confidence that the Minister will take those particular points, and consider them, very carefully. *(Laughter)*

The President: Hon. Members, the motion I put to the Court is that printed at 5 on the Supplementary Order Paper. Those in favour, please say aye; and against, no. The ayes have it. The ayes have it.

Supplementary Orders 2

Papers laid before the Court

The President: Now, Hon. Members, we also have had circulated a Supplementary Order Paper number 2.

Hon. Members, dealing with the Supplementary Order Paper number 2, I call upon the Clerk to lay papers.

The Clerk: Mr President, I lay before the Court the following:

Report of the Standing Orders Committee of Tynwald on the Petitions for Redress presented on Tynwald Day 2005.

The President: Hon. Members that is the business which is on that Supplementary Order Paper. It notifies you, in effect, of the result of the Standing Orders Committee looking at the Petitions.

Announcement of Royal Assent Church Discipline Measure (Isle of Man) 2005

The President: Now, Hon. Members, I have to give notice that the Royal Assent to the Clergy Discipline Isle of Man Measure 2005 has been today signified, Hon. Members, so that is in order.

Procedural

The President: Now, Hon. Members, I think it is an appropriate time in which we broke off for this evening.

But can I, Hon. Members, just before we do, so that, in fact, you will be aware of procedure which I propose to follow tomorrow morning...

As a mark of sympathy and respect, there will be a two-minute silence for victims of the recent terrorist attacks in the London bombings on Thursday 14th July 2005, at 12.00 noon. All organisations and individuals are invited to observe this silence, and that notice has gone out, as I understand it, from the Chief Minister's Office.

Hon. Members, Tynwald Court will, equally, observe that silence. We will observe that silence at 12.00, as far as is practical, so, I would wish that Members be alerted to that, rather than me inadvertently stopping somebody in full flight.

So, at that particular time, you need to be aware, Hon. Members, that Tynwald will take a silence at 12.00 noon, tomorrow.

Thank you, Hon. Members. We will resume our deliberations at 10.30 in the morning.

The Court adjourned at 9.55 p.m.