



TYNWALD COURT OFFICIAL REPORT

RECORTYS OIKOIL
QUAIYL TINVAAL

PROCEEDINGS DAALTYN

HANSARD

Douglas, Wednesday, 21st February 2024

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Present:

The President of Tynwald (Hon. L D Skelly)

In the Council:

The Attorney General (Mr W H Wannenburgh),
Miss T M August-Hanson, Mr P H Craine, Mr P Greenhill, Mr R W Henderson,
Mrs D Kelsey, Mrs D K Kinnish, Mr R J Mercer, Mrs K Sharpe
with Ms J Corkish, Deputy Clerk of Tynwald.

In the Keys:

The Speaker (Hon. J P Watterson) (Rushen);
The Chief Minister (Hon. A L Cannan) (Ayre and Michael);
Mr J R Moorhouse and Mr T S Glover (Arbory, Castletown and Malew);
Hon. T D Johnston (Ayre and Michael);
Mrs C A Corlett and Mr C C Thomas (Douglas Central);
Ms J L Faragher and Hon. C L Barber (Douglas East);
Mr D J Ashford MBE and Mr J C Wannenburgh (Douglas North);
Mrs S L Maltby and Mrs C S B Christian (Douglas South);
Mrs D H P Caine and Mr A J Smith (Garff);
Hon. K A Lord-Brennan and Hon. T M Crookall (Glenfaba and Peel);
Hon. J P Poole-Wilson and Mr S G Peters (Middle);
Mr R E Callister and Hon. J M Edge (Onchan);
Hon. L L Hooper and Hon. A J Allinson (Ramsey);
Dr M E K Haywood (Rushen)
with Mr J D C King, Clerk of Tynwald.

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Tynwald

The Court met at 10 a.m.

[MR PRESIDENT *in the Chair*]

The Deputy Clerk: Hon. Members, please be upstanding for the President of Tynwald.

The President: Moghrey mie, Olteynyn Onnoroil.

5 **Members:** Moghrey mie, Eaghtyrane.

The President: I shall lead prayer again this morning.

PRAYERS

The President

Questions

ENTERPRISE

15. Tesco credit cards and other financial products – Last contact received on availability

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

When contact was last received from Tesco with regard to the possibility of making credit cards and other financial products available to Island residents.

The President: Now, Hon. Members, we resume our sitting and Question Paper at Question 15 and I call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

10

Mr Moorhouse: Thank you, Mr President.

I would like to ask the Minister for Enterprise when contact was last received from Tesco with regard to the possibility of making credit cards and other financial products available to Island residents?

15

Thank you.

The President: I call on Shirveishagh Gastid Dellal to reply.

The Minister for Enterprise (Mr Johnston): Thank you, Mr President; and I thank the Hon. Member for his Question.

As I advised the Hon. Member in another place in November, the Department has been in regular contact with Tesco senior executives following their acquisition of Shoprite. That contact has continued across a wide range of topics, focusing from jobs, on local producers and investment in and relaunch of stores. It has also included credit cards.

However, some Hon. Members may well be aware that the sale of the financial services business, including credit card, loan and savings business operated by Tesco Bank, is currently awaiting approval by the Financial Conduct Authority in the United Kingdom. The sale, if approved, is likely to go ahead in the second quarter of 2024. As a result, Tesco will no longer supply any credit card services in any jurisdiction.

However, the intended purchaser is Barclays Bank. We will continue to engage with Barclays in regard to the potential reintroduction to the Island of credit card offerings to new applicants, although that will be a decision for Barclaycard ultimately, not the local entity. The Department also continues to discuss with other potential interested parties, including banks, and remains in dialogue with counterparts in Jersey and Guernsey who face similar challenges.

Thank you, Mr President.

The President: Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

Could he give us a little bit more detail, please, in terms of what discussions are happening with other jurisdictions; and also in terms of the subsidiary of Tesco PLC, which was mentioned in the November answer, and also again in today's Answer? When were discussions last held with them about the possibility of credit cards being available on the Island?

Thank you, Mr President.

The President: Minister to reply.

The Minister: Thank you, Mr President.

I think I have answered most of that in the original Answer, Mr President, but ultimately there is ongoing dialogue with banks on Island, both politically and through officers and also we had the secretary of the banking association who is actually a member who sits on the Finance Agency. So we have regular and constant contact regarding this issue.

And as far as Tesco is concerned, like I said, we had that meeting back in November. The Chief Minister was involved in that at the time and at the time the question was raised on credit cards. Clearly what has happened since then is Tesco have announced that they are pulling out of this market completely. So on that basis, no, we have not continued with any further conversations with Tesco, but like I said, with the announcement that they are potential looking to sell that entity to Barclays, we will continue dialogue with Barclays, as we do with all other banks.

Thank you.

The President: Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

Could I ask the Minister, be slightly cautious, please, in terms of ending discussions with Tesco's subsidiary? In terms of the Barclays deal, that is likely to go ahead, but it is identified as being a new strategic partnership and it is a 10-year deal. So there is a lot of mileage there and to actually give up on Tesco at this point when they are still in that tipping point, that transformation from Tesco towards Barclays, it may still be worth mentioning this to the people we have been speaking to previously.

Thank you, Mr President.

The President: Minister to reply.

The Minister: Thank you, Mr President.

75 I think we need to look back and say that in 2022 Tesco withdrew from this market. They made a conscious decision to do that. Clearly they have now made this decision with the acquisition of Shoprite and are coming back to the Island in that sense. But we have to appreciate that Tesco Bank is a completely separate entity. (**Mr Henderson:** Hear, hear.) So the conversations we had at the time in November were with Tesco PLC, and that was about the acquisition of Shoprite and securing jobs on the Island to securing supplies and local produce.

80 Part of that conversation was absolutely credit cards were mentioned, and they were happy to take that away for further discussion. But like I said, since then, they have now decided to exit the market. So I think it would be a waste of time and energy continuing that conversation with Tesco. What we will do is continue that conversation with other entities in the marketplace, including Barclays, who have shown an interest in purchasing Tesco Bank.

85 Thank you.

The President: Final supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

90 Just a point of clarification. In terms of the answer, the Minister did suggest there that in terms of negotiations, they have happened and taken place with Tesco PLC and those have now ceased and you were looking towards Barclays. But in that answer no reference was actually made to the subsidiary of Tesco Finance and whether any discussions have been made with Tesco Finance and whether actually we have any contacts there who are still likely to be in place when they transfer from being with Tesco to being with Barclays.

95 Thank you, Mr President.

The President: Minister to reply.

100 **The Minister:** Thank you, Mr President.

Can I just clarify, Mr President, to the Hon. Member, that Tesco have announced that they are selling their financial services business completely to Barclays. They are exiting this complete market in *all* jurisdictions. (**A Member:** Well said.)

Thank you.

HEALTH AND SOCIAL CARE

16. ME/CFS and Long COVID Service – Patient numbers seen; waiting list; provision for children

The Hon. Member for Garff, Mrs Caine, to ask the Minister for Health and Social Care:

How many patients have been seen by the ME/CFS and Long COVID Service and how many are on the waiting list; and what provision is being considered for children.

105 **The President:** We move on to Question 16. I call on the Hon. Member for Garff, Mrs Caine.

Mrs Caine: Thank you, Mr President.

I would like to ask the Minister for Health and Social Care how many patients have been seen by the ME/CFS and Long COVID Service and how many are on the waiting list; and what provision is being considered for children?

The President: I call on Shirveishagh Slaynt Kiarail y Theay to reply.

The Minister for Health and Social Care (Mr Hooper): Gura mie eu, Eaghtyrane.

The ME/CFS and Long COVID Service started accepting referrals in January 2023, which means it has been in operation just over 12 months, and so I would like to thank the Hon. Member for giving me the opportunity to provide a brief update to this Hon. Court.

As at 12th February 2024, there have been a total of 139 patients seen within the service. The process for the service is the patient is referred, assessed by the multidisciplinary team, and then directed either to a workshop for a therapy programme, a bespoke plan is put in place by the therapist or they are discharged.

In terms of a waiting list, there are currently 17 people who have been referred and are awaiting that initial triage and in addition to this there are 108 people who are within the assessment process awaiting commencement of therapy or attendance at a workshop.

In relation to children's services, currently there is no service provision for children who are suffering from ME/CFS or long COVID on Island. Discussions have already commenced with Alder Hey Children's Hospital, who are the tertiary provider for ME/CFS and long COVID services for children in Cheshire and Merseyside. These discussions have been focused on the practicalities of Manx Care becoming a spoke provider of an ME/CFS and long COVID service for children, with Alder Hey taking the role of hub provider in a hub and spoke model of service delivery.

This would mean that on Island we would provide the same treatment pathways as Alder Hey, with specialists in Alder Hey delivering direct care in specialist cases. There will be a requirement for investment in the service on Island and this will be ascertained as part of the service design process between Manx Care's children's therapy team, the paediatrics team and specialists at Alder Hey.

The President: Supplementary, Mrs Caine.

Mrs Caine: Thank you, Mr President; I thank the Minister for the information.

Can I check with the 180 in assessment or awaiting therapy, is the Minister content that the service is at the right level to meet the needs of the Island? And, as part of the review, is there any possible increase in the service or in the therapies available?

Thank you.

The President: Minister to reply.

The Minister: Thank you, Mr President.

Just to clarify, it is 108 people who have been assessed and who are awaiting treatment, not 180.

The service was originally scoped for a potential of 350 patients, so we are seeing less than that; 350 adults with ME/CFS was the original scope, plus an additional 1,000 adults with long COVID. That was the original model. We have seen, like I said, 125 people, I think, in the combination of the waiting list, plus 139 who have been seen already. It is actually quite a low number compared to what was initially a scoped and test out as part of the business case.

So I am quite comfortable that the original scope still quite adequately covers the number of people that are accessing the service.

The President: Supplementary, Mrs Caine.

160 **Mrs Caine:** Just a final one from me, thank you, Mr President.
On the number of children, does the Minister have any record of how many children are registered as suffering or wanting to access ME/CFS or long COVID services?

165 **The President:** Minister to reply.

The Minister: Thank you, Mr President.
I do not. The service currently is an adult service only. As I explained in the Answer, Manx Care are working with Alder Hey on developing a children's service, but I do not have any data or statistics on the number of children who have tried to access the adult service and cannot. It is an adult service, so you would not necessarily expect children to be trying to access it.

17. Emergency Services Joint Control Room mental health worker trial – Progress

The Hon. Member for Douglas South, Mrs Christian, to ask the Minister for Health and Social Care:

What progress has been made with trialling having a mental health worker in the Emergency Services Joint Control Room; and if he will make a statement.

The President: Moving on to Question 17. I call on the Hon. Member for Douglas South, Mrs Christian.

Mrs Christian: Thank you, Mr President.
175 I would like to ask the Minister for Health and Social Care what progress has been made with trialling having a mental health worker in the Emergency Services Joint Control Room; and if he will make a statement?
Thank you, Mr President.

180 **The President:** I call on Shirveishagh Slaynt as Kiarail y Theay to reply.

The Minister for Health and Social Care (Mr Hooper): Gura mie eu, Eaghtyrane.
There previously existed an informal arrangement whereby Crisis Team practitioners made themselves available to the Police on an as-required basis, and whilst this proved beneficial, there was a lack of formal structure, policies and procedures which did lead to some difficulties at an operational level. As a result, over the summer the Crisis Response and Home Treatment Team undertook some initial scoping work to understand what is required on a longer-time basis to provide mental health practitioner input into the Emergency Services Joint Control Room.

185
190 Consequently, a pathway and approach have been developed with the involvement of the Constabulary, and I would like to extend my thanks to all involved for delivering this important piece of work. The specification for the service has now been completed, ensuring that there is clarity on how mental health workers in the Emergency Services Joint Control Room can interface with the clinical navigators and the broader Health and Care Service.

195 In short, Eaghtyrane, I am pleased to report the mental health practitioner project for the Emergency Services Joint Control Room is progressing well. The pilot of this specification is due to begin in April of this year. Mental health professionals will be based at the Emergency Services Joint Control Room between four o'clock and eight o'clock in the afternoon, seven days a week. The intention is that this pilot will be evaluated by the multi-agency governance process towards the third quarter of this year. This evaluation will then determine how we progress with any more permanent implementation.

200

The President: Supplementary, Mrs Christian.

Mrs Christian: Thank you, Mr President.

205 Could the Minister confirm if an update to the working protocol with Manx Care and DHSC in terms of the mental health has been agreed; and if not, when will it be agreed?

The President: Minister to reply.

The Minister: Thank you, Mr President.

210 As I said in the Answer, and for clarity, the specification for the service has now been completed and there is clarity on how mental health practitioners will work, and the pilot of this specification that has been agreed is due to commence in April 2024, like I said in the original Answer.

The President: Supplementary, Mr Henderson.

215

Mr Henderson: Gura mie eu, Eaghtyrane.

220 Could the Shirveishagh confirm – and as welcome as his announcement is this morning – that the previous scheme, which certainly I for one and other Members of this Court campaigned long and hard for, to have mental health practitioners working out of Police HQ, there will be an abundance of information there to draw upon for the scoping exercise? So would he agree that this should not take that long, to put back the resource that was taken away in the first place?

The President: Minister to reply.

225 **The Minister:** Thank you, Mr President.

I will repeat again: the scoping exercise has been completed, specification has been developed, the pilot is starting in April. There is no more background work or research to be done. The pilot is about to kick off. I cannot be much clearer on that, Mr President.

230 **The President:** Supplementary, Loayreyder.

The Speaker: Gura mie eu.

235 I think one of the issues that this project has failed in the past was about the lack of clinical supervision for the person who is there. They are there effectively, in that discipline, being a lone worker, being the only one there. So has that issue managed to be overcome by some sort of mechanism within Manx Care and that line management?

The President: Minister to reply.

240 **The Minister:** Thank you, Mr President.

245 I think that is the main purpose for setting out this specification, is to make sure that everyone operating within the system actually has the right level of support, including that clinical support and oversight that was previously lacking in a formal, structured way. So I am comfortable that the specification sets that out. The purpose of doing a pilot is to evaluate how that actually works in practice.

250 So I cannot completely answer the Hon. Member's question, because actually we need to see now how this works with the new supervision and the new specification in place over the next couple of months. And like I said, there will be an evaluation by the multi-agency team that is overseeing this towards the end of the year to hopefully then decide how do we make this permanent and what is the best way of moving forwards.

The President: Final supplementary, Mrs Christian.

Mrs Christian: Thank you, Mr President.

255 Just following up on my hon. colleague Mr Henderson's points, I am sure we are all aware that pre-Manx Care the then Chief Constable made a bid for funding for the previous trial which Mr Henderson is talking about to be made permanent. (**Mr Henderson:** Hear, hear.) And that that was actually approved by Treasury, but then the then Council of Ministers diverted this as they felt that it should come under healthcare funding.

260 There are obviously valid reasons for this, which my hon. colleague Mr Speaker has alluded to, but this urgent resource is needed within the Police now. And when is it really going to be a permanent fixture as opposed to a trial?

Thank you, Mr President.

265 **The President:** Minister to reply.

The Minister: Thank you, Mr President.

I am not aware of a previous funding bid that came through. That is news to me, so that is interesting to hear.

270 I am going to repeat myself for a third and hopefully final time, Mr President: the specification is complete, the pilot will be starting in April, we will evaluate that pilot towards the third quarter of this year and determine how we are going to make this permanent. I cannot answer the Hon. Member's question on what permanent looks like until we have gone through the pilot and undertaken that evaluation.

275 I hope that is clear, Mr President. I really cannot be any more clear on just exactly where we are in this process.

INFRASTRUCTURE

18. Port St Mary High Street – Funding request submission

The Hon. Member for Rushen, Mr Speaker, to ask the Minister for Infrastructure:

When the funding request for investigation works and detailed design for Port St Mary High Street was submitted to the Treasury.

The President: Moving on to Question 18, I call on the Hon. Member for Rushen, Loayreyder.

The Speaker: Gura mie eu, Eaghtyrane.

280 I beg leave to ask the Minister for Infrastructure when the funding request for investigation works and detailed design for Port St Mary High Street was submitted to Treasury?

The President: I call on Shirveishagh Bun-troggalys to reply.

285 **The Minister for Infrastructure (Mr Crookall):** Thank you very much, Mr President.

Port St Mary High Street has structurally failed and requires a standalone discrete budget for a reconstruction scheme. The existing budgets are purely for preventative maintenance to preserve the highway network in its current state.

290 The Department has developed some schematic layout options for Port St Mary High Street. However, in order for the scheme to progress, further site investigations are required to carry out ground penetrating radar tests to establish if some underground utilities or other structures, e.g.

cellars, may be beneath the buildings along the road. The outcome of these tests will feed into the detailed design of the project.

295 A number of business cases, including Port St Mary High Street, were submitted to Treasury on 22nd August last year and were rejected. The Department has been working with Treasury and the updated business cases have been submitted for internal sign-off before they can be resubmitted to Treasury for a decision, which I hope will be later on this week or very early next week.

300 **The President:** Supplementary, Loayreyder.

The Speaker: Gura mie eu.

Can I thank the Minister for meeting with me and my constituency colleague twice on this matter and really starting to show some progress.

305 Could the Minister indicate why the schemes were rejected by Treasury and whether he is aware whether that was SACIC or was that the Treasury board, please?

The President: Minister to reply.

310 **The Minister:** Treasury wanted the Department to do it on the current budget, but the budget was already fully committed. And also it is noted that the last application to Treasury had been signed by the previous Minister, Mr Thomas, which they were not happy with as well, but hopefully we will be able to move forward this time.

315 **The Speaker:** Thank you.

19. E-scooter regulations – Drafting completion date; when coming to Tynwald

The Hon. Member for Douglas North, Mr Ashford, to ask the Minister for Infrastructure:

Further to his answers in the House of Keys on 14th November 2023, when the drafting of e-scooter regulations is expected to be completed; and when they are expected to come to Tynwald for approval.

The President: We move on to Question 19. I call on the Hon. Member for Douglas North, Mr Ashford.

320 **Mr Ashford:** Thank you, Mr President.

I beg to ask the Minister for Infrastructure, further to his answers in the House of Keys on 14th November 2023, when the drafting of e-scooter regulations is expected to be completed; and when they are expected to come to Tynwald for approval?

325 **The President:** I call on Shirveishagh Bun-troggalys to reply.

The Minister for Infrastructure (Mr Crookall): Thank you very much again, Mr President.

330 The Department has produced the finalised versions of the draft e-scooter regulations in line with the intended policy. The draft regulations are currently with the legislative drafters within the Attorney General's Chambers for final review.

Provided there are no issues resulting from the legislative drafters' review, the draft regulations will be considered by Tynwald later this year.

The President: Supplementary, Mr Ashford.

335 **Mr Ashford:** Thank you very much, Mr President.

This reminds me of that 1980s movie, I think it was called *The NeverEnding Story*. It seems to have gone on forever and ever, this. He keeps saying there are draft regulations floating around, I know the former Minister seemed to think it was pretty much ready when he finished in the Department the last time I raised questions.

340 So can I ask the Minister – and he must know where this is going, because I ask this with a lot of the questions – when he says later in the year, what does he mean ‘later in the year’? Does he mean in this parliamentary sitting, does he mean October or does he mean hopefully last day of December?

345 **The President:** Minister to reply.

The Minister: And the answer to that, Mr President, is I do not know until we get those papers back from the Attorney General’s Chambers. As soon as we have, we will move on with them as soon as possible, and I will keep the Member updated on that.

350 **The President:** Supplementary, Mr Greenhill.

Mr Greenhill: Thank you, Mr President.

355 The DfE Finance Agency has been approached by a representative of the insurance sector on Island regarding e-scooters, informing us that these scooters are not covered by insurance. Can I please ask the Minister if he can meet with the representative of the insurers before the regulations are brought forward to Tynwald?

In addition, I personally have witnessed recently e-scooters being driven down a crowded Strand Street and on the promenade. What steps are being taken to stop this?

360 **The President:** Minister to reply.

The Minister: Thank you very much, Mr President.

365 With regard to the meeting, I am sure the Department, myself and the officers will be happy to meet with anybody from the insurance industry on this.

With regard to scooters being ridden down Strand Street and places like that, at the moment it becomes an enforcement issue if it is a danger to other people. But I do not believe there are too many of these around at the moment causing too many issues. But we will have to wait and see how we deal with it.

370 **The President:** Supplementary, Mr Ashford.

Mr Ashford: Thank you, Mr President.

375 Since Dol enjoys teasing us with these regulations of the fact they are nearly in sight – I think we spoke about this on a different topic yesterday – but not quite there, the Minister referred in his opening line to the regulations and said in line with the policy. So can the Minister at least end that bit of teasing and just give us some examples of what is actually in the policy and where was that policy decided?

380 **The President:** Minister to reply.

The Minister: I have not got that with me, Mr President, but I will happily forward that to Hon. Members.

385 **The President:** Supplementary, Mr Thomas.

Mr Thomas: Thank you very much.

 Can the Minister confirm that that policy was actually presented as part of the consultation responses, because there has already been consultation responses, and then the Department did
390 actually make a statement to say that the drafting had been done in line with the consultation responses?

 Secondly, can the Minister confirm that it would be useful to meet the insurance company because it could be information deficit on either side, because the fundamental basis of the e-scooter regulation in the Isle of Man is different from that across, because it is about licensing
395 e-scooters? It is not about setting up areas and pilot schemes in different places, it is about the concept of licensing, which might be helpful for the insurance company more universally.

The President: Minister to reply.

400 **The Minister:** Thank you, Mr President.

 The Hon. Member who has just resumed his seat is quite correct and with regard to the policy, it was part of the consultation process, which, again, I would be more than happy to meet with the insurance companies to get their point of view on this.

405 **The President:** Final supplementary, Mr Ashford.

Mr Ashford: Thank you very much, Mr President.

 Can I ask the Minister on what date did it actually go to the Attorney General's Chambers?

410 **The President:** Minister to reply.

The Minister: I have not got a clue, Mr President. I will send that round to Members.

20. Salt bin removal – Criteria used; consultation with residents

The Hon. Member for Douglas North, Mr Ashford, to ask the Minister for Infrastructure:

What criteria his Department use when assessing the need to remove an existing salt bin; and what consultation takes place with residents prior to any such removal.

The President: We move on to Question 20 and I call on the Hon. Member for Douglas North,
415 Mr Ashford.

Mr Ashford: Thank you very much, Mr President.

 I beg to ask the Minister for Infrastructure what criteria his Department use when assessing the need to remove an existing salt bin; and what consultation takes place with residents prior to any such removal?

420 **The President:** I call on Shirveishagh Bun-troggalys to reply.

The Minister for Infrastructure (Mr Crookall): Thank you very much, Mr President.

 During periods of severe weather Highway Services receive numerous requests from members
425 of the public, MHKs, businesses, etc. for additional salt bins in their area. It is therefore essential

that the Highway Services adopt criteria for assessing the need for additional salt bins across the network.

When deciding where to place a new bin or replace a salt bin, or to take away a salt bin. Highway Services will consider a number of factors – and there is a long list of those, which I will happily send round to Members, Mr President.

A survey of all existing salt bins has been undertaken for the past few months. This has been identified by a number of damaged salt bins which have been replaced. It has also been identified for a number of areas where larger salt bins would service the area better than the smaller ones that are currently there. In this instance, the smaller ones have been removed and replaced with a larger one. However, it is not always possible to meet the above criteria when removing an existing smaller bin and putting a larger bin in the same location.

When removing an existing salt bin and relocating it, no consultation will take place with residents, as the Department does not deem it necessary or to have any detrimental effects to residents within the wider area. Similarly, when the Department receives a request from a resident for a salt bin to be placed in that area, no wider consultation takes place. This is because the criteria already takes into account the wider benefits to other residents within that particular area.

Thank you, Mr President.

The President: Supplementary, Mr Ashford.

Mr Ashford: Thank you, Mr President.

Can I ask the Minister, where a salt bin has been removed, what is the actual formal appeals process for residents in the area where that bin is being removed, where they consider that a hazard has been created as a result?

The President: Minister to reply.

The Minister: Certainly my officers would be happy to consider that if they think they have been put in a precarious position – if I can put it that way – then, if there is no salt bin in that area. Normally, as I said, we would not remove them, and once they are there, they are there for a good reason. So if one has been removed, it is either going to be replaced or it has been moved to somewhere fairly close still, Mr President.

The President: Supplementary, Mr Glover.

Mr Glover: Gura mie eu.

The Minister mentioned a long list of criteria there and has agreed to circulate that. Can I ask why that was not circulated *before* the Question was posed? That would have been more useful for Members.

The President: Minister to reply.

The Minister: Thank you, Mr President.

Bearing in mind my Answer was three pages long, I took the decision just now to take that out, but I am more than happy to let Members have that now if they want it on *Hansard*.

The factors that are considered are: the severity of any road, i.e. the gradient or the slope greater than 2½%; sharp bends with a radius of less than 500 m and traffic speed; the level of any additional risk such as ditches, junctions, surface water, uneven surfaces; the approximate traffic flows; the approximate pedestrian volume; the proximity of a school, of a public bus route; the proximity of a junction with a main road; what space is available for the bin to be located on the adopted highway, including suitable safe space for the bin to be refilled; it must not obstruct

sightlines or visibility splays; the location on the existing treatment route; the proximity to nearby bins, as they should not be located within 200 m walking distance of another salt bin; and any other additional factors, such as locations of doctors surgeries, emergency services, hospitals, designated elderly persons' residences and churches, etc., Mr President.

The President: Supplementary, Mr Ashford.

Mr Ashford: Thank you very much, Mr President.

Can I thank the Minister for reading out the full list because there seems to be an awful lot around traffic safety there, but not much around pedestrian safety, I noticed. So can the Minister tell us how pedestrian safety actually factors in?

He mentioned, Mr President, about people being able to go and have a chat with the officers where they think a hazard has been created. I did not ask that, Mr President. I asked what is the formal process. Is there a formal process? If there is not and a hazard is being created, does the Minister not think, just from covering Dol itself, that perhaps a formal process should be there to record these things?

The President: Minister to reply.

The Minister: Thank you, Mr President.

Taking the last point first, more than happy to follow this up with the Hon. Member afterwards.

And with regard to pedestrians, I did say in that list the approximate pedestrian volume, so it considers the amount of people walking past on a certain route, the proximity to a school, of a public bus route, which obviously involves a lot of people using that. And then again, with the doctors surgeries, emergency services, hospitals, designated elderly persons' residences, churches, etc. and I had actually missed out shops as well on that list.

Thank you.

The President: Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you for that additional information.

In terms of the final point, there was reference made to churches. Could you say what that point was again? Malew Church has been waiting for a bin for quite a considerable amount of time and it is a replacement bin, so hopefully that could be escalated.

And is the Minister able to give us an indication of how long the waiting list is for bins? In a previous answer he suggested that the bins were replaced every year and it is an ongoing process, but I know certain areas have been waiting quite a considerable amount of time.

Thank you, Mr President.

The President: Minister to reply.

The Minister: Thank you very much, Mr President.

I thank the Hon. Member for raising the important point about Malew Church waiting for their bin and I will make sure that I get straight on to my officers when I am finished here at lunchtime. *(Interjection by the Speaker)* I believe there are a couple of spare because we had some delivered and as I mentioned in my list earlier, that we do get requests from the public, MHKs and businesses and such, and there seems to be a salt bin war going on between some Members at the moment asking for lots of bins around their areas, so I shall make sure this one goes on that list. *(Interjection by Mrs Maltby)*

Mr Moorhouse: Thank you very much.

530 **The President:** Supplementary, Mr Thomas.

Mr Thomas: Thank you very much, Mr President.

Would the Minister like to join with me in thanking the members of the public who actually phone in or get in contact otherwise with the salt bin reference number to help the Department use its resources efficiently and then actually spread the salt in the public interest as part of the Isle of Man's community spirit?

And secondly, would the Minister like to join with me in celebrating the work that is carried out by that part of Highways with an ever-fewer number of people to do it? Salt bins is what they do alongside keeping the roads clear, keeping people safe when they go to school and outside older people's accommodation particularly.

The President: Minister to reply.

The Minister: Yes and again I am happy to agree with both points that the Hon. Member who has just resumed his seat has made. And just as an example, I had a phone call probably a couple of months ago now from a member of the public in Peel, an elderly lady who lives in one of the residential homes there. She said she had phoned up to complain that there was no salt in the bin and she needed it there because she enjoys spreading it to make sure that the rest of the residents are kept safe in that residential home. And that lady was over 80, God love her.

People do phone up the Department to make sure that the bins are full and I appreciate them doing that because it does count for everybody in the community.

Thank you, Mr President.

The President: Final supplementary, Mr Ashford.

Mr Ashford: Thank you, Mr President.

I am led to believe there are 1,200 salt bins scattered around the Island and the recent assessment led to 60 being added to the network. Can I ask the Minister – if he does not have this figure to hand, will he go away and get it – during that assessment, since 60 were added, how many were actually removed as a result of the assessment? And can he confirm that the cost of refilling a bin or if, in the opinion of the officers of the Department, a bin is being overused, that does not actually act as part of the criteria for deciding a bin should be removed?

The President: Minister to reply.

The Minister: Thank you, Mr President.

I certainly do not have the figure for how many new ones were put out and old ones were taken away, so I am more than happy to get that.

I did not really get the point of the Member's second point there, so if he could repeat that.

The President: Please do.

Mr Ashford: Yes, Mr President. Just in terms of the criteria, something that was not on the list of criteria was the cost of refilling a bin. So can the Minister confirm that the cost of refilling a particular bin, or if in the opinion of officers of the Department that particular bin is being overused, does not act as criteria for a bin to be removed?

The President: Minister to reply.

The Minister: No, if a bin is being overused, I would say that is a good thing. It probably just means that people are taking the salt from the bin for their use in and around their homes, rather

than going to the civic amenity sites where they are encouraged to go and get it from. But again, we will just fill the bins as and when we need to.

585 **Mr Ashford:** Hear, hear.

MANX UTILITIES AUTHORITY

**21. Wind turbine project –
Progress compared to timeline**

The Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse, to ask the Chair of the Manx Utilities Authority:

Whether the wind turbine project is progressing according to the published timeline.

The President: We move on to Question 21 and I call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President.

590 I would like to ask the Chair of the Manx Utilities Authority whether the wind turbine project is progressing according to the published timetable?
Thank you.

The President: I call on Caairliagh Bun Shirveishyn Vannin to reply.

595

The Chair of the Manx Utilities Authority (Mr Wannenburgh): Thank you, Mr President.

I can confirm that Manx Utilities remain on track with the onshore wind farm project and are still targeting a delivery date of September 2026.
Thank you.

600

The President: Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President.

605 According to the website timeline, it does suggest the final designs have now been completed. If that is the case, when will they be made public?
Thank you, Mr President.

The President: Chair to reply.

610 **The Chair:** Thank you, Mr President.

No, as shown on the published roadmap, the final decision will not be completed until later this year, and is dependent on which manufacturer is selected.
Thank you.

615 **The President:** Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Chairman.

In terms of the timeline on the website, it is quite difficult to work out which particular time links particular moments. It has got the years quite clearly but there was an indication that things

620 like the plans and the designs would be happening in January. Is it possible to actually improve those graphics slightly so we have got a better indication of what will happen when, specifically?
Thank you, Mr President.

The President: Chair to reply.

625

The Chair: Thank you, Mr President.

The Member says it is clear but it is difficult to understand, so it is one or the other. That is the graphic; to my mind it is pretty clear. That is good news. *(Laughter)* The roadmap shows that a final design will not be complete until the third quarter of 2024.

630

Thank you.

The President: Final supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Chairman.

635

In the January section on the timeline there are several other things, such as the size of the area and also the number of turbines. Is that also going to be made available in the third quarter of the year or is that going to be made available sooner?

Thank you, Mr President.

640

The President: Chair to reply.

The Chair: Thank you, Mr President.

I am not quite sure how to answer that. Refer back to the transition page on the website.

Thank you.

EDUCATION, SPORT AND CULTURE

22. DESC estate review – Publication; proposed action resulting

The Hon. Member for Garff, Mrs Caine, to ask the Minister for Education, Sport and Culture:

If she will publish the review of school buildings and the wider Department of Education, Sport and Culture estate and provide a statement on what action her Department proposes to take as a result.

645

The President: We move on to Question 22 and I call on the Hon. Member for Garff, Mrs Caine.

Mrs Caine: Thank you, Mr President.

I would like to ask the Minister for Education, Sport and Culture if she will publish the review of school buildings and the wider Department of Education, Sport and Culture estate and provide a statement on what action her Department proposes to take as a result?

650

The President: I call on Shirveishagh Ynsee, Spoyrt as Cultoor to reply.

The Minister for Education, Sport and Culture (Ms Edge): Thank you, Mr President.

655

Of course we will always be transparent with any reviews or reports that we carry out and it will be published by the end of July on our Department's website.

As I have stated in the Department Plan for this year to this Hon. Court in November, a building utilisation review is currently under way across the school estate. The purpose of this review is to understand capacity and inform future decision-making in terms of catchment area mapping and future strategic policy on sustainable school buildings.

In line with our inclusive education system, whereby we ensure that all pupils have access to education, regardless of their additional educational needs, reviewing the capacity of the Island's specialist provision centres has been prioritised. This is due to their need to accommodate a wide range of needs and specialist equipment and the increase in numbers.

Thank you, Mr President.

The President: Supplementary, Mrs Caine.

Mrs Caine: Thank you, Mr President.

I am just curious, when the Minister talks about 'sustainable school buildings', is there a particular emphasis on carbon emissions and climate mitigations or is it more about the pupils and the availability of the school network across the Island?

The President: Minister to reply.

The Minister: Thank you, Mr President.

It is both. Whenever we are looking at our school estate we look at any opportunities to improve emissions with any improvement works. But certainly I want to ensure that all of our buildings have equal access for all of our students throughout the Island.

23. Public sector school build procurement – Assessment of UK

The Hon. Member for Rushen, Mr Speaker, to ask the Minister for Education, Sport and Culture:

What assessment has been undertaken by her Department of the ways in public sector procurement of school builds has been done in the UK in recent years.

The President: We move on to Question 23. I call on the Hon. Member for Rushen, Loayreyder.

The Speaker: Gura mie eu, Eaghtyrane.

I beg leave to ask the Minister for Education, Sport and Culture what assessment has been undertaken by her Department of the ways in public sector procurement of school builds has been done in the UK in recent years?

The President: I call on Shirveishagh Ynsee, Spoyrt as Cultoor to reply.

The Minister for Education, Sport and Culture (Ms Edge): Thank you, Mr President.

The Department is aware of the ways in which schools have been procured in the UK in recent years. The Department is engaged through the Project Management Unit with both the Treasury and the Department of Infrastructure to understand best procurement routes for all school builds.

The President: Supplementary, Loayreyder.

The Speaker: Thank you.

I was not quite sure what to take from that in terms of what work has been undertaken within the Department, as clients, in terms of how this procurement has been undertaken in the UK?

700 **The President:** Minister to reply.

The Minister: Sorry, Mr Speaker, I could not hear that end piece.

705 **The Speaker:** What I did not quite catch from the Minister's Answer was what work has actually been done within her Department, in the role as client, for projects such as secondary school buildings, in terms of that comparison between how this is done in the UK?

The President: Minister to reply.

710 **The Minister:** Thank you, Mr President.

The Hon. Member will be aware that we do have a professional individual in the Department employed to deal with all of our school builds. Obviously the most recent one that they were involved in was Henry Bloom Noble and prior to that Bemahague School. And I would like to welcome all Hon. Members, I will arrange a date that Members can go to Bemahague and see what type of builds professional officers can achieve.

715 However, we are engaged now, through the Project Management Unit, with Treasury and the Department of Infrastructure to understand – and I am sure the Hon. Member is very interested in the Castle Rushen project – the best procurement route for that project.

720 **The President:** Supplementary, Loayreyder.

The Speaker: I am interested in that project. And the Treasury cut up that came back to the Department in August was that there was a requirement for the Department of Education, Sport and Culture to assess ways in which the public sector procurement of schools was done in the UK. So I am wondering what work has been done within the Department in furtherance of that instruction?

The President: Minister to reply.

730 **The Minister:** Thank you, Mr President.

Quite clearly, I think that cut up also said that we had to go back to Treasury with further information. My Department is always looking at the best ways to procure schools, for the best facilities for education.

735 With regard to the design, we have moved into the design stage, Mr President, and part and parcel of that will be looking at the best way to procure the most effective value for money but sustainable model going forward to develop the Castle Rushen High School site.

24. Arbory School off-road parking – Provision progress

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

What progress has been made in providing off-road parking at Arbory School.

The President: We move on to Question 24. I call on the Hon. Member for Arbory, Castletown and Malew, Mr Glover.

740 **Mr Glover:** Gura mie eu, Eaghtyrane.

I seek leave to ask the Minister for Education, Sport and Culture what progress has been made in providing off-road parking at Arbory School?

745 **The President:** I call on Shirveishagh Ynsee, Spoyrt as Cultoor to reply.

The Minister for Education, Sport and Culture (Ms Edge): Thank you, Mr President.

I have answered Questions previously for the Hon. Member, Mr Moorhouse, with regard to the land at Arbory on 15th February 2022, 24th May 2022, 29th November 2022 and 23rd May 2023, but I am happy to confirm that in December the Department did consider the potential of using the Key Stage 2 playground as an additional off-road parking area at Arbory School. However, this was not a viable option due to the various health and safety concerns raised.

The Department will continue to explore other options which are available within the Department's current budget.

Thank you, Mr President.

755 **The President:** Supplementary, Mr Glover.

Mr Glover: Gura mie eu, Eaghtyrane.

760 In those answers there has been mention of land being available and talk of a covenant. So what is the latest situation with that? That is nothing to do with any playing fields, this was further land that was ready and waiting.

The President: Minister to reply.

765 **The Minister:** Thank you, Mr President.

As previously stated in other answers with regard to the purchase of land with covenants, we have been advised by the Valuations Office that the purchase should be without covenants.

Thank you, Mr President.

770 **The President:** Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

775 Could two points of clarity be given? The first one is one I have asked before. In terms of covenants, why is the Department not prepared to accept a covenant restricting use to educational use? It is for educational purposes, that surely should be something that is quite acceptable.

780 The other point is that the Minister has previously spoken in quite a lot of detail when pushing off these potential options in terms of we have to wait for the review on school buildings. And in Answer to Question 22 there was a list of things that were mentioned in terms of the review, but there was no mention of things like parking, congestion and related issues. So in terms of that review, is it going to be covering these issues currently experienced at Arbory School?

Thank you, Mr President.

785 **The President:** Minister to reply.

The Minister: Thank you, Mr President.

Obviously the Hon. Member is aware that the Department is currently doing a full strategic infrastructure review, which is different from the condition survey and things like that. But at this

790 time no decision will be made on purchasing any land adjacent to Arbory School until that is complete. However, I will reiterate that the Valuations Office advice is that if there was any purchase, it should be without covenants and I do not think we should be doing commercial deals on the floor of Tynwald.

The President: Supplementary, Mr Glover.

795 **Mr Glover:** Gura mie eu, Eaghtyrane.

I agree with the last point. All I am seeking is really a more 'can do' attitude from the Department, because this has been rumbling on for a number of years now. Are we waiting for an accident to happen?

800 **The President:** Minister to reply.

The Minister: Thank you, Mr President.

805 I can reassure the Hon. Member that we always have a can do attitude towards the health and safety of our students and our staff in all of our schools.

As I said, we looked at this in December 2023, only weeks ago, and tried to find a solution on site, that we do own – we do not own the land around us – so we are doing that. But with regard to bringing this forward, obviously I will keep Hon. Members updated on the full strategic review of our school sites and how we are going to move forward.

810 **The President:** Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

815 In terms of the possibilities of land around the school, the Department will not sign a covenant, but have they looked at other options for another piece of land? There is a house currently available for sale and the owners of the land on the other side of the road have indicated they would be prepared to talk. So have other options been looked at in terms of other landowners?

Thank you, Mr President.

820 **The President:** Minister to reply.

The Minister: Thank you, Mr President.

825 The Hon. Member clearly is not aware, but my Department does not buy or sell land. That is done through the Valuations Office and where the land is held. But with regard to looking at this whole situation, we are looking at it, as I have said. In December we looked at possibilities and obviously the health and safety of our students is paramount.

The President: Supplementary, Dr Haywood.

830 **Dr Haywood:** Thank you.

I wonder if the Minister could confirm whether the Department actually has any other land which it operates that does have covenants on it? I am aware, for example, of the playing fields at Castle Rushen, which were covenanted, and I wonder why this shift has come about that we could not have land with covenants on?

835 **The President:** Minister to reply.

The Minister: Thank you, Mr President.

I can only take the advice from the Valuations Office and that is what they have advised. The Valuations Office is not under my Department, but I am happy to find out that information and circulate to Hon. Members.

**25. Drilling regulation development –
North Sea Transition Authority conversations**

The Hon. Member for Douglas North, Mr Ashford, to ask the Minister for Infrastructure:

What conversations have taken place with the North Sea Transition Authority in relation to developing drilling regulations for the Island, whether by extending UK regulations or by other means.

The President: We move on to Question 25 and I call on the Hon. Member for Douglas North, Mr Ashford.

Mr Ashford: Thank you, Mr President.

I beg to ask the Minister for Infrastructure what conversations have taken place with the North Sea Transition Authority in relation to developing drilling regulations for the Island, whether by extending UK regulations or by other means?

The President: I call on Shirveishagh Bun-troggalys to reply.

The Minister for Infrastructure (Mr Crookall): Thank you very much, Mr President.

The Department can confirm that engagement with the North Sea Transition Authority was instigated through letters from both the Chief Minister and the interim Chief Executive in February 2023, and was followed up with meetings between officers of the authority and the DoI. The North Sea Transition Authority has clearly stated that it is able to provide limited information to the Department in respect of this matter. However, the Department continues to engage with them as and when appropriate to do so.

To clarify, the conversations between the North Sea Transition Authority and the Department were in relation to general support and guidance as part of the decision-making process, rather than in respect of developing drilling regulations for the Island. The responsibility for the preparation of adequate and appropriate legislation in respect of hydrocarbons is our responsibility, not that of the North Sea Transition Authority. Its authority, as far as I understand, does not extend to Manx territorial waters.

Thank you, Mr President.

The President: Supplementary, Mr Ashford.

Mr Ashford: Thank you, Mr President.

It certainly does not extend to Manx territorial waters, but when you have an authority with a set of regulations already drafted, it is certainly actually a good start. So since nothing seems to have moved on in the 12 months since the meeting in February 2023 via exchange of letters, Mr President, can I ask the Minister, what is Plan B?

The President: Minister to reply.

The Minister: Thank you, Mr President.

880 The Department is working with colleagues in the Attorney General's Chambers and external legal advisers to fully understand the requisite offshore legislation for various offshore projects. Should any other legislation be required, work will be undertaken to prepare and introduce as soon as possible.

Thank you.

885 **The President:** Supplementary, Mr Thomas.

Mr Thomas: Thank you very much, Mr President.

Can the Minister confirm that there is a consultation going at the moment in respect of secondary regulations made under the Marine Infrastructure Management Act (MIMA)? Firstly.

890 And secondly, can the Minister confirm – although he might not know this, given that the power in this respect has moved away from the Department of Infrastructure – that there is a whole suite of offshore installation regulations already in existence?

For instance, we have the Offshore Installations (Operational Safety, Health and Welfare) Regulations SD-0168/97. We have the Offshore Installations (Construction and Survey) Regulations SD-0168/97. We have the Personal Protective Equipment Regulations; the Wells (Design and Construction, etc.) Regulations; the Safety Case Regulations; the Registration Regulations.

895 Basically there is a whole load more as well. These were done by the United Kingdom back in the 1990s for the first two times that we had offshore installations inside the Manx territorial seas. All that information is available in the Tynwald library if the public wants to see it.

The President: Minister to reply.

The Minister: Thank you, Mr President.

905 We had a limited consultation on MIMA that closed last Friday and we are working our way through the responses. We are also working with our external legal advisers and they are reviewing the draft MIMA regulations and we expect their comments back this week.

Mr President, this Question is being asked ahead of any commercial decision being given in relation to the current licence holder. Therefore, it would not be prudent to talk about any specifics at all, if possible. Therefore, I do not intend to make any more comments on this at this time.

The President: Final supplementary to Mr Ashford.

915 **Mr Ashford:** Thank you very much, Mr President; and I will bear in mind what the Minister has just said.

I am not going to speak, and I have not in my questions so far, about the specifics of this particular case. But can I actually ask the Minister, he says they are engaging with external legal advisers, what is the actual area of expertise of those external legal advisers? Is it in drilling regulations?

The President: Minister to reply.

925 **The Minister:** Their expertise in this field enables to advise us to carry this forward, Mr President. I really do not want to make any more comments on this at this time. Thank you.

**26. Crogga variation of licence request –
When decision will be made**

The Hon. Member for Douglas North, Mr Ashford, to ask the Minister for Infrastructure:

When a decision will be made in relation to Crogga's variation of licence request.

The President: We move on to Question 26 and I call on the Hon. Member for Douglas North, Mr Ashford.

930 **Mr Ashford:** Thank you, Mr President.

I beg to ask the Minister for Infrastructure when a decision will be made in relation to Crogga's variation of licence request?

935 **The President:** I call on the Shirveishagh Bun-troggalys to reply.

The Minister for Infrastructure (Mr Crookall): Thank you again, Mr President.

940 The Department has engaged with a number of external industry advisers to assist as part of the current request to vary the work programme in respect of the Seaward Production Innovate Licence with Crogga. The Department has not yet formally determined the request by Crogga to vary the work programme. Once the decision is made, Crogga will be informed.

The current licence expires in July 2024, so the Department will need to make a decision by 20th June of this year by the very latest, but I would very much expect a decision to be sooner than that. And again, Mr President, due to the commerciality of this, I do not want to make any more comments on this.

945 Thank you very much indeed.

EDUCATION, SPORT AND CULTURE

**27. Engineer training in gas, oil and unvented hot water –
Work needed to make available at UCM**

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

What work will be needed before engineer training in gas, oil and unvented hot water is available at UCM.

The President: We move on to Question 27. I call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

950 **Mr Moorhouse:** Thank you, Mr President.

I would like to ask the Minister for Education, Sport and Culture what work will be needed before engineer training in gas, oil and unvented hot water is available at UCM?

Thank you.

955 **The President:** I call on Shirveishagh Ynsee, Spoyrt as Cultoor to reply.

The Minister for Education, Sport and Culture (Ms Edge): Thank you, Mr President.

The facilities have been upgraded and are ready for training. This was advised in a press release circulated, obviously, publicly and to all Hon. Members on 5th February 2024.

960 **The President:** Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

 How much did the upgrade cost and was it actually paid for by UCM or the Department? I know previously there was an actual question mark over who was responsible for the area.

965 Thank you, Mr President.

The President: Minister to reply.

The Minister: Thank you, Mr President.

970 I do not actually have the individual cost here on the information, but happy, if it is possible to, I will circulate that, if there are obviously no commercial sensitivities around it. However, my Department, as far as I am aware, I instructed them to ensure the facilities were up and running so that we could accommodate gas training back on the Island.

 Thank you, Mr President.

975

The President: Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister, for the answer and also doing that positive action.

980 In terms of the course availability, will they be there in time for the apprentices who complete their course this year to become fully qualified?

 Thank you, Mr President.

The President: Minister to reply.

985

The Minister: Sorry, Mr President, I am assuming the Hon. Member thinks that apprentices cannot get fully qualified at the present time?

Mr Moorhouse: Yes, thank you, Mr President.

990 Unless you have done the full course and all the training, then they do not get the full qualification.

 Thank you, Mr President.

The President: Minister.

995

The Minister: Thank you, Mr President.

 We have always offered the training. Obviously it is the reaccreditation the Members have been concerned about for qualified engineers. So the apprenticeship opportunity, the facilities are now on site for that reaccreditation, so that they can be qualified to operate externally outside of that training facility.

1000

The President: Another supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister, again.

1005 In terms of the areas outlined in the media release, they were rather limited. Are there plans to extend to other trades, such as electrical and possibly into green energy, which is going to be a very important area in the very near future, if not currently.

 Thank you, Mr President.

The President: Minister to reply.

The Minister: Thank you, Mr President.

Obviously it has been gas and the off tech and that type of training that has been considered in this particular area. I can assure Hon. Members that UCM is looking at what training we require for the future and we have always been very good at moving forward with that.

We have excellent engineering facilities and obviously the demand for numbers for gas training, which I can provide for you, there has been 139 people needing to be recredited, but that is over a five-year period.

I am aware, speaking to industry individuals who are in the area of sustainable opportunities, that the possibility of that ramping up rapidly is quite limited and obviously we will be on board at UCM to provide any appropriate training. But as with the gas training, when we come across a difficulty with our facilities, we ensured that training was facilitated in the UK for anybody requiring it.

**28. National Sports Centre overspend –
When MESG first aware; actions**

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

When she was first made aware of an overspend at the National Sports Centre and what actions followed.

The President: We move on to our final Question, Question 28, and I call on the Hon. Member for Arbory, Castletown and Malew, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President.

I would like to ask the Minister for Education, Sport and Culture when she was first made aware of the overspend at the National Sports Centre and what action followed?

Thank you.

The President: I call on Shirveishagh Ynsee Spoyrt as Cultoor to reply.

The Minister for Education, Sport and Culture (Ms Edge): Thank you, Mr President.

It was very clear very early in the year that the Department would experience significant cost pressures in relation to energy costs and the impact of the 2023 pay awards. Outside of these two areas of impact, the NSC delivers within its budget.

Both the Department's and Government's consolidated management accounts have been highlighting the issues since the beginning of the financial year. The prolonged increases in energy costs has placed a significant financial burden on the NSC budget. These energy costs are unavoidable and have impacted the entire Department's estate, including schools, and not just the NSC.

Thank you, Mr President.

The President: Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

Given the situation was highlighted so early on in the year, could the situation have been much worse? Was there an indicative figure that was much worse than the near third of a million figure? Also, in terms of actions to actually reduce that cost, what actions were taken?

1050 Thank you, Mr President.

The President: Minister to reply.

1055 **The Minister:** Mr President, the operation of the NSC and obviously the energy costs are not just electric. There is obviously gas utilisation as well. And as all Hon. Members are aware, the fluctuations within the energy costs were not just for Government and for our buildings, it has impacted on Island individuals as well. So some of these increases are outside of our control.

1060 **The President:** Supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Minister.

Since the November figure was made available, energy costs look to have stabilised. Did the figure get better towards the year end? We have now reached the year end and the Minister will have a better indication in terms of what the final loss will be. Could she give us a little bit more detail on that, please?

1065 Thank you, Mr President.

The President: Minister to reply.

1070 **The Minister:** Thank you, Mr President.

Obviously it was a snapshot in time that I think the Hon. Member has seen from an FOI and the figure was in November. The current budget for the NSC is £1.7 million. This consists of £3 million expenditure offset by £1.3 million of income. With two months of the financial year remaining – or one month now – it is not possible to give an exact figure, but it is estimated that the overspend in respect of energy costs at the NSC will be £260,000, with a further overspend of £220,000 on staffing costs, so currently estimated at £480,000.

1075 Thank you, Mr President.

1080 **The President:** Supplementary, Dr Haywood.

Dr Haywood: Thank you. I thank the Minister for her Answers today.

Given that clearly energy is not coming down at the rate that she would expect it, what plans are there to try and reduce energy usage at the NSC in order to reduce the overspend?

1085 **The President:** Minister to reply.

The Minister: Thank you, Mr President.

1090 The NSC is always looking at this and obviously we are working in conjunction with the climate change and also the MUA. And there is a possible project looking at solar for the NSC. But also we do have the waste heat from the power station that we utilise and maximise as much as possible. However, obviously you have got to be aware that the Department is responsible for all of its energy costs and is one of the only Departments in Government that is.

1095 **The President:** Supplementary, Loayreyder.

The Speaker: Gura mie eu, Eaghtyrane.

A good opportunity for the Minister to perhaps tie a couple of bits together that came out yesterday. If I remember, yesterday, there was a last minute addition to the budget, around

1100 £350,000 extra for energy costs that have gone into that regional pools pot. Is that because the Department is expecting this area to increase, or is that because the original plan was that the subvention for the Southern Swimming Pool was planned to be redirected into the NSC and others, in order to help match a stabilised energy cost base? Could perhaps the Minister just provide a bit of clarity around that?

1105 **The President:** Minister to reply.

The Minister: Mr President, I think it is outside of the scope, but I am happy to answer.

1110 The NSC has its own individual budget, separate from community pools. And certainly with regard to energy offset, the budget for the community pools is completely separate and Treasury have decided to continue this year with the underwrite for energy for the pools.

The President: Final supplementary, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President.

1115 With regard to the data that came out in November, a third of the overspend was relating to infrastructure costs. The Minister has not referred to infrastructure costs today. What does that actually relate to, please, given that such a large amount of money was spent on the building in 2018? And we have heard about the tiling issues. Are there other issues linked to infrastructure, please?

1120 Thank you.

The President: Minister to reply.

The Minister: Thank you, Mr President.

1125 The infrastructure costs, of which I have got the figures here, *do* include the energy costs. So it is all of the infrastructure and the costs of operating the infrastructure.

Thank you, Mr President.

The President: Now, Hon. Members, that concludes our Question Paper.

Order of the Day

3. Independent Review of the Government's Management of the Ranson Case Report to Tynwald; Richard Wright KC, 31st January 2024 – Statement by the Chief Minister

[\[PP 2024/0017\]](#) is relevant to this Item.

1130 **The President:** Continuing with the main Order Paper, we move to Item 3 and I call on the Chief Minister to make a Statement.

The Chief Minister: Thank you, Mr President.

1135 Hon. Members will now have had a small amount of time to familiarise themselves with the findings of the Independent Review by Richard Wright KC into the Government's management of the Ranson case. I would like to place on record my thanks to Mr Wright for the work he has undertaken in completing this detailed and thorough Report. There is a great deal for the Government to digest.

1140 In summary of his conclusions, Mr Wright found that he was satisfied that the defence of the litigation by the Department of Health and Social Care was conducted in good faith. This included the appeals to the High Court, which identified properly arguable issues for the court to determine.

1145 Furthermore, the decision to defend the claim was taken in accordance with established procedure, was legally justifiable and, at the time, was an appropriate decision for the Department to make. Mr Wright notes that it was entirely reasonable for the DHSC to seek to robustly defend the claim in the way it did, that it was done so on a broad factual and legal basis, and that this was consistent with the Department's financial and other responsibilities.

1150 Mr Wright does however find issue with the governance and resourcing of the defence. The Government failed to appreciate the significance and complexity of the claim. There was a clear conflict with the Chief Executive of DHSC at the time providing instructions to the Attorney General's Chambers, and the management of the disclosure process fell far below the standards required.

1155 Further contained within the report are 24 recommendations for Government to consider. In order to take this forward, given there are clearly some synergies between the recently received COVID Review, it seems eminently sensible to treat both reports in a similar vein. Therefore, I also intend to move this Report for debate in April's Tynwald, along with an early assessment of our response to the recommendation. This date will, I hope, allow Hon. Members a full chance to provide their own considered views regarding the Report's findings.

1160 Following this debate, work will then take place to prepare final recommendations for further action to be delivered to the Tynwald sitting in July, alongside those actions which are already well under way across Government.

1165 Mr President, I of course do not want to pre-empt the debates to come, but I do wish to make one clear point to Hon. Members: this Report makes it crystal clear that the management of this Employment Tribunal was conducted in good faith. There was no conspiracy, as some have alleged. There was no state-sponsored bullying, as some have alleged. The Police did *not* need to be called, as some have stated. Mr Wright states:

One consequence of this protracted and bitter litigation ... has been that many decent and hardworking Civil Servants with a long standing commitment to the service of the Manx people have been subjected to a level of public scrutiny and censure that is both unprecedented and, as I have observed in the body of my report, unjustified.

Mr President, during the course of these not so edifying events, senior officers were improperly and unfairly targeted for public ridicule. They were named in attempts to shame without the full and proper facts being made available. It was, of course, impossible to release the facts and make commentary to properly defend these officers whilst Mr Wright and Ms Brunner KCs completed their work.

I hope, Mr President, that in light of this Report we can all take time to reflect that whilst there at times can be performance failings, singling out and criticising officers and politicians before the facts are made clear can be extremely detrimental (**A Member:** Hear, hear.) to public sector morale and indeed mental health. (**A Member:** Hear, hear.) I want to make clear Council's support for all those who acted in good faith, including the officers who were specifically named during the course of events.

I also want to make clear Council's continued commitment to the work put in train in May 2022 to support positive culture change, recognising as part of that the important leadership role that the Members of this Court have to play. I look forward, Mr President, to debating this matter further in April.

Thank you.

The President: I call on the Hon. Member, Mr Thomas.

Mr Thomas: Thank you very much, Mr President.

Does the Chief Minister agree with me that the heart of what he has just said is that we will be debating this in April 2024, and that is the most important thing? And in fact everything else he said, he really should say again at the beginning of that debate in 2024, because what he has done is reported conclusions which will be debated in April 2024?

The President: Chief Minister to reply.

The Chief Minister: I will be pleased to repeat what I have just said in April 2024.

4. Manx Development Corporation – Personal Statement by Dr Allinson

The President: Members, we move on to Item 4, Manx Development Corporation, and I invite Dr Allinson to make a personal Statement.

Dr Allinson: Thank you, Mr President.

I am making a Statement to this Court today to clarify and correct some answers I provided in response to questions raised by Mr Thomas and Mr Speaker relating to matters regarding the Manx Development Corporation at the November 2023 sitting of Tynwald.

At this sitting of Tynwald, I was asked by Mr Thomas to confirm whether it was true that the Manx Development Corporation have access to a £100-million loan facility. My response to this question was that it was not true. However, I would like to provide further clarity on the facility that is available to them.

A £50-million loan facility is in place between the Manx Development Corporation and Lloyds Bank. This facility is guaranteed by the Treasury and any utilisation request to draw down from the facility requires approval from the shareholder. Shareholder approval is also required for the rollover of any existing loans.

The loan facility has an option to be extended to £100 million, subject to agreement from the shareholder, this being Treasury and Lloyds Bank. Treasury has not received a request to extend the facility to £100 million, and therefore the value of the facility remains at £50 million. The exact

level of borrowing to date is £11.3 million, which reflects the ongoing refurbishment of the former Nurses Home and preliminary work on the Westmoreland Village project.

1215 I was asked a further question, which is to confirm whether the loan facility and the interest costs were shown in the Government accounts. I would like to provide Members with a correction to my previous answer. The loan facility has been in place since February 2023, which means that no debt or interest costs appeared in the 2021-22 audited Government Accounts. The debt and interest costs do however appear under the group results in the 2022-23 audited Government
1220 Accounts, which were not published at the time the question was asked, but which were laid before this Hon. Court yesterday.

I have been made aware of a public query regarding the legal basis for Treasury to issue a guarantee on the loan facility between the Manx Development Corporation and Lloyds Bank without explicit Tynwald approval. This guarantee was provided under the Financial Provisions and Currency Act 2011. Details of the guarantee will be included in the Financial Provisions and
1225 Currency Act 2011 annual report, which will be laid before Tynwald this year.

Mr President, I apologise for any confusion in my previous answers I provided and hope that the additional information that I provide today will address this.

Thank you.

**5. Supplementary Vote –
DESC; DHSC; DHA; DoI –
Motion carried**

The Minister for the Treasury to move:

That Tynwald authorises the Treasury to expend from the Net General Revenue Account in respect of the year ending 31st March 2024:

(1) Additional budget of £8,900,000 in respect of revenue expenditure expected to be incurred during the 2023-24 financial year by the Department of Education, Sport and Culture;

(2) Additional budget of £30,000,000 in respect of revenue expenditure expected to be incurred during the 2023-24 financial year by the Department of Health and Social Care;

(3) Additional budget of £2,200,000 in respect of revenue expenditure expected to be incurred during the 2023-24 financial year by the Department of Home Affairs; and

(4) Additional budget of £5,665,000 in respect of revenue expenditure expected to be incurred in the 2023-24 financial year by the Department of Infrastructure

1230 **The President:** We move on to Item 5, Supplementary Vote, and I call on the Treasury Minister to move.

The Minister for the Treasury (Dr Allinson): Thank you, Mr President.

1235 Today I bring forward a motion seeking a total of £46,767,000 of additional revenue budget in respect of the 2023-24 financial year for the Department of Education, Sport and Culture, the Department of Health and Social Care, the Department of Home Affairs and the Department of Infrastructure.

This year has seen all Departments faced with significant financial pressures as a result of persistent and unpredictable inflationary cost increases that have impacted energy costs, pay costs and the cost of third-party services, all of which are required to deliver our important public
1240 services.

Treasury has been monitoring the departmental forecasts and the progress of cost mitigation plans throughout the year to understand what the expected outturn would be and it is regrettable that, despite all Departments working hard to bring costs down, some have not been able to

1245 achieve this to a level that would bring their expenditure within the budgets that have been previously allocated and agreed. This has been particularly difficult for those Departments who have a high proportion of employee costs that deliver our frontline services.

1250 However, this overspend was largely balanced by the increase in Income Tax receipts, which are expected to be much higher than budgeted. The current year-end forecast predicts that we will achieve Income Tax receipts in excess of £320 million, and this helps to offset the financial cost of the Supplementary Vote being requested here today.

1255 We are also expecting a significantly reduced level of internal fund expenditure than we have experienced in previous years and this combined with the extra Income Tax receipts will mean we will be able to finance these additional votes from *within* the planned level of reserve drawdowns as part of the 2023-24 Budget. Importantly, we are still operating within the medium-term financial plan.

I will now let the Ministers for these Departments provide a statement to Hon. Members explaining the challenges and pressures that they have faced this financial year.

Mr President, I beg to move.

1260 **The President:** I call on the Hon. Member, Mr Smith.

Mr Smith: Thank you, Mr President.

I beg to second.

1265 **The President:** I call on the Hon. Member, Mrs Poole-Wilson.

The Minister for Home Affairs (Mrs Poole-Wilson): Thank you, Mr President.

1270 I would like to add to the comments made by the Treasury Minister in respect of the £2.2 million additional budget requested for revenue expenditure for the Department of Home Affairs.

Firstly, I would like to reassure Hon. Members that the Department takes its fiscal responsibilities very seriously. Unfortunately, the financial pressures facing the Department over the last year have meant that we have had no option but to seek additional funding.

1275 It is important that I explain the context in which the Department operates. Around 89% of our budget relates to staffing costs. Of that pay budget, 83% is subject to pay awards outside of the Department's control. The Department must also respond to demand when it happens, and so there will always be an element of our costs that is difficult to predict. So the main drivers of the Department's overspend this year have been underachievement of our income targets, inflation in pay awards and energy costs, and one-off events and incidents.

1280 Turning to our income targets first, this area has been affected by our strategic property rationalisation programme. We continue to identify and dispose of assets that are not core to our public safety operations. This means that where income was previously received, from private property rentals, for example, there is a deficit once the asset is sold. Despite this, I believe this approach continues to be right for the Department. While the Department does not retain the income from the sales, we do avoid the long-term costs associated with maintenance and renovation on these properties, which will be of benefit over time.

1285 Many of our fees and charges have not kept pace with inflation over the years and will require focused resource to fully address this historic issue.

1290 Finally, there are areas of commercial income that have been lower than anticipated due to loss of communications tower revenue and Police income recovery being lower than previous years.

Finally, where the Department has contracts for services and other areas, we have also seen inflation-linked contracts and new charges create a further £½ million pressure.

1295 Turning now to staffing costs, as I stated previously, 89% of the Department's budget is spent on people. These are the remarkable men and women who work 24 hours a day, seven days a

week, to keep our Island safe. The pay award for the Constabulary for 2023-24 was set by the Home Office at 7%. While this acknowledges an attempt to rebuild Police pay, it was higher than anticipated by the Department. The Public Services Commission pay award of 6% for 2022-23 also left a legacy funding gap, which we have struggled to meet in this financial year.

The other significant area of expenditure is utilities and energy costs. In total, this spend accounts for around a third of our total overspend. Many of our buildings operate 24 hours a day, and we are one of the few Departments that are directly responsible for paying energy costs. We recognise this is not sustainable and are focusing on planning to move to net zero.

We have commissioned transition plans for the Prison and control room building, and will be looking to put further bids to the Climate Change Fund for this purpose. We have already introduced solar power, paid for out of our own budget, for our communications mast at Carnane, which has proved incredibly effective and is delivering cashable savings.

Finally, a number of major incidents over the past year have resulted in further cost pressures. The Department has a relatively fragile staffing model, which relies upon a small number of people. Where we have an incident that is out of the ordinary there will always be extra staffing and overtime costs to allow us to respond effectively to incidents beyond our control.

Mr President, in order to ensure fiscal discipline throughout the year, the Department has had a number of cost control measures in place. We have actively worked to reduce our energy costs and continue to develop business cases which will reduce our reliance on fossil fuels and so utilities costs. All of our posts, including frontline operational posts, are subject to a recruitment freeze. Permission to recruit must be given from a central panel.

Finally, we continue to dispose of assets, generating income for Treasury and reducing future costs for the Department.

Hon. Members, I hope I have been able to give you a more detailed idea of the reasons that we are in this position and the work that we have done, and will continue to do, to manage these pressures. I would like to thank the Treasury Minister for his support with this motion.

The £2.2 million requested today is based on a worst-case scenario at this point in time. Current indications are that our final position will be more favourable than this, mainly due to the cost control measures I have outlined. I hope that Members will concur with the Treasury Minister's motion.

Thank you, Mr President.

The President: I call on the Hon. Member, Ms Edge.

The Minister for Education, Sport and Culture (Ms Edge): Thank you, Mr President.

I also rise in support of the Treasury Minister with this motion today. My Department has forecast to exceed its revenue budget by £8.9 million this financial year. I would like to take this opportunity to assure all Hon. Members that this overspend has been a result of factors which are outside of the Department's ability to impact factors. And they have been seen with increases in energy costs over this financial year, the impact of the 2023 pay awards, for which my Department has limited provision, and an increased number of pupils requiring specialist provision centres in placements from September 2023.

Energy costs for the Department have increased by almost £3.5 million over the last two years. These costs are unavoidable and have impacted the entire estate. Whilst the Department has increased its energy budget by £918,000 by utilising other areas of its budget, this has been insufficient to cover the 140% increase we have seen in energy costs. My Department has very limited ability to reduce the size of the estate.

The Department's overspend on employee costs for the end of the financial year accounts for the 6% pay award for PSC employees and a 6.5% pay award for teachers and lecturers has led to increased costs of £6.4 million.

From September, my Department did see an increase in the students requiring specialist provision, this included a combination of increased complexity of need, but also new arrivals to

the Island, and this has ultimately meant that this area has required further investment and resource, including additional staffing throughout the financial year.

The Department will continue to operate in a fiscally responsible manner and we will do everything we can, making tough decisions going forward. However, as I have stated, a lot of this is outside the control of the Department.

Thank you, Mr President.

The President: I call on the Hon. Member, Mr Hooper.

The Minister for Health and Social Care (Mr Hooper): Gura mie eu, Eaghtyrane.

I have been thinking quite a lot about the message that I wanted to send with this speech, thinking a lot about what this Supplementary Vote request is really about, what led us here and what it represents for the Health and Care Service.

Thanks to my hon. friend, Dr Allinson, for reminding me, I have been brushing up on my Shakespeare recently, and I found this line from *Antony and Cleopatra* of particular relevance:

Give to a gracious message a host of tongues, but let ill tidings tell themselves when they are felt.

This resonated with me, actually, around this speech, so I thought I should follow this advice and be straight with any bad news but actually make a big deal out of any good news. So get comfortable, Members, there is quite a lot to share. *(Laughter)*

During this current financial year, ending 31st March 2024, the Department of Health and Social Care is forecasting to be over its allocated budget by just under £30 million. This is entirely attributable to the position of the mandate budget line, which represents the funding provided to Manx Care for the delivery of health and care services. Today the Treasury on behalf of the Department is seeking a supplementary vote of up to £30 million to meet the cost of this provision.

Eaghtyrane, with the exception of last year, where an over-budget position of £23 million was met from both the DHSC reserve and the Treasury contingency fund, in every one of the preceding years from 2015 to 2021 the Department had to seek supplementary votes, which totalled £60 million over those seven years to balance the budget at each year end.

Seeking supplementary votes from year to year is not a sustainable solution to addressing the underlying reality of the pressure on costs and demand for the Island's health and care services, and this year is no exception to that historical trend. To make matters worse, the budget started the year behind the actual spend for the previous year, with an opening budget of £303 million, which was £3 million short of the previous year's actual expenditure.

This position of recurring supplementary votes is a symptom of a continuing under-provision within successive budgets, failing to recognise the level of demand and resulting actual spend required for the delivery of services.

It is worth recalling at this point, Hon. Members, that we commissioned Sir Jonathan Michael to undertake an independent review of our health and care system, and his final report in 2019 was unanimously supported by this Hon. Court. Recommendation 17 of the report stated that:

Increased funding should be linked to the achievement of annual efficiency targets.

And recommendation 19 stated that:

Increases in funding for health and care services will be required to support the increased demands that will be placed on those services due to demographic changes, non-demographic changes and inflation.

The findings in the report also indicated that a growth percentage of funding on top of inflation is required to meet increases in demand. At the time of the final report, CPI inflation was low, 1.3% in March 2019, but since then, after the pandemic and due to other economically hostile factors, this increased significantly, to 9.1% in March of last year.

Whilst it is important to recognise the budget for health and social care services has significantly increased in nominal terms, when you look at the actual spend year on year this presents a very different picture. The investment in increasing the budget has not been able to keep pace with the underlying funding shortfall because that underlying shortfall has not historically been addressed. This was one of the main reasons we commissioned Sir Jonathan in the first place.

Hon Members will note, however, that this year's Budget, the measures of which I think we unanimously supported yesterday, does try to address this underlying shortfall by uplifting the budget to take account, as far as possible, of the historic position. This is a critically important point to make as it is an important part of how we resolve this issue: by facing up to the real cost of healthcare and budgeting appropriately for it.

So thinking back to that quote that has ear-wormed itself into my brain, I now turn to examine more closely the current year forecast position that is the reason for the Supplementary Vote in front of this Hon Court today. On the surface, it might appear to be an ill-tiding that needs no further explanation, but the fact I have got another 10 pages of remarks might lead you to infer that I have drawn a very different conclusion.

Manx Care's current forecast expenditure for this year is in the region of £335 million, with some risks of around £5 million, which would give a worst-case scenario outturn of £340 million, which would be £37 million more than the mandated budget. However, to mitigate that, the Department will apply the entirety of its remaining revenue reserve of £7 million to net the expenditure to reduce the worst case overspend to £30 million, which is how we get to the £30 million in front of us.

For context, had the funding formula been implemented from day one, as set out in Sir Jonathan's report, I am advised the current year budget for Manx Care would have been in the region of £360 million, based on 2021's actual spend of £279 million, which is around £20 million more than the forecast spending for the year.

It is also worth noting that whilst the forecast position is in the region of £30 million more than originally budgeted for, it is only £4 million more than what was actually spent last year, an increase of 1%. In a year of extremely high inflation and all that entails, with post-COVID growth in demand and all that entails, for Manx Care to have held spending growth to only 1% year on year is a pretty big achievement.

Turning to what this does actually entail, as well as a range of unavoidable cost pressures, we also have the need to meet ever higher demand for services and service improvements which we know are largely driven inexorably by our ageing population and the expectations of the public and politicians. These cost pressures can be broken down into six broad categories: employee costs; drugs costs; contracted services; tertiary care, COVID costs; and of course service development.

Taking each of these in turn, in relation to employee costs, given that over two thirds of health and care costs are payroll costs, and over 95% of payroll costs pay for those exceptional staff that provide direct and compassionate care, this has been one of the biggest areas of cost pressure across the years.

The Isle of Man is not unique in this respect. High vacancy rates in some areas are a problem and they are a problem here just as they are in all of our neighbouring health and care systems. Keeping services running at the level the public have a right to expect means that vacant posts have to be covered by bank and agency staff and these do cost more than permanent substantive staff.

The current market rates for both agency and bank are very competitive with both having seen rises during this financial year. There continue to be a number of specialisms for which recruitment remains difficult and therefore paying higher rates for a bank or agency worker is the only option to ensure continuity of services.

Nevertheless, Manx Care has put a great deal of effort into mitigating this and they have had some real success in recruiting to vacant posts. Amongst other benefits this has secured

£2.2 million in savings on workforce costs, through the international nurse recruitment campaign, a review of on-call and rota arrangements, renegotiation of rates with agencies and placing increased controls over the use of agency staff to minimise their use, where possible.

One of the largest elements of the current year cost pressures was the £7.3 million extra required to meet pay awards. As with the rest of Government, Manx Care had 2% provided in its budget allocation for pay awards, but the assumption, based on guidance from the Treasury, was the forecast should include 6% for pay awards. Manx Care is still in the process of trying to finalise pay awards for staff for the last and current financial years where, in some cases, 6% has been offered to some pay groups, but it is clear that meeting the full cost of pay awards has placed a significant pressure on the budget.

Pressures also include costs relating to business cases funded from elsewhere last year or where only part year costs were incurred such as, Frailty, the ME/CFS and Long COVID Service, Eye Care Transformation, Diabetes Service, Risk Management and Information Governance.

Turning to the second key issue of drugs costs, during the year these costs rose by up to 24% in some areas. However, this was largely contained by the medicines optimisation cost improvement work, which generated savings totalling £1.6 million. The total increase in drugs costs after these savings was contained to roughly 4%, which was a positive outcome.

Turning to contracted services: continued inflationary pressures saw increases in the costs of contracted services of £4.2 million and there were additional costs of £1.3 million for complex care packages. These were largely mitigated through a combination of careful contract management and improved procurement activity.

Since we are a small island, with all the natural limitations you would expect, an obvious area of concern for us on the Island is tertiary care costs. We cannot, and we should not, cater for every clinical or care need on Island, especially where these are complex and it would not be appropriate or safe to do so. Clearly, there are some people who will require specialist treatment and in these cases we send our patients and service users to the UK. We have agreements with various health and care providers, primarily in the north west of England, to treat our people at standard NHS tariffs.

Unfortunately, but perhaps unexpectedly, we are tending to experience more people who have more serious and complex conditions, requiring more costly treatment which cannot be provided on Island. Tertiary care costs are forecast to increase by £2 million to £26 million compared to last year. In the current year there is an expected £3.3 million overspend in tertiary services. Tertiary costs have been, and will probably remain, one of the most volatile costs in recent years, and one over we have little control as the decision to refer patients to the UK is quite rightly a clinical decision made by the relevant specialist.

COVID costs is the fifth of the areas I would like to highlight. Prior to this year, COVID costs were covered by the contingency fund. However, as COVID has become part of business as usual, it has been expected that the costs are absorbed within the normal operating costs of Manx Care. These costs related to COVID are estimated to be around £2 million in the current financial year, which includes a vaccination centre, which represents roughly half of that cost. These were not originally budgeted for and as they will not be reimbursed this year, form a new £2 million cost pressure.

Lastly, I turn to new services and service enhancements. Investment in new service provision such as safeguarding, vaccinations, the Sexual Assault Referral Centre and additional safe staffing costs in the Emergency Department, nursing, social care and midwifery. Service enhancements such as the Recovery College, Thrive framework, the Long COVID Service, Control Room navigators, the frailty unit, oncology/cancer services and MCALS. Governance improvements, such as the gold standard accreditation for theatres, integrated performance reporting and quality dashboard and improved information governance compliance. That is just a flavour of what has been delivered over the last 12 months, all whilst holding spending growth to only 1%.

So returning again to my earworm quote, it is worth repeating, Hon Members, that despite all of these additional pressures, which do add up to tens of millions of pounds, the actual spending

increase compared to last year is only £4 million, roughly 1% more year on year. So these ill tidings are starting to look less and less unwell.

1500 Part of the reason for this is that Manx Care continues to deliver above their target for the cost improvement programme (CIP) and has jointly with the Department considered and implemented a number of mitigation measures, aimed at reducing budget pressures whilst also having a minimal impact on patients and service users.

1505 The cost improvement programme has been a key success for Manx Care. As I am sure Hon. Members are aware, Manx Care is currently the only Government body to have a formal requirement to achieve savings as part of an annual programme of service improvements. This stems from recommendation 17 in the independent report on health and care which did state that:

Increased funding should be linked to the achievement of annual efficiency targets.

A programme of efficiencies over eight years was subsequently agreed by the Transformation Board, starting out at 1% in the first year but rising to 1½% in the subsequent two years.

1510 Manx Care's CIP target for the last financial year was £4.3 million, representing 1½% of the budget, which was exceeded by delivering £10 million of CIP savings. This included £7.4 million of cashable savings and £2.6 million of efficiency savings.

1515 Whilst the efficiency savings do not reduce spend, they enable Manx Care to do more with the budget they have, delivering better value for money by reducing lengths of stay, improving theatre efficiency and introducing both a frailty and an ambulatory care unit, which allowed Manx Care to provide a better standard of care to more patients at minimal extra cost.

The cost improvement target for the current financial year, the one in which this Supplementary Vote relates, is £4.5 million. Working with external support, potential savings of roughly £10 million were identified, with the forecasted delivery for the year being £6.4 million. That is nearly £2 million over the target.

1520 Many of the projects already identified will also deliver savings in the next financial year, with a further 27 projects under development for delivery in 2024-25. A CIP target of 2%, that is £7 million, was factored into the 2024 Budget that was approved yesterday. However, Manx Care's own target for the next financial year is again higher than this, coming in at £10 million.

1525 Hon. Members, there is a lot of work to be undertaken throughout the Health and Care Service as we continue to reshape and transform the way care is delivered, but I cannot overstate the scale of this task. I have every confidence, however, that this administration is up to the challenge and the evidence is clear that Manx Care are more than delivering on their cost improvement requirements set out as part of the budget process.

1530 I mentioned earlier, briefly, mitigation measures. As with any overspend you would expect the Department of Manx Care to be taking active steps to try and minimise that number. Manx Care is working through this year a number of mitigations that will total £1.7 million to minimise this year's overspend.

1535 Whilst this target saving will not close the gap between expenditure and budget, this was arrived at after careful consideration of more radical options. The Department had considered all the options and agreed with Manx Care the mitigations totalling £1.7 million would be realistically achievable whilst having the least impact on service levels and patient safety.

These mitigations include further paring back on bank and agency spending and recruitment controls on non-clinical staff, a delay to the increase in sight test fees as well as implementing some medium-risk measures such as delaying the tendering of Hillside Dental Practice.

1540 It should be noted, Eaghtyrane, as should be evident by the sort of things I have just listed, the scope for this sort of salami slicing is minimal, as is evident by the fact out of a £340 million spend only £1.7 million, or half of 1%, was felt realistically achievable.

Among the more radical options that were considered and discounted were pausing non-urgent surgery activity, slowing down tertiary activity, again by delaying non-urgent referrals and

procedures, as well as holding off all agency and bank spend. However, the financial impact of these measures at this stage were likely to be minimal when compared to the clinical impact of such decisions. The decision was taken to come to this Hon. Court and request additional budget rather than impose these sorts of measures that would have had a notable impact on patients and service users, both immediately and in the longer term.

So looking forward into the next year, the proposed budget for Manx Care is £347 million. The increase on the current year budget is significant, around £43.8 million, but when compared to current year spending it is only between £7 million and £12 million more than the current range of forecasts, again representing an increase of between 2% to 3½% against the current year's actual spend. It should be noted that £5 million of this increase has been met from a transfer of most of DHSC's reserve budget to Manx Care up front, so the DHSC will not have a retained reserve this year.

No doubt some difficult decisions will need to be made over the course of the year to constrain spending growth to only 2% to 3%. However, taking this on board, the Department is fully aware of the financial pressures the Island is facing as a whole and has been working with Manx Care to develop the 2024-25 mandate. As part of this process careful consideration has been given to ensure services can be delivered within the financial envelope provided and that there is close and regular oversight of expenditure.

The outcome of this process is that the Department and Manx Care will face tough decisions about our capacity to invest in new services. This could mean decisions not to invest in new services over the course of the next financial year. Moreover, if unavoidable cost pressures, such as pay pressures, do materialise in 2024-25, this may also mean potentially even more difficult decisions about what existing services look like to ensure they can be provided within budget. The focus on achieving a balanced budget will drive out some of those debates into this Hon Court, which I believe is somewhat overdue.

By way of an example, in the next financial year the Department will be seeking Tynwald approval to make changes to our system of prescription charges. Whilst the primary reason for making this change is not in fact financial – we are aiming to make for a fairer and simpler system – the change will generate additional revenue whilst protecting the core principle of the NHS that services are delivered according to clinical need and not financial resources.

To summarise, Eaghtryane, the delivery of health and care services by Manx Care continues to go through a period of unprecedented challenge and change, but the Department and Manx Care leadership are fully committed to bringing our health and care services back into financial balance. There are a lot of moving pieces to achieve this goal and it is a significant challenge that we face, but it is a challenge I believe we can overcome.

I trust that I have given to the gracious parts of my message a host of tongues, that diligent and focused cost improvement, innovative service transformation and the dedication of staff have led to only a 1% increase in actual spending, and that mitigation measures, Treasury support and improved cost controls are helping to place us on the right path for this coming year. Equally, I trust my ill tidings have spoken for themselves. This next year will not be easy, there will be change, and whilst it will all be for the better delivery of services and in the best interests of patients, it may not all be popular.

Eaghtryane, I hope that I have explained the position to the satisfaction of Hon. Members, but given I will not be the one summing up the debate, if Members do have questions in their remarks and would like me to give way for me to answer those questions, I am happy to try and do that as the debate progresses.

Eaghtryane, I ask that this Hon. Court continues to show its understanding of the exceptional challenges being faced, of the work that is under way to transform the shape of health and care on the Island and its support for the commitment and exemplary conduct of all those working in health and care by supporting this motion today.

Gura mie eu, Eaghtryane.

The President: I call on the Hon. Member, Mr Crookall.

The Minister for Infrastructure (Mr Crookall): Thank you, Mr President.

1600 My Department's forecast currently contains the projected overspend of £5.66 million. The majority of these adverse variances arise from the macroeconomic events outwith the immediate short-term control of the Department.

Where possible, the Department has mitigated the impacts of elevated inflationary pressures and cost increases. However, there have been some contributing factors and areas that have been
1605 proven difficult to mitigate within the financial year.

The increased cost of electricity across the Government estate has left the Department with an adverse variance arising from significantly short notice and unbudgeted MUA electricity price increases. This has been mitigated in part through offsetting electricity from expenses budgets. However, this has had the adverse effect of reducing income able to be realised from operating
1610 within a reduced expense budget.

Employee cost pressures in Bus Vannin have also left the Department with an adverse variance, as a result of the elevated costs of providing unbudgeted ancillary services, such as the minibus services, in particular the on-off and off-Island patient transfer services and for the Department of Education, Sport and Culture, services such as transporting students to day centres, interschool
1615 collaborations and school trips. In addition to these, the Department has served to service the Island's cruise industry.

Factored into this are the high levels of cost to cover for sickness absence arising from unfavourable industrial limitations. I can confirm that a strategic review of bus services is under way in the Department for the 2024-25 financial year.

1620 In terms of housing deficiency, this is paid from the Department's revenue target. The recent increases to base rate to 5.25% rapidly increasing from 0.75% in the space of a year, means that the variable element of these loan repayments is sensitive to monetary policy, which is currently estimated at about £1.3 million a year in adverse variance. In the long term, the model for the delivery of social housing remains under review.

1625 The Department is also subject to employee cost pressure at the Airport, based on the escalating cost of air traffic control and investment to stabilise this service. The increased cost of security services by way of contracting mandatory core security services saw an increase of £2 million to the Airport security contract. However, this was reduced back to a £1 million annual increase after careful mitigation and repricing.

1630 Further to these specific pressures, the Department's 2024-25 financial plan has recognised that the 2023-24 financial plan has up to a £10.7 million inherent cost pressure. A significant proportion of these cost pressures are arising from inflation, particularly indexation estimated at £3.66 million. This means the Department's current forecast seeks to contain a significant proportion of these cost pressures. Mr President, the forecast for the Department is reviewed
1635 monthly in line with the monthly management accounts and also incorporates savings if it is able to do so.

I do hope Hon. Members will be able to support the Treasury Minister in this today. I think it is very important. We have had the explanations from Ministers and I hope that, as I said, Members will support the Treasury Minister.

1640 Thank you, Mr President.

The President: I call on the Hon. Loayreyder.

The Speaker: Gura mie eu, Eaghtyrane.

1645 Well, as the Hon. Member for Ramsey, Mr Hooper, has encouraged us to brush up our Shakespeare, I will have a go with this one from *Henry IV*:

I can get no remedy against this consumption of the purse: borrowing only lingers and lingers it out, but the disease is incurable.

I am able to support the motion today, but I want to address some of the structural issues around the road that has led us to the Supplementary Vote today.

1650 Firstly, I think I am surprised that there is no explanatory memorandum to accompany this Item (A Member: Hear, hear.) for the wider public. I know that some Departments have done presentations and emailed Members with the details as to the purpose behind this motion and the reasons for the overspends and I thank them for that. I also thank Ministers for remedying that lack, I suppose, of published information in the debate, because it is right that the reasons for the overspends are on the public record one way or another.

1655 The Treasury Minister has recently highlighted greater availability and frequency of financial information throughout the year going forward and my question to him really is will Treasury commit to flagging likely overspends in these quarterly reports, along with cost improvement plans or offsets against increases in income to explain when they are being spotted and what is being done at an earlier stage? I hope that all Members would agree that it is far better for 1660 Tynwald to have this information in a timely manner earlier on, where we can have debates around service delivery costs, charges, rather than having these in February or March when they are effectively a *fait accompli* after the money has already been spent.

Thank you, Eaghtyrane.

1665 **The President:** I call on the Hon. Member, Mr Glover.

Mr Glover: Guru mie eu, Eaghtyrane.

I was going to make exactly that point that the Loayreyder has made about more transparencies through this.

1670 I do thank the four Ministers for placing on record the reasons for overspend or underfunding, but I think particularly with Health, they could have told you at the time of the Budget last year that this was going to be roughly the figure that they would have been coming here for a supplementary vote on. So in a way that demonstrates a little bit of the weakness of the current budgetary process.

1675 But I would ask the Treasury Minister for a breakdown of potential areas where there will be an overspend throughout the year, because it is again public perception. People are struggling out there. They are having to tighten their belt within their own household, and then they see these eye-watering amounts come at this time of the year and think, goodness me, how can Government get away with spending and overspending that amount of money? If we have got the 1680 transparency through the year, it is a better way of doing things and presenting things to us as Tynwald Members, but more importantly to the public.

Gura mie eu.

1685 **The President:** I call on the Hon. Member, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President.

I find this all very frustrating. I actually raised concerns last February after the Budget had been announced, just in terms of how realistic it was in terms of the pressures we have heard about this morning.

1690 In terms of going forward, what would the fallback position be if we said no? We could say no, it is unlikely to happen, but what would the fallback position be?

And also in terms of things like agreements, I did ask the Education Minister in December about the payments for agreed salary increases that had not been made at that point. Will those now be made in the coming hours or coming days or coming months? Is there an indication of when 1695 those payments will be made?

So really it is just that overview in terms of we need to be more realistic in terms of the challenges we face, rather than having this at the end of the year, when basically we have got to say yes.

Thank you, Mr President.

1700

The President: I call on the Hon. Member, Mr Ashford.

Mr Ashford: Thank you, Mr President.

1705

Since we are on the topic of Shakespeare quotes, maybe the one not to use today is from *Othello*, that poor and content is rich and rich enough.

In terms of the overspends, this is one of the years where I can fully understand it, with the way energy costs have gone, as the Minister for Home Affairs mentioned, and also in relation to general inflation and particularly pay awards. It is no surprise, I think, that it is the big Departments with the big payroll budgets that are the ones here seeking supplementary votes.

1710

So I think that again alludes to my comments I made yesterday to the Treasury Minister, which he very carefully sidestepped, so I will have another go now, because it gives me a second bite of the cherry, to actually ask him what is going to be different this year? What makes him think what we agreed yesterday here in this Hon. Court is going to be adequate? Or are we going to repeat the same cycle over and over again, where the high payroll Departments are going to remain under severe pressure, with unrealistic payroll targets, and actually are then going to end up coming back in 12 months' time having the same debate?

1715

Obviously it does rather catch in some people's throats outside this Hon. Court around the amounts of money involved, but I think what we need to get better at in Government as well is explaining when things like this happen why they have actually happened.

1720

And I was grateful that the four Ministers actually gave statements this morning, (**A Member:** Hear, hear.) because one of the things that I was going to ask the Treasury Minister – and I know Mr Hooper has alluded to it in his remarks – about intervening and standing up and giving more explanation. But the process that used to be followed in this Hon. Court, Mr President, was each of the items would be moved separately and the Minister would explain the individual reason for the overspend. That would mean that the Minister then was replying to the debate on those items as well. Now it is for the Treasury Minister to reply.

1725

This seems to be something that has crept in since COVID, and personally I think it would be better if when these sorts of issues emerge, if it is multiple Departments, that it is the Minister responsible for the Department who moves, just as it was pre-COVID, and I myself did when I was in Mr Hooper's shoes many times. I came to this Hon. Court (**A Member:** Hear, hear.) and had to move the motion in relation to DHSC and then answer and sum up at the end. (**Mr Callister:** Hear, hear.)

1730

Mr Hooper also actually put across, probably more eloquently than I did yesterday, one of the points I was making in his remarks before, when he actually referred to arbitrary targets in budgeting and some of it being unrealistic.

1735

So again, I ask the Treasury Minister, is he absolutely confident and willing to put on record today that the targets we approved yesterday are not arbitrary, they are not unrealistic and that the conversations have been had with the Departments and they can manage within it – unless, of course, there is a massive shock. Because I do worry that we are just going to be repeating the same cycle again and in exactly the same place in 12 months' time, with further overspends coming forward, because they cannot cope because of the high percentage of payroll costs.

1740

Thank you, Mr President.

The President: I call on the Hon. Member, Mr Thomas.

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Mr Thomas: Thank you, Mr President.

I do think it would be helpful to have Ministers moving each of these items in future and I do think it would be helpful to have a detailed explanatory memo in respect of each of these items. But I do agree that the Ministers have put on record, at least in *Hansard*, some explanations and the Treasury Minister has now got the difficult job of summarising everything in this very difficult motion.

I will come to a Shakespeare quote in a moment, but the point I wanted to make was in terms of –

Mr Hooper: What have I done!

Mr Thomas: – Infrastructure, because I know something of that and I just wanted to make a point. So to me, when I was in the Infrastructure Department, it seems to me we knew in February and March about the outsourced security contract. We already knew that. We should have had it in the Budget, but we were not allowed to have it in the Budget.

So to me, a rose by any other name is still as sweet. And what that means is, whatever you call it, it does not really matter; it is just words. And my vote today, in full support of this Item before us, is actually a vote *against* last year's Budget, if you think it through. Because I knew full well that we could not afford that. We had to make up reasons that the number of planes and passengers on those planes was going to go up to even keep security in place during the first three months after the change of the year, April, May, June, July, and keep the outsourced supplier, going along, keep the workers going to work, because they were earning practically the minimum wage for a high-risk, high-security job.

So basically, we knew we were not covering those costs in our budget and so how is that good budgeting? It is on the margins of even not being compliant with the Treasury Act, I suggest. Somebody like the Public Accounts Committee needs to be looking at this.

The second point is that let's think through, from an Infrastructure point of view, what we just heard about electricity costs, for instance, which are a major part of the Infrastructure costs. So, is that an overspend by the DoI or is that a transfer of public funds from the sponsoring Department, the DoI of the MUA, to the Manx Utilities Authority? Decisions were made about electricity pricing which had an impact on the sponsoring Department, of the Department of Infrastructure, which we knew about, because we are the same people who are setting the policy inside the Council of Ministers for how we are going to charge for electricity at the same time as when it is going to affect the Budget that is being put together.

So it has got very confused with the way that we do it. Basically, the Manx Utilities Authority needs to take into account demand policy and costs when it sets its prices and the decisions in terms of public resources have become political in that sense. Everybody who is citing an increase because of electricity costs is basically saying we decided to transfer money to the Manx Utilities Authority from a departmental budget. That is it in a nutshell. So a rose by any other name still smells as sweet, and basically a vote today for this is basically a vote against the Budget last year.

In terms of some more very specific things, I do think we have got some serious issues in Infrastructure at the Airport, which were alluded to today in that excellent speech from the Infrastructure Minister. We still have, apparently, air traffic control problems. Connectivity is vital for us; we need to fix those.

We still have issues to do with buses, and it seems to me a very sensible move to get rid of minibuses and that sort of thing for Education and Health as soon as possible. Because it is wrong that the Department of Infrastructure covers up funding failures in Manx Care and in the Department of Education through taking the public flack for having subsidies for providing services for other people. The Department of Infrastructure does not get any rent for vaccine centres from Manx Care, as far as I know. There are all sorts of cross-subsidies that are going on that the public does not know about, which need to be sorted out transparently and openly.

And finally, I do think it would be very helpful for the public, and in fact for all of us in here, for the Treasury Minister to make a very clear statement about the role of the Financial Advisory

Service in all of this, especially when Mr Speaker is going to encourage us to ask questions about was it the Department who said no or was it Treasury who said no to certain things.

We basically need to start to understand the role of the Financial Advisory Service, because we have embedded Treasury people inside every Department who give advice to the Departments on capital projects, on revenue bids, on expenditure. Their duty is to give advice. They provide advisory services for the Department, according to the Treasury webpage describing their role.

So it has all become very confusing; who is making these decisions? Is it the embedded Treasury people in the Departments or is it the Treasury? But, quite rightly, they work very closely together, because they understand fully what the priorities are politically that are being set down for them.

So I do think we need to all understand a bit better about exactly how these processes are working and the public needs to understand, so that we can make prioritised public policy, backed up by public financing, better and we challenge the real problems, of which I believe healthcare, but also connectivity, are right up there at the top.

Thank you, Mr President.

The President: I call on the Hon. Member, Mrs Kinnish.

Mrs Kinnish: Thank you very much, Mr President.

Thank you to Mr Thomas, because he has actually touched on one of the issues that I wanted to touch on. It is almost a year since I was elected. I do not know where that time has gone, I am probably still considered quite green by many, but I have been in the Department of Infrastructure for nearly a year now. I am on my third Minister, I hope that was not personal, *(Laughter)* but I would just like to reflect on one of my observations during the time in the Department and really that is around the issue of accountability.

By way of example, and Mr Thomas did touch on it, the Department has responsibility for energy costs across most of the Government estate, save for, as I understand it, two Departments and some Statutory Boards. You could call me uncultured today, I have got no Shakespearean quotes, but a simple analogy. If I was to come home from work to a dark house – never happens. But if I did and I thought my neighbour was paying for my lighting and heating, inevitably I would have every light on, every device plugged in and the heating set to a ridiculous level. I have no accountability for those costs, and this is no different.

There are costs for which the DoI are responsible for, over which they cannot exercise control and they are not accountable for. Internally, during meetings, I often hear the word wooden dollars being used to refer to Government ultimately being one pot of money, but taking that approach does not control expenses through accountability of those who are spending from that pot.

So I believe Departments must be responsible and accountable for those costs where these services, not just energy, but where there are departmental policies outside of the responsibility of the DoI and not part of clear shared services agreements, there has to be clear lines of accountability and responsibility for these costs so the public know what these services are costing per Department.

I believe the issue of cross-charging needs addressing so that we can realise a truer picture, so that the consequences do not impact financially on other key areas of service delivery for the DoI.

Thank you, Mr President.

Three Members: Hear, hear.

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

Dr Allinson: Thank you very much, Mr President.

1850 I would like to start off just by thanking all four Ministers for their statements and explanations of the budgetary overspends that are now resulting in the Supplementary Vote. And I think the core similarities there really shined out in terms of increasing demand for frontline services, increasing wages for key frontline staff and increasing energy costs, which have obviously been faced by our community, but also specifically by these four Departments, because by their very
1855 nature they are at the frontline of Government providing for the Isle of Man, and also employ a lot of key staff, often who go above and beyond just what is in their pay packet.

I would like to thank Mr Speaker for addressing some of the structural issues which have led to the need for supplementary votes and actually do commit to the publication of quarterly management accounts, which will show whether there are any specific departmental overspends.
1860 Sometimes, obviously, these are due to timing issues, rather than just what would be seen as basic budgetary overspends.

But certainly those should include possible mitigations and a little bit of commentary around them. Because often what we see is towards the end of the year various Departments are overspending, but then as their revenue and capital expenditure equalises, they are brought back
1865 into a normal rhythm and a better year-end financial outturn.

Again, Mr Glover made some comments, and key to the Budget which was passed by this Hon. Court yesterday was a long-term financial plan for the NHS, which actually gives them and Manx Care the ability to plan ahead in terms of service division and try to get round some of the issues that Mr Hooper talked about, which is year-on overspends. What we have done in the
1870 budget is rebased *all* the departmental budgets and all four budgets that we have gone through today and then looked, for the future, for some ability both for them to deal with the increased costs, but also expand their services.

I thank Mr Moorhouse for his comments. Basically, if Tynwald does not agree this motion today, we have got another month and a bit to go until year end. It would mean stopping services
1875 to save money. These are Departments that provide services to people. And we can stop them. We can actually close the doors of Noble's Hospital. That is not a threat. That is the essence of how you control public spending at a point where because of the stresses that these Ministers have discussed we are now in a situation where they need the extra money to complete the year end.

Mr Ashford again asked what is different in this year's Budget? What we have done is work with all the Departments to rebase the basic budgets that they need to provide services. Almost going to a zero-based budget, what do you actually need to function? And then have an inflation contingency for that and look forward to actually then working within that budget in a realistic way and in an honest way to actually continue to provide those services.
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He also asked the question are payroll targets unrealistic. It is very hard, as he will well know, to estimate payroll costs when you are dealing with a lot of workers whose pay is benchmarked with indicators not on our Island, but across, where you have got pay negotiations being dealt with in the adjacent isle rather than here.
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So we have that ability to give a budgetary contingency for increased costs, but we do need work. If we are going to stick to the Budget, which is intrinsic to the medium-term financial plan that was discussed by this Hon. Court yesterday, we do need work that if Departments are having to overspend, because of increased costs in terms of staffing, they really re-evaluate those costs, rather than just paying more and more and more for the same. We have to get that fiscal scrutiny and accountability going forward.
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He also commented on bringing these motions together rather than separately. That was very much a Treasury offer, because all four Departments have got an overspend for very similar issues that were faced by this whole nation, both in terms of the private sector, public sector and individual households over the last 18 months. But certainly going into the future, *should* Departments overspend, then obviously we would expect them to come forward individually.
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I would like to thank Mr Thomas for his comments, but I am quite concerned that he suggests as Minister he seemed to make things up to satisfy his budget. That concerns me and I hope that
1900

is not commonplace, certainly in his Department or any other Departments, otherwise it makes Treasury's role extremely difficult, to try to be honest, both with this Hon. Court and with the people of this Island.

1905 He also made some comments about Manx Utilities and I would like to stress that they *do* take into account demand and the impact of any changes to their pricing, either for electricity, water and sewage. And the Hon. Member who is currently Chair of Manx Utilities and who later on in this Order Paper is actually bringing through their Annual Report, I think would testify to that. They have been extremely keen in terms of balancing the effect of any increasing charges or
1910 decreasing charges they have on the overall economy of the entire Island, not just one particular Department.

He also made some comments about the Financial Advisory Service. By its very title, it is advisory to Departments, but what it is trying to do is instil that fiscal discipline, that scrutiny, that common purpose right across Departments and right across Government to make sure that we
1915 provide services in the right way, both in terms of service provision, but also the amount of money they charge and the amount of money that they cost.

Certainly Treasury are doing work with the members of the Financial Advisory Service to bring them together more, share best practice, share that common experience of working for one Government to actually provide public services.

1920 I would like to thank Mrs Kinnish for her comments and her reflections on her time in DoI. I think she is quite right. In previous administrations, there was a great rush to centralisation of services to get round cross-charging. I think we still need to analyse this and find the best way of working.

I do not think it is a binary answer. I think in some cases centralisation of services brings
1925 forward better value for money and brings forward far better delivery of services. In other ways, sometimes with specialisation, particularly in Departments such as Health and Social Care, you need that ability to have a more bespoke way of dealing with these things. But certainly it is something that we should investigate further.

I would like to briefly touch on one of the comments made by Minister Poole-Wilson about
1930 major incidents and the way they affect funding and the budget of the Department of Home Affairs. Often we do not look behind the headlines, but some of the things that happen on our Island have devastating impacts on the emergency services, take extreme care and resources to be investigated, and also pick up the pieces and support those left behind. And I would just like to thank the members of her Department for some of the outstanding work they have done over the
1935 last year with some of these.

She also comments about energy costs and made the really useful point about the use of renewables, about energy efficiency, and how these actually tie in to the just transition in terms of our climate change targets, as well as merely dealing with what is on a balance sheet.

What I would say to all Hon. Members is, and one of the reasons to bring this together as a
1940 motion today, was to reflect the pressures on these four Departments, but in terms of Government as a whole. We are looking at this financial year as yesterday we voted for the Budget for the next financial year. There are significant pressures, there are significant challenges. But if we can get these cost control and efficiency measures right across Government, as these four Departments have already described, then I think the Budget that we agreed to yesterday is not
1945 only reasonable, but is also achievable.

With that, Mr President, I beg to move.

The President: Now, Hon. Members, we come to vote on this Item, Item 5, Supplementary
Vote, as laid out on the Order Paper. All those in favour, please say aye; those against, please say
1950 no. The ayes have it. The ayes have it.

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

In the Keys – Ayes 23, Noes 0

FOR

Dr Allinson
Mr Ashford
Mrs Barber
Mrs Caine
Mr Callister
Mr Cannan
Mrs Christian
Mr Crookall
Ms Edge
Ms Faragher
Mr Glover
Dr Haywood
Mr Hooper
Mr Johnston
Ms Lord-Brennan
Mrs Maltby
Mr Moorhouse
Mr Peters
Mrs Poole-Wilson
Mr Smith
The Speaker
Mr Thomas
Mr Wannenburg

AGAINST

None

The Speaker: Eaghtyrane, in the Keys, 23 votes for, none against.

In the Council – Ayes 8, Noes 0

FOR

Miss August-Hanson
Mr Craine
Mr Greenhill
Mr Henderson
Mrs Kelsey
Mrs Kinnish
Mr Mercer
Mrs Sharpe

AGAINST

None

The President: Legislative Council: 8 for, none against. Therefore, Item 5 carried.

I was just noting the Shakespeare comments and I thought I might share one with you: brevity is the soul of wit. *(Laughter)*

1955

Several Members: Hear, hear.

**6. Capital Financing –
DHSC; DoI; MNH –
Motion carried**

The Minister for the Treasury to move:

That Tynwald authorises the Treasury to expend:

(1) From the Capital Financing Reserve in respect of the year ended 31st March 2023:

£2,859,355 additional Capital Budget in respect of excess expenditure incurred by the Department of Health and Social Care and the Department of Infrastructure during the 2022-2023 financial year.

(2) From the Capital Transactions Account in respect of the year ended 31st March 2023:

£159,069 additional Capital Budget in respect of excess expenditure incurred by Manx National Heritage during the 2022-23 financial year.

The President: With that, Hon. Members, we move on to Item 6, Capital Financing. I call on the Treasury Minister to move.

1960 **The Minister for the Treasury (Dr Allinson):** Thank you very much, Mr President – and I will not take that personally. *(Laughter)*

This motion is relating to capital schemes which are included in the 2022-23 Audited Accounts that are being laid before this Hon. Court today. Three capital schemes require additional Budget votes to resolve accounting issues that were identified as part of the 2022-23 year-end process.

1965 The first scheme is the Strategic Development Fund, which sits under the Department of Health and Social Care. This scheme requires additional budget of £499,115 due to the timing of accounting forecasts for the 2021-22 year end that we used in the 2022-23 Budget process and predicted a lower outturn that was actually spent. This resulted in no budget being requested for the 2022-23 financial year, when it was in fact required.

1970 The second scheme is the House Purchase Assistance Scheme, and this sits under the Department of Infrastructure, providing assistance to first-time buyers for the purchase of public and privately developed properties. Additional budget amounting to £2,360,240 is required due to receipts from loan repayments being incorrectly offset against the expenditure incurred. This was identified and corrected during the year-end process and a revised process is being
1975 established to prevent this problem from reoccurring in future years.

The final scheme is under the Consolidated Loans Fund and is for the Manx National Heritage minor capital works, which provides funding for smaller capital works, such as the gallery display. An additional budget vote of £159,069 is required to correct their cumulative spend, due to the carry forward approval that was requested in the 2022-23 Budget being higher than the amount
1980 of Tynwald approval that was available to spend.

Hon. Members, Treasury are working to establish improvements to the forecasting techniques used and additional controls have been introduced in the year to assist this. There is an explanatory memorandum for Tynwald Members which was obviously published on the Order Paper, which details the various specific issues around these three schemes.

1985 And with that, Mr President, I beg to move.

The President: I call on the Hon. Member, Mr Smith.

Mr Smith: Thank you, Mr President.

1990 I beg to second.

The President: I call on the Hon. Member, Mr Thomas.

1995 **Mr Thomas:** Just a question for further explanation about the Housing Reserve Fund and about the first and second time, the purchase schemes, the shared equity. Is my understanding correct, then, that the Housing Reserve Fund is now dedicated to social housing more, effectively, and the budget will be the source of funds for the shared equity scheme?

2000 Obviously for many years the shared equity scheme has been funded by repayments from the shared equity scheme in the future, it has been, in that sense. So there is something very complicated here that I think basically should be explained in very simple terms to Hon. Members and to the wider public about the changing basis of financing.

2005 I know that the Infrastructure Department, particularly the Financial Advisory Service, the financial officers and the Infrastructure Department, have been working on housing finance for about 18 months, and I think now is about the time for local authorities who are also housing authorities, Tynwald Members, the wider public to understand exactly what is going on in terms of the financing of all parts of housing.

The President: I call on the Minister to reply.

2010 **The Minister:** Thank you very much, Mr President.

I thank the Hon. Member for his comments. In essence, he is right, in a way. The housing deficiency scheme, which is set up really to support local authorities, has become inadvertently intertwined with some of the other schemes in terms of housing, particularly the first-time buyer scheme.

2015 The first-time buyer scheme has been remarkably successful over the last year or so, in terms of helping people get on the housing ladder, despite massive increases in costs of certain housing provision on the Isle of Man.

2020 And certainly what we have tried to do with the Department is tease these away so there is a much clearer representation of what is put into the first-time buyer scheme, what is put into the various schemes that the DoI provide, with also that financial support that is provided to local authorities, to make sure that there is that level of accountability. But also understanding of the costs of providing housing in the Isle of Man, which I think is really important if we are to expand the provision of housing through various means, whether that be shared equity, whether that be purchase, whether that be rental or social housing on the Isle of Man in the future.

2025 Thank you very much, Mr President.

The President: Hon. Members, we come to vote on this Item, Item 6, Capital Financing, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 6 carried.

7. Manx Utilities Annual Plan – Plan received

The Chair of the Manx Utilities Authority to move:

That Tynwald receives the Manx Utilities Annual Plan [[GD 2024/0013](#)] as at December 2023.

2030 **The President:** Now, as we come to Item 7, this has not completed the four weeks on the Register of Business. Is the Court content for this to be taken at this sitting? (**Members:** Agreed.) I call on the Chair of Manx Utilities to move Item 7.

The Chair of the Manx Utilities Authority (Mr Wannenburg): Thank you, Mr President.

2035 I am pleased to rise to present Manx Utilities' second Annual Plan to Tynwald for consideration.
As Members are no doubt aware, I was appointed in November 2023, succeeding Mr Crookall
MHK as Chair. I appreciate Members will undoubtedly have questions they wish to raise as part
of this motion today. However, I would like to share my observations and experience in post for
this short time.

2040 **Mr Thomas:** More good news. *(Laughter)*

The Chair: I will get to that.

2045 Everyone on this Island is unquestionably aware of the essential services provided by Manx
Utilities 24 hours a day to keep our Island alive and moving. Recently, I had the opportunity of
witnessing first hand how these utilities are delivered to customers and meeting some of the 400
individuals who dedicate their lives, their working lives, to making this happen.

2050 Ensuring our lights are on, our water continues to flow and our wastewater is processed
appropriately is very much the tip of the iceberg and something we all probably take for granted
as we go about our daily lives.

Our water quality is of the highest standard. Blackouts of power are something we tell our
children and grandchildren, and my friends in South Africa, all about, and wastewater is efficiently
and safely disposed of. In Peel and Garff, plans are made to address this, as the Court is aware.
With miles and miles of infrastructure to maintain, none of these things happen by accident.
2055 Perhaps this is best represented in an ancient Chinese proverb: those who drink the water must
remember those who dug the well. I am not much good at Shakespeare.

So I would like to place on record my appreciation to the Manx Utilities team for all, in what
they do each and every day and for the challenges that both today and in the future to ensure our
sustainability of our Island.

2060 Given the detail being put forward to this Court today, which not only includes the Island Plan
update, but also the Annual Report and financial statements for the last financial year, I do not
wish to go into great detail. However, I should rightly shine a light on several areas.

2065 Cost of living and energy crisis is at the top of the list. Manx Utilities recorded a deficit of
£42 million this last financial year, caused by the challenges of the energy crisis. Let's be clear: if
there was no energy crisis, we would not have incurred that debt. However, it should be noted
that only after depleting our reserves was the difficult decision made to implement above-
inflation tariff increases after a prolonged period of providing electricity to customers below the
true cost.

2070 Looking forward, I am pleased to say we have recently been able to decrease electricity tariffs
and that is good news. (**A Member:** Hear, hear.) Please note that the figures within the Report in
front of you were prepared prior to this decision. Energy costs for next year, along with our
income, are both now expected to be £10 million lower than presented.

2075 We will continue to monitor wholesale energy prices and we will once again be working with
industry specialists to assess all tariffs independently to ensure Manx Utilities is providing the best
value for its customers, despite current challenges. Operationally, we continue to move forward
with regional sewerage treatment plans in two remaining catchment areas of Peel and Garff. I am
pleased to note that Peel has progressed to planning, with work ongoing in Garff. It is long past
time that we delivered plans to provide clean seas for our coastline.

2080 Our enduring commitment to replace over 12 km of water mains a year is being delivered. We
are also committed to reducing leaks on the network to protect water supplies. Our leakage team
continue to significantly improve detection and leakage rates, with levels reduced to the lowest
in over 20 years, particularly on customer properties where the majority of defects are commonly
found.

2085 In line with the resolve of Tynwald and in compliance with the Climate Change Act, there is
also the significant task of delivering 20 MW of onshore renewables to support our Island's energy
transition away from fossil fuels. Onshore wind remains a priority for delivery within

Government's Island Plan, and with a fair wind, we expect to complete the environmental impact assessment at Earystane in the south of the Island. This will assist with the delivery of a complex project which, if commissioned, should reduce the amount of natural gas burned on our Island with the consequential reduction in emissions and that is also good news.

In addition to onshore wind, feasibility work for a potential second electricity subsea interconnector to Great Britain continues. Delivery of solar is also to be undertaken alongside a further generation source that is not reliant on weather conditions. All these future generation options are designed to come together to ensure our Island continues to receive the security of supply we have all become accustomed to over the last 20 years. It is a challenging target, but through due process we are on course for delivery.

Thank you, Hon. Members, for your consideration of our Island Plan update and I beg to move the motion in my name.

The President: I call on the Hon. Member, Mr Greenhill.

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

The President: I call on the Hon. Member, Mr Mercer.

Mr Mercer: Thank you, Mr President.

I just have a couple of questions for the Chair. An earlier Plan had information on improvements to customer feedback and with this update this appears to have been quietly dropped. Can the Chair provide any update on this? Is it not important to understand customer feedback in order to improve the service?

Also in this Plan, solar on public buildings now appears to be scheduled for 2026. So the question really is why is this target ...? It seems to have slid from the promised 2024 that appears in the transition timeline, which the Hon. Member held up for us earlier in this sitting. Does the Chair have some good news for us or are we going to be disappointed with continued slow progress on renewables?

Thank you, Mr President.

The President: I call on the Hon. Member, Mr Callister.

Mr Callister: Thank you, Mr President.

I also just have a question for the Chairman, if possible. I do thank him for his report. Just in respect of the second undersea cable which he mentioned, he said going into the UK, but he did not say exactly. Is it still the intention of the authority to put it into England, which I believe is the cheapest option, but may not be the best option for the Island going forward, when there are other options in the Republic of Ireland and Scotland, which may give us access directly into green initiatives straightaway, which would lower the Island's carbon-neutral footprint? But it also gives us options in the future. Should we fall out with the English, we will still have our friends in Scotland or in the Republic of Ireland.

Would the Chief Minister ... Would the Minister – the Chairman, sorry, just clarify the position in respect of that second cable.

He might become Chief Minister, you never know! *(Laughter)*

The Speaker: And would that be good news? *(Laughter)*

The President: I call on the Hon. Member, Mrs Caine.

Mrs Caine: Thank you, Mr President.

2140 I also just have a question for the Hon. Chair. The Report states the timeline for delivery of Garff sewage treatment works to stop the flow of raw sewage going onto Laxey Beach is two years' time, the first quarter of 2026. So can I ask the Chair, are they confident with that timeline, also that Peel's will be, I think, the end of 2025? And we await a more detailed update on the website for the progression of the scheme. Can he confirm that it is the integral rotating biological contactors (IRBC) treatment works at Axnfell that is the scheme that the Authority will be progressing.

2145 Thank you, Mr President.

The President: I call on the Hon. Member, Mr Henderson.

2150 **Mr Henderson:** Gura mie eu, Eaghtyrane.

I rise to support the strategy, obviously, Eaghtyrane, and I have got no problem with it in outline. But some queries to the Chair, Caairliagh, in relation to that and the future strategy going forward.

2155 First question: why does the water in the Bray Hill area of Douglas taste so horrible at times; over-chlorinated?

Mrs Maltby: You're not washing your cups!

2160 **Mr Henderson:** You mentioned the outstanding water quality that we have, and normally that is true sometimes. Sometimes though, Hon. Member, it is not true and due to over-chlorination, or over-something, and it forces people to actually buy big tubs of bottled water instead of using the tap water. That is an interesting phenomenon that needs to be investigated.

2165 When we push on to look at green energy power and so on, fully supportive of that, but I would ask the Chair to relook at river-powered turbines as an adjunct to the main wind turbine, so that it would complement the system and help to achieve that target. I have put this to the MUA before and there has been some slight interest. But considering the amount of water power the Isle of Man used to run off at one point, it is quite a conceivable idea and if there is a will, there is a way, as the old adage.

2170 And the other point I wanted to put to the Caairliagh, Eaghtyrane, I did put a large document his organisation's way a couple of years ago with regard to water conservation and so on, in special reference to water evaporation from our reservoirs. Where have we got to, is the question, with regard to reducing water evaporation and thereby preserving our water stocks through the now accelerating long, dry periods of the summer?

2175 I put that to the Authority some time ago, but nothing ever came of it for some reason and the figures show that we are looking at maybe 10% if not more at times lost through water evaporation. Something to consider in further amendments to the strategy.

Gura mie eu, Eaghtyrane.

2180 **The President:** I call on the Hon. Member, Mr Thomas.

Mr Thomas: Thank you very much, Mr President.

2185 Very briefly, it must be frustrating for some people sometimes at the MUA to have to produce this Island Plan update and the Annual Report and financial statements. And I find myself the Annual Report and financial statements an incredibly helpful document, has been for years. Would it perhaps not be better to incorporate a one-page summary inside the Annual Report and things and actually put that down to debate, especially as we are only receiving this Report today? We are not actually approving anything with it.

I remember the Post Office made that strategic decision at one point, just to reduce bureaucratic, central Government-imposed, Tynwald disinterested. We had two documents at

2190 one point, and what was the point, we decided. So we ended up with just one document and it might be helpful for Statutory Boards to think through this and do something differently.

2195 Secondly, in terms of the very important smart meter project that is going on at the moment, does the Chair agree with me that there is a possibility that the public, even Tynwald Members, are beginning to understand the telecommunications requirements around that smart meter project? So for instance, there is lots of talk about the supplier and the equipment and what telecoms communications it needs. Does the Chair agree with me it might be a good time now to reassure people about the, I think Trilliant involvement and the communications network? These rumours gain legs and I think at the moment there are some misunderstandings about what is going on with smart meters.

2200 Thirdly, there is a very low amount of therms of gas supplied to what is called 'Manx Gas' in this Report. I think it is actually Isle of Man Energy, so that would be a small change in this Report, but it is only 30 million therms (*Interjection*) consumed here and only five million to Manx Gas. I am thinking that is very different from what it started out as.

2205 Conceivably there should be a note to say that domestic people use gas in the winter and the figures that are presented are in the summer. They are from April through until December, which might be a biased way of looking at it. So I think perhaps the Manx Utilities Authority should start communicating to gas customers about the future of domestic gas.

2210 For instance, is there going to be a moment, and if so when is that moment, when Manx Utilities will start telling Isle of Man Energy and gas customers beyond those that gas supply is not guaranteed through the pipeline? The pipeline is paid off in terms of construction costs and at some point we are going to have to bite the bullet and be frank about how many years gas is going to be coming through that pipeline for domestic customers and when is that moment going to be? I think the challenge for next year would be to identify that moment, if it really is ever going to happen, before 2048 or whenever it is.

2215 And then the final point is that I think we might have a misunderstanding developing about what is in the MUA Bond Repayment Fund, because there is a statement in here of £25 million having been taken out. There is nothing in the Pink Book, as far as I can see, in the period of the repayment book. I think I heard £20 million mentioned one time, I heard £15 million mentioned another time.

2220 So perhaps it would be very good if you could circulate to Tynwald Members exactly how much is in Treasury's MUA Bond Repayment Fund? There could be confusing statements about the amount in various documents that are all being issued around the same time.

2225 **The President:** I call on the Hon. Member, Dr Haywood.

Mr Thomas: Still good news, though. (*Laughter*)

2230 **Dr Haywood:** Thank you, Mr President; and I thank the Chair for bringing this Report today. In fact, I have stood up to speak just to see the fear in his eyes, (*Laughter*) but I am going to give you some good news, Mr Wannenburgh.

2235 I would just like to compliment the people in your offices that dealt with some queries of constituents of mine around smart meters and the installation. As the Hon. Member has observed, there is a lot of misinformation going around there and they were very swift to respond, absolutely helpful in getting me the information that I needed, and allowing me to go back and see my constituents and to discuss the issues with them. So I would really like to say well done to the team who are running that project, because I feel they are really doing a sterling job against some really harsh headwinds.

2240 I wonder if you could perhaps just elaborate a little bit on measures that are being taken to improve water supply resilience, particularly in the light of the climate change stuff? We know that rainfall patterns are changing. We have already heard from Mr Henderson about his concerns about evaporation from reservoirs, but actually there are changing rainfall patterns, and that will

mean that we have to change how our storage works and I wonder if you could just elaborate about what future work is going on there.

Thank you.

2245

The President: I call on the Hon. Member, Mr Moorhouse.

Mr Moorhouse: Thank you, Mr President; and thank you, Chair.

2250 Twenty-twenty-six has been previously mentioned as the target date for onshore renewables, but in the foreword, reference is made to the Island Climate Change Plan 2022-2027. Has the 2026 target shifted to 2027?

Back to smart meters, is that still a good news story? We got an impression it is slightly mixed.

2255 And finally, with regard to the interconnector, the Chair did make reference to it in his speech, the Report says that the full feasibility report's business case is going to be available in March 2024, which is arriving next week. Has the Chair actually received a draft copy of that?

Thank you, Mr President.

The President: I call on the Chief Minister.

2260 **The Chief Minister:** Yes, it is just a small point. In closing remarks, would the Chair reflect with me that indeed the new Island Plan does see an updated reporting schedule for the Manx Utilities Authority which incorporates one report rather than two, just to reflect on the comments from Mr Thomas?

2265 **The President:** I call on the mover to reply.

The Chair: Thank you, Mr President. And at last, I can think of some Shakespeare: infamy, infamy, they've all got it in for me. *(Laughter)*

2270 Right, where to start. Mr Mercer, what I would say is the MUA values customers very highly. That is why we exist. We are here to serve all of our customers. If we are going to go forward with doing full engagement, there is a cost implication to that and ultimately that will have to be passed on to customers. So as long as what we do every day and engage the customers, we feel that that is appropriate, without incurring, and I am told the cost is over £100,000. I do not think that is good value for money.

2275 The solar panels you mentioned, we are hoping to, we have plans to roll out the solar panels onto the roofs of the NSC and the Hospital this year, 2024, going forward. That will give us about 1 MW to 2 MW, and we have plans for further as well. But at the moment we are focusing on that.

2280 Mr Callister, the plans are to go into the north west of England. We do not have any Scottish plans, Irish plans or any plans anywhere else: north west of England. And a significant amount of work has taken us to where we are at the moment. To start again to go to Ireland, for instance, we are talking even further years delay.

Mrs Caine, Axnfell is the confirmed site and we are getting on with that as quickly as we can. And I would encourage you to look at the transition page for any further updates.

2285 Mr Henderson, first I have heard of Bray Hill water. I would hope that you have reported that in the past.

When it comes to water evaporation, I understand it is a small amount of water for a lot of power. So at the moment, that is not on our horizon. We are focusing on the wind and we are focusing on the solar at the moment. Further work will be done, but I am not sure the technology is for us or the costs are correct for us to pursue that at the moment.

2290 Mr Thomas, it is good to have reports, it is nice to know that someone reads them.

The smart meter is probably, I would say, the most misunderstood part of the MUA, as far as I can see. It really is. And not facetious being here, it really is a good news story, smart meters. It enables the customer to have far better information going forward. And it is very dependent on

radio frequencies, but that is the future, that is technology. And as long as we embrace that drive forward, it will absolutely enhance customer expectations and experiences.

Gas pipeline: as you know, it has been recently paid off. That is good work. I am not sure that in the three months that I have been at the MUA we have had a discussion as to how we are going to speak to Isle of Man Energy. I have a very good working relationship with them of course and I look forward to speaking to them on that topic. And yes, we will circulate the bond repayment funds that you have asked for.

Dr Haywood, thank you. I was not sure if it was fear or love you were talking about, when you look in my eyes.

Smart meters: thank you.

Water supply resilience: I do not know enough to tell you at the moment, so I will find out.

Mr Moorhouse, thank you.

Dr Cannan – Mr Cannan! *(Laughter)*

The Chief Minister: We've all been promoted!

The Chair: Chief. Yes, I agree with you as well.

Thank you very much and I would hope to have all your support.

The President: Hon. Members, we come to vote on this Item, Item 7, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it.

We will now take a lunch break and the Court will resume at 1.30.

*The Court adjourned at 12.33 p.m.
and resumed its sitting at 1.30 p.m.*

**8. Standing Committee of Tynwald on Public Accounts –
First Report for the Session 2023-2024: Isle of Man Ferry Terminal Project –
Report received and recommendations approved as amended**

The Chair of the Standing Committee of Tynwald on Public Accounts, Mr Speaker, to move:

That the Standing Committee of Tynwald on Public Accounts First Report for the Session 2023-2024: Isle of Man Ferry Terminal Project [\[PP 2023/0123\]](#) be received and the following recommendations be approved:

Recommendation 1

We recommend that the Government Strategic Asset Register records key time-bound risks including contract terms, lease expiry dates, significant maintenance timing and replacement requirements in order to allow sufficient time for necessary feasibility studies to be undertaken in advance of major works.

Recommendation 2

Tynwald is of the opinion that future contract negotiations for complex and specialised infrastructure projects should include specialist advisors to assist in project risk assessment, risk mitigation and negotiations with third parties.

Recommendation 3

Tender process scoring methodologies should not be based on a starting assumption of a minimum 50% cost weighting; instead, they must ensure that they truly reflect the overall package of priorities for each project; the design must be tested at an early stage, with a range of sample results, to ensure the relative weightings are reflective of the actual commercial values and balance of desired quality outcomes.

Recommendation 4

There will be a twice-yearly written briefing for Tynwald Members, coordinated by the Council of Ministers, on any programmes or projects projected to cost in excess of £10 million.

Recommendation 5

Capital projects should include a contingency amount within budgetary estimates from the outset; the calculation of this should be based on a tried-and-tested framework, comparative to complexity, risk and cost.

Recommendation 6

An assessment of the skills available to the Government, in the Department of Infrastructure and other contracting Departments, to identify where expert advisors would be of benefit throughout the lifecycle of a project, should be part of the work undertaken before any project with a high degree of speciality, is brought to Tynwald for approval.

The President: Now, Hon. Members, we resume our Order Paper at Item 8 and I call on the Chair of the Public Accounts Committee to move.

2320 **The Chair of the Standing Committee of Tynwald on Public Accounts (The Speaker):** Gura mie eu, Eaghtyrane.

Two years ago, this Hon. Court directed the Public Accounts Committee to undertake a full and detailed inquiry into the Liverpool Landing Stage project. Even at that stage, the budgetary horse had already bolted, but your Committee have brought forward several proposed improvements to the stable doors.

2325

Your Committee has considered and reported in detail on the project. The story speaks for itself and I do not intend to retell it today. The focus of today's motion and debate is on the lessons that can be learnt, which might then be applied to other large, complex infrastructure projects, in an attempt to reduce the risk of significant overspending. Noting that the Council of Ministers has agreed five of the six recommendations with a technical amendment to the other, I will just briefly explain what they are intended to achieve.

Recommendation 1 is about preparedness. In our opinion, the work to develop a replacement for the existing landing stage in Liverpool began too late. The agreement for the use of this site was due to expire in December 2016, the earliest evidence we found of discussions about the replacement in Liverpool or elsewhere was in a Council of Ministers minute from 18th December 2014. Two years to commission and build a significant piece of marine infrastructure was never going to be long enough.

Our recommendation therefore proposes recording significant asset maintenance and replacement timescales in the Strategic Asset Register, and Government have proposed an amendment to where this information will be recorded, which we are happy to support. Given some of this information and action is captured in Departments, these should be included in departmental risk registers and we hope that Internal Audit will look at compliance in this area.

Recommendation 2 is about recognising that feasibility has a cost and this must be budgeted for and funded. Sometimes it is necessary to pay for specialist advice at the beginning of a project which, depending on the advice, may never see a spade in the ground.

This project appointed both specialist project management and design teams. Yet the failure to appoint a specialist contract negotiator, despite a clear intention to do so initially, and the decision not to undertake the detailed site survey, which despite the risk having been raised resulted in the number of voids not being identified prior to the purchase of the land, are two clear examples of why it is wholly inappropriate to underfund the preparation and planning phase.

We note Government's acceptance of this recommendation and I would just emphasise that the Committee considered that it is crucial to budget for and appoint specialist advisers at an early stage in complex or high-risk projects.

Turning to recommendation 3, we are pleased that this has been accepted. We note the comment in the Government response that testing the tender process evaluation model is done routinely on large and complex projects. It seemed clear to us that this was not the case on this project. We have outlined the reasons for this conclusion in some detail in the report, and significantly, a differential of only 2.1% in the tender price submitted by the two contractors bidding resulted in a 21% difference in the score awarded for this component of the bid.

Recommendation 4 has also been accepted and we are pleased to see that the proposed updates on the capital programme will be quarterly. We note the comment about the redaction of commercially sensitive elements and have no objection to this in principle. The intent of the recommendation is for Members of this Hon. Court to be regularly informed about progress with high-value projects.

Recommendation 5 again is simple and agreed. When a contingency was eventually added to this project in June 2019, it was for less than 5% of the overall budget. The HM Treasury Green Book suggests that a 66% optimism bias contingency should be allowed for in non-standard civil engineering projects. And while even this would not have been sufficient to cover the overspend now projected, it would have provided a far more realistic indication of the risk associated with this complex project.

Recommendation 6 is similar to 2 and is also agreed. The earlier recommendation was focused specifically on the contract negotiation phase and this recommendation is about identifying where specialist advice and support may be needed throughout the lifetime of the project. We have a lot of well-qualified and very competent officers in Isle of Man Government, but because of the range of services we are responsible for, we do not, nor should we expect to, cover all of the specialities required in complex projects.

Where the need for buying-in advice can be identified by a skills gap analysis in the early stage of a project, the budget can be set to meet this need. We of course accept that the unexpected does occur and that all needs cannot be identified at the outset.

2380 Before closing, we would like to thank the many Government officers involved in this project. This has been a time-consuming, detailed and meticulous piece of work. In the Report we highlight some areas where issues could not have been foreseen and others where it is possible that they should have been. But this should not detract from the hard work of those involved.

2385 We would also like to thank the Treasury and Council of Ministers for their consideration, engagement and acceptance of the recommendations and, Eaghtyrane, I beg to move.

The President: I call on the Hon. Member, Mrs Caine.

Mrs Caine: Thank you, Mr President.

2390 I beg to second and reserve my remarks.

The President: I call on the Hon. Member, Dr Allinson.

The Minister for the Treasury (Dr Allinson): Thank you very much, Mr President.

2395 I would like to thank the Public Accounts Committee for their comprehensive Report regarding the Isle of Man Ferry Terminal project. There are a range of issues still being determined as the final construction and site handover reach their conclusion.

2400 I would like to thank the Committee for their sensitivity in conducting their scrutiny of this ongoing project and for their six recommendations, which speak to the Ferry Terminal itself, but more importantly, how major projects, both in terms of cost and significance, are developed, costed and managed during their life cycle.

2405 Recommendation 4 also adds an extra layer of parliamentary scrutiny. The Council of Ministers' response has been placed on the Register of Business and laid before the Court on the Supplementary Order Paper. It welcomes the broad remit of the evidence taken and the work of the Committee.

2410 Whilst accepting the recommendations, there is a proposed amendment to the first, which recommends that the Government's Strategic Assets Register records key time-bound risks, including contact terms, lease expiry dates, significant maintenance timing and replacement requirements in order to allow sufficient time for necessary feasibility studies to be undertaken in advance of major works.

The amendment to be circulated is proposed simply because the Treasury is of the opinion that the fixed asset list is not necessarily the best place to hold the information mentioned. Operationally, some parts need to be held by the Department with responsibility for managing the asset and any associated contracts.

2415 Some of the information mentioned fits in SINA, some in a fixed assets register and some in facilities management software as it is held to deliver different elements of the asset's life cycle. I therefore would like to move this amendment, which I hope is in keeping with the essence of the Report, whilst refining some of the roles and responsibilities for reporting and asset management.

2420 Mr President, I beg to move the amendment to recommendation 1 of the Standing Committee of Tynwald on Public Accounts' First Report for the Session 2023-24:

To delete all the words in recommendation 1 before 'in order to allow sufficient time for necessary feasibility studies to be undertaken in advance of major works' and to add at the end the words:

'property ownership data should be held in the Asset Register; that asset replacement and maintenance information (including financial information) should be held centrally as part of the Strategic Infrastructure Needs Assessment; that contract and lease terms should be held in

an appropriate asset or facilities management system; and that this recommendation is to be reinforced with accountable officers.'

The President: I call on the Hon. Member, Mr Smith.

Mr Smith: Thank you, Mr President.
I beg to second.

2425

The President: I call on the Hon. Member, Mr Thomas.

Mr Thomas: Thank you very much, Mr President.

I congratulate the clerks, the staff and the Members for a hugely comprehensive Report, which
2430 I am sure will be very helpful, as so many of these reports have been.

I also think that the simple fact that Government can agree with these recommendations
shows that they are common sense, they are general. And so therefore I just wanted to try and
add something for the future in terms of reflection on the document we now have, alongside the
two previous tomes about the Isle of Man Ferry Terminal Liverpool project. One of which is the
2435 Department of Infrastructure-prepared document after the December 2021 vote, published in
June 2022, which is a comprehensive summary of the project, and the one back in July 2016, which
is a comprehensive summary of what happened before the project. Both of them are actually
referenced in the document.

I would just like to make a few observations. The first one is that, and I quote Mr Speaker on
2440 this in an earlier debate about the promenade project, basically, at the end of the Public Accounts
Committee recommendations in respect of the promenade project, Mr Speaker said that the
Committee had not revisited Government's policy on the completion of the promenade. It was
not a full review of the capital process. I respect that, that is a very well made point, it is true, and
I should think we should see this document in the same light. It is not reasonable for the
2445 Committee to have done a full review of these processes and these procedures, nor a full review
of the Isle of Man Ferry Terminal project.

I actually wrote to the Committee encouraging them to step back from a full review early on,
a document which is not yet published. But I do hope that the Committee will publish that
document, because that would have interfered with the successful realisation of this project if
2450 they had started asking too many questions of the contractor, the project manager and of the
designer and of the architects and those involved in the procurement process at the wrong time.

The second point is I hope that Mr Speaker will agree with me that there is a sort of irony about
a small group of people doing such a huge amount of complex analysis, investigation and then
analysis without specialist advice, and then to come up with the conclusion that we need more
2455 specialist advisers. Because it has been said to me that every stage, especially at the initial parts
of this project, was actually done on advice, and perhaps that was the problem in itself. Because
if you always get advice, you then have to justify why you have not taken that advice. So therefore
that is something that we need to think about.

I also think there are lots of questions that we need to reflect on in the future about this sort
2460 of project and I will give you four as a starter. The first one is this project was done under an NEC
Engineering and Construction Design Contract Option 3. Other projects are *not* done on that same
basis. So for instance, the King Edward VIII's Pier here in Douglas is much less risky, I hope, and it
is done under an Option A contract rather than Option C contract. So at some point the
promenade was done under an Option C contract, because it was risky, because stuff was coming
2465 up under the ground and so on.

So to me, one question is what is the appropriate contract for these sorts of projects? It is not
necessarily for the Public Accounts Committee to look at this, but I think before the public run
away with the idea that the DoI is crap, and something like that ... Excuse the language. Apologies
for the language. The DoI –

2470 **The President:** Yes, please, are you going to withdraw that remark?

Mr Thomas: I withdraw that remark.

The President: Yes. Please refrain.

2475

Mr Thomas: The Dol is rubbish. In actual fact, we need to look at the actual substance and is the contract the right contract for this sort of work?

2480 The second point is decisions were made that have added hugely to the cost and we need not necessarily have made those decisions. So for instance, we put panels in front of the wimpy Liverpool sandstone rocks. We need not have put panels in. They would have stood up for decades and decades, but we had options and we decided to put those panels in, which were pretty difficult to get in, given the amount of silt in the water. That decision will need to be reviewed at some point. The advice was it is the safest thing to do, to put the panels in, but we own that stuff for 236 years and there are risks to do with who would have challenged us. So we made decisions.
2485 That is the sort of thing that needed to be investigated.

A third one would be to do, and quite an important recommendation is about contingency funding, and a decision was taken to take away contingencies from projects; client contingencies, contract contingencies. So at some point that whole decision needs to be reviewed, why it was made. As far as I remember, it was a Treasury initiative to centralise these things to share risks,
2490 for that whole process.

And finally, it is very penetrating inside the Report to notice that there is a few years when it is not clear who is making the decisions and that is suggested very strongly in the Report itself. To me, that is what is really fascinating about this Report, and I do not think we are offered an answer to who was making the decisions.

2495 Definitely there is a statement that it got better after this formal committee, the terms of reference of which are not yet published, but I hope they will be published, of an officer group and a political group. The political group is complimented for having taken political authority for it. That was my feeling, that there was strong political control after 2020. But what was actually happening between 2016 and 2020? It is all a bit vague, and to me, that is probably one of the
2500 most useful set of lessons that we can learn about who was taking decisions, on what basis, in that in that period.

So who can object with the amended recommendations? The reason why Government can agree with them is because they are the right recommendations. I do not think we can go beyond that to say that some of those points were not actually carried out during the course of this project
2505 and there might be different explanations for the huge increase in expenditure.

The President: Before I ask the Chair to respond to the debate, I just would like to remind Hon. Members to be very careful with your language in this Court. It is important that you are honourable and show respect to your colleagues, the Department and the wider public.
2510 **(Several Members:** Hear, hear.) So please be careful, you are upholding the integrity of this Court. So I now call on the Chair to respond.

The Speaker: Thank you. Gura mie eu, Eaghtyrane.

2515 Can I thank my seconder, Mrs Caine, and Dr Allinson for his welcome amendment to recommendation 1, which, as I already alluded to, the Committee fully supports.

To take Mr Thomas's comments, thank for those. I appreciate the point that he made about specialist advice to the Committees and all Committees have access to specialist advice, should they feel it is needed. I would point out that the review that was undertaken was very much more process driven. So it is not necessarily a criticism or any attempt whatsoever to go behind the
2520 technical aspects of the advice that was received.

I think the concerns are around where advice was identified as being needed, but then not actually being provided. And the two examples were around the ground survey, which had it been done may have led to a very different contract negotiation round the purchase price of the land, once it was known that there were 300 voids under it, as well as knowing that they needed specialist contract negotiation skills that just were not present in Department. That is no criticism. They had identified the need for that and yet that was not funded and was not provided for and I think to the regret of the wider project in those early days.

So I do not believe that the Committee has fallen guilty of opining about areas outside of its expertise. I think the Hon. Member also made reference to the scour protection, and that was very much at the behest of Peel, who retained ownership of the harbour wall, which was something that was not always clear in the early days, how that was going to work out. But once that was retained, then of course they had the absolute right to protect their asset the way that they felt fit and that has come with a bigger price tag than was originally anticipated – 10 times the price tag than was originally foreseen.

I take also the point about contingencies and how those have been centralised within the capital funding budgets these days. The specific nature of this is around highly complex and high-risk projects, as opposed to the more run-of-the-mill things that are done year in, year out by Government, which on the whole go quite well.

So this is not a criticism of the DoI and its officers. This is actually where issues have been identified and not followed through, would be one of the key areas that I think we had identified there for improvement.

Before I close, Eaghtyrane, can I thank my colleagues on the Public Accounts Committee for two years of diligence and hard work. Whilst this has been distilled into a 74-page Report, there are thousands of pages of evidence that have been sifted through by our erstwhile Clerk, who has spent an inordinate amount of time on this in terms of sifting that vast amount of evidence. As indeed have been supported by officers down at the Department of Infrastructure who have sorted, sifted and provided the stuff in order to aid the Public Accounts Committee in this job that it was set by Tynwald.

So I am glad that some lessons have come out of this, some recommendations for improvements in the future and I hope that Hon. Members will support all of the recommendations, including the amendment by the Treasury Minister.

Thank you, Eaghtyrane.

The President: Now, Hon. Members, we come to vote on this Item, Item 8, to which you have an amendment in the name of Dr Allinson. I put to you first the amendment. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it.

I now ask the motion as amended. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Motion, as amended, therefore carried.

**9. Appointments to Statutory Boards –
Political appointments –
Motion carried**

The Chief Minister to move:

That Tynwald approves the appointment of:

(i) Mr T Glover MHK as Chair of the Office of Fair Trading;

(ii) Mr S Peters MHK as Chair of the Isle of Man Post Office;

(iii) Mrs D Kelsey MLC as Vice-Chair of the Isle of Man Post Office;

(iv) Mr J Wannenburgh MHK as Chair of the Manx Utilities Authority;

(v) Mr P Greenhill MLC as Vice-Chair of the Manx Utilities Authority;

(vi) Mrs A Corlett MHK as a member of the Communications and Utilities Regulatory Authority;

*(vii) Mr C Thomas MHK as Chair of the Manx Heritage Foundation (trading as Culture Vannin);
and*

(viii) Mrs D Caine MHK as a member of the Manx Heritage Foundation (trading as Culture Vannin).

2560 **The President:** We move on to Item 9, Appointments to Statutory Boards, and I call on the Chief Minister to move.

2565 **The Chief Minister (Mr Cannan):** Mr President, section 3(1) of the Statutory Boards Act 1987 states that Tynwald Members of Statutory Boards go out of office on a date two years and six months following dissolution of the House of Keys. The Keys was dissolved on 12th August 2021, meaning that Tynwald Members appointed to boards went out of office on 11th February 2024. Section 3 of the Statutory Boards Act is also applied by the Manx Heritage Foundation Act 1982 to Tynwald Members appointed to the Manx Heritage Foundation, known as Culture Vannin.

2570 Let me assure this Hon. Court that the boards and body in question have been able to function since 11th February as section 3(6) of the Statutory Boards Act provides for continuation of appointment of Tynwald Members until successors are appointed.

On behalf of the Council of Ministers, I am pleased to nominate the Hon. Members listed in the motion to continue in their roles in the Statutory Boards and the body in question.

2575 Mr President, on behalf of Council of Ministers, I would like to pay tribute to the hard work and the commitment of all members of Statutory Boards and their respective bodies. Their contribution is invaluable and very much appreciated.

I am confident, Mr President, that by retaining the experience of the Hon. Members appointed, it will allow Members to continue to make a valuable contribution to their boards.

I beg to move.

2580 **The President:** I call on the Hon. Member, Ms Lord-Brennan.

The Minister for the Cabinet Office (Ms Lord-Brennan): Thank you, Mr President.
I would like to second.

2585 **The President:** I call on the Hon. Member, Mr Ashford.

Mr Ashford: Thank you, Mr President.

2590 I am not querying any of the actual posts before us, I actually support all of the nominations, but I am wondering if the Chief Minister can explain why there is no nomination for Vice-Chair of the Office of Fair Trading. That is the one that actually seems to be obvious by its omission.

The Board of Consumer Affairs Act 1981, under section 3, 'Constitution of the Board', states:

The Board shall consist of —

(a) a chairman and a vice-chairman, who shall be members of Tynwald;

Not ‘may’ or ‘can’, it is ‘shall’. By law it must have a Chair and Vice-Chair, who again, shall, not may, be Members of Tynwald.

2595 Not wishing the Member of Arbory, Castletown and Malew ill or tempting fate, Mr President, but what if the Chair was incapacitated or resigns? What happens then, when there is no Vice-Chair in place? Has the Chief Minister actually been unable to find anyone willing to take on this role amongst the 31 Members of Tynwald? And before he asks, that is not me volunteering! (*Laughter*) I think I have got more than enough with the housing brief, (*Interjection*) since he wants me to tackle the housing challenge. So before he sees that as a nomination, I was just wanting to query why that has not actually had a nomination come forward.

2600 Thanks, Mr President.

The President: Chief Minister to reply.

2605 **The Chief Minister:** Ten out of 10 for observation to the Hon. Member, and following that observation and his clear enthusiasm to make sure that this role is properly appointed, I am sure that he would take great delight in maybe considering his candidacy. (**A Member:** Hear, hear.)

I have actually, or rather Council, via the officers, have spoken, I believe, to the Chair of the OFT. We are working to try and find a solution to this vacancy and it is our intention, Mr President, 2610 to make a nomination in the March sitting of Tynwald.

The President: Hon. Members, we come to vote on this Item, Item 9, Appointments to Statutory Boards. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 9 therefore carried.

10. Appointment of Cabinet Office Non-Executive Directors – Messrs Christopher Hall and Guy Templer appointed

The Chief Minister to move:

That Tynwald approves the appointment of Christopher Hall and Guy Templer as non-executive directors for the Cabinet Office for a term of three years [[MEMO](#)].

2615 **The President:** Moving on to Item 10, Appointment of Cabinet Office Non-Executive Directors, and I call on the Chief Minister to move.

The Chief Minister: Mr President, I am pleased to recommend the appointment of Mr Christopher Hall and Mr Guy Templer as non-executive directors (NEDs) for the Cabinet Office.

2620 These appointments, if approved today, will deliver on a long-held aspiration to bring independent thinking and professional expertise from outside Government to support the work of Government.

In my Statement to Tynwald in May 2022, I spoke about the need for public sector reform. I set out proposals to raise standards of governance, performance standards and culture in Government. The case was made for appointing non-executive directors to new roles in which they would act as critical friends to Government by providing both advice and scrutiny. 2625

The Council of Ministers’ response to the Beaman’s review included a commitment to establish an Operational Performance Board with Government-wide oversight, supported by two non-

executive directors. In addition, the roles combined support for the Cabinet Office Minister at board level.

Mr President, the non-executive director roles are intended as strategic roles, not concerned with policy, but concerned with operational detail. The aim is simple: to leverage for the public service tangible benefits from individuals with a track record of real-world corporate experience, whether driving delivery and output, modernisation or complex change in large organisations. And in these two nominees, we do have candidates hungry to take on the challenge.

The non-executive director positions were advertised last autumn. A significant number of applications were received from candidates with the right skillset, qualifications and experience. The two candidates demonstrated that they offer the most impressive of private sector experience at senior executive level, which could be transferred to the public sector.

Mr Hall and Mr Templer have both worked at a strategic managerial level, and offer more than five decades of experience between them. Hon. Members were invited to review this experience, and the skills and backgrounds and the motivations of the two individuals with their full CVs, which were circulated to Hon. Members last month with the permission of the candidates.

Mr President, I beg to move.

The President: I call on the Hon. Member, Ms Lord-Brennan.

The Minister for the Cabinet Office (Ms Lord-Brennan): Thank you, Mr President. I beg to second and reserve my remarks.

The President: I call on the Hon. Member, Mr Thomas.

Mr Thomas: Thank you very much.

Long experience of working with at least one of these members, and I am sure both of them would be admirable and effective in these roles. I think my comments and questions are a bit to help them, to clarify things for them, in the future as they carry out these difficult tasks.

So I think it is one of the first times, if not the first time, that this sort of person has come to Tynwald Court for approval and the job is going to be pretty difficult because they have got a link to Tynwald, particularly Tynwald Committees. I do not think they report to the Chief Minister directly. They are appointed by the Minister under a proper process. Council of Ministers are involved. Obviously they will be working very closely alongside chief officers. So I do think we all need to have an understanding about how that is going to work, because the worst type of job in the world is to operate in a fog about who you are working for and what you are trying to do.

So will these people, if by chance it does not work out for them, be resigning to the Chief Minister, and will Tynwald be informed of that, or will they be resigning to us if they have an issue that they want to bring to our attention? To me, there are lots of things that could happen, and I do think it might be helpful, if not today, but in the future, to actually clarify what Part 7 of the Government Code actually means. Because I just tried to work it all out and it is not exactly clear what would happen in difficult situations.

The second one is a more general point, which is it says in Part 7 of the Government Code now:

A Department **may** constitute a Department Board containing Non-Executive Directors.

They do not have to. And then it goes on about *if* they constitute a Department board how the Department board is going to work.

It seems to me, given that Part 7 also makes it very clear that the Minister and the departmental members are responsible for policy, and the NEDs are not responsible for policy, they are responsible for giving advice on operations, perhaps we need two departmental boards, one for policy and another one for operational things. Or perhaps we need one meeting to be

divided into two parts. It seems to me the case that we are going to need further guidance on all of this.

2680 And then a straight reading of what is there in Part 7 could be that as a Department may constitute a Department board, I think we need to reaffirm definitely that you can have departmental boards without non-executive directors inside Departments that have chosen not to have non-executive directors, if you see what I mean. Because the words are going round and round, and it seems to me to have been based on something that is slightly different.

2685 And some of these practical organisations, especially given things are done differently in different Departments, as Mr Ashford's question about ministerial decisions has revealed, I think we do need further guidance about how this is actually going to work in practice in each of the Departments. And for these two people, I think Cabinet Office is a good tester of that, but it seems to me, through the Operational Performance Board, immediately it is going to get into the difficult areas of Government, infrastructure and healthcare and education, where big amounts of money
2690 are spent on very operational things.

So apologies to Mr Hall and Mr Templer to extend the debate about their excellent appointments beyond it, but I do think it is only fair to them to try and deal with some of the fog in advance.

2695 **The President:** I call on the Chief Minister to respond.

The Chief Minister: Thank you, Mr President.

I think after that contribution the fog has well and truly descended. *(Laughter)* I think the Hon. Member is trying to make a molehill out of a mountain here, if that is probably the right
2700 analogy. It is a fairly simple, progressive measure that we are taking in response to a number of governance challenges and culture challenges that have happened throughout Government and long-held belief, indeed, from the previous-but-one debate about the need for proper strategic advice. This is all it is.

It is an important appointment to the Cabinet Office, to be clear. Absolutely, of course, I will
2705 be chairing the Operational Performance Board, but to look on the negative side, should these two individuals decide to resign, then they will be resigning to the Cabinet Office Minister.

But this is really an evolving position. And particularly, of course, each job potentially is different and Departments have different challenges. But the Operational Performance Board has been primarily set up to bring an oversight and accountability to help and assist the most senior
2710 officers in Government deliver a more efficient and productive operational performance. And to advise and guide them and bring the experience, 50 years of large-scale corporate experience, into the arena, into the Government's thinking, so that these individuals have that experience to draw on and allow also senior officers primarily to be able to also utilise perhaps a third voice and seek guidance as appropriate on what can often be complex and challenging matters.

2715 I hope Hon. Members will continue to regard this matter as not one that is set in stone, but will continue to evolve. And the reason why, of course, we put 'may' in the Government Code, was because actually, I felt it was a Tynwald view that 'must' was too strong a word and that they wanted this to be perhaps an evolutionary process rather than a revolutionary process.

But I absolutely welcome these appointments. It may interest Hon. Members to know, actually,
2720 that quite often the Government, at various public appointments, struggles to attract a great deal of outside interest. We had an *extensive* list, I understand, I did not conduct the interviews myself, but we had an extensive list of very high calibre local candidates for this role, which of course I am delighted in that response and delighted that we are taking this step, which I hope will be a very positive step forward for the future operations of the Government.

2725 I beg to move.

The President: Hon. Members, we come to vote on this Item, Item 10, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 10 therefore carried.

**11. Economic Policy Review Committee alternate member –
Appointment –
Motion lost**

That an alternate member be elected to the Economic Policy Review Committee for the purpose and duration of its consideration of the Economic Strategy.

2730 **The President:** Now, we move on to Item 11, Economic Policy Review Committee alternate member, and I call on the Hon. Member for Douglas South, Mrs Christian, to move.

The Chair of the Economic Policy Review Committee (Mrs Christian): Thank you, Mr President. As Chair of the Economic Policy Review Committee, I beg to move that an alternate member
2735 be elected to the Economic Policy Review Committee for the purpose and duration of its consideration of the Economic Strategy.

As Members will know, it is the function of my Committee to scrutinise, as deemed necessary by the Committee, of the Treasury, the Cabinet Office and the Department for Enterprise, together with the associated Statutory Boards and other bodies.

2740 Paragraph 1.5 of the Schedule to Tynwald Standing Orders says:

Should the need arise in relation to a particular matter, such as a conflict of interest, Tynwald may elect an alternate member for the purpose and duration of a Policy Review Committee's consideration of that matter. A conflicted member so replaced shall continue to serve as a member of the Committee for all other purposes.

Mr President, the Economic Strategy was published as a draft in July 2022 and was approved by this Hon. Court in November 2022. Since then it has been linked to the Government's overall plan, known as Our Island Plan, with updates approved by this Hon. Court in January 2023 and more recently in January 2024.

2745 In Standing Orders terms, the Economic Strategy is very much an established policy. It is therefore only natural for the Economic Policy Review Committee to want to look at the Economic Strategy. There would be something wrong if we did not. Mr President, the Economic Strategy is a very wide-ranging document, with implications for virtually every aspect of Island life. However, the reality is that my Committee cannot scrutinise everything, but we will obviously have to focus
2750 on certain aspects of this Strategy.

One of the things we intend to focus on is the four economic shifts identified on page 22 of the November 2022 document. These are: the shape of the economy; infrastructure and services; public finances; and sustainability. Certainly under the sustainability heading, if we turn to the document approved in January 2024, we find that the Manx Utilities Authority is front and centre
2755 of the matters we will want to scrutinise.

On page 5, we find that there are two sustainability targets: to create a minimum of 20 MW onshore renewable energy generation and to achieve a 2.2% reduction in greenhouse gas emissions per annum.

2760 On page 8, under the heading 'Progress to date', we find eight boxes relating to sustainability. Three of them are things that have been done or are being done by Manx Utilities. Mr President, in these circumstances, the Committee felt that there was a conflict between Mr Wannenburg's role as Chair of Manx Utilities and his role on the Committee.

There are lots of ways in which this conflict could be managed. For example, Mr Wannenburg could just step back from the Committee and leave us as a Committee of two. But I believe it

2765 would be better for Tynwald to recognise that Mr Wannenburgh is conflicted and to elect another Member to sit on the Committee in his place. This will allow us to draw on the experience from another Member and to make it three Members strong. I do hope that Hon. Members will support this motion.

Thank you, Mr President. I beg to move.

2770

The President: I call on the Hon. Member, Dr Allinson.

Dr Allinson: Thank you very much, Mr President, and I am grateful to the Chair of the Committee to outline what she conceives to –

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The President: Dr Allinson, are you seconding the motion?

Dr Allinson: I beg your pardon, no.

2780

The President: The motion needs to be seconded.

Miss August-Hanson: I am happy to second to enable debate, yes.

The President: Miss August-Hanson is seconding the motion.

2785

I will call on Mr Callister first.

Mr Callister: Mr President, a point of clarification. I think prior to this debate we got a list of who was eligible and not eligible, and just listening to the Chair's comments there, I feel that I am conflicted as Chair of Planning, because if you take the example she gave about wind farms, surely the Chair of Planning is going to have to actually consider these applications?

2790

So I personally feel I am conflicted and should be withdrawn from that list. Thank you. Unless you tell me differently, sir.

The President: We will see if the motion is passed first. I now call on Hon. Member, Dr Allinson.

2795

Dr Allinson: Thank you, Mr President. I apologise, I just wanted to speak to the motion. I assumed that there was somebody here who could second it.

Again, the Hon. Chair of the Committee sets out what she perceived as a conflict of interest with this. The scope of the Economic Policy Review Committee, as she says, is very wide and she is linking the analysis and scrutiny to the Economic Strategy with that necessarily linked to the Island Plan. I am not sure, given the fact that we are a small parliament and so many people are members of different Departments, how all of us, sooner or later, will be conflicted with this. And again, the Chair of Manx Utilities is the Chair. He is the – in this case 'he' – representative of the board, rather than being a Minister or a member of an individual Department.

2800

So in her summing up, I would really be interested to see if she can define a little bit clearer why she thinks that there is a conflict of interest with the Chair of Manx Utilities being in the Committee, when, from my point of view, having somebody with the expertise in terms of energy policy and strategy from the role of a Chair of Manx Utilities would be very useful for the deliberations of that Committee.

2805

And of course, there is always the possibility that should the Committee want to look at a particular aspect, as in the establishment of renewable energy or a particular policy that was part of the Economic Strategy, he could recuse himself from that particular conversation without having to leave the entire Committee for what may be a prolonged period of time, while they look at a very extensive part of Tynwald and Government provision.

2810

Thank you.

2815

The President: I call on the Hon. Member, Mr Wannenburg.

Mr Wannenburg: Thank you, Mr President.

2820 I would think it would be useful to outline my position. I agreed to step down from the Committee at the request of the Chair, who has the view that by reason of my being having appointed as Chair of the MUA, I am conflicted in at least some of the work of that Committee, and on that I do agree.

2825 But of course I recognise that there is a higher authority than just the Chair of a Tynwald Committee. And so if in the knowledge of that appointment this Court has the view that my membership should continue and that it has the confidence in me and the Committee to appropriately manage any instances of conflict, then of course I would be happy to do so, but I would leave that to the Court to decide.

Thank you.

2830

The President: I call on the Hon. Member, Mr Hooper.

Mr Hooper: Gura mie eu, Eaghtyrane.

2835 I was a bit surprised to see this motion on the Register of Business without any context, so I would like to thank the Hon. Member for sharing that context, I think yesterday by email. It was quite helpful.

I am a bit more surprised again to see that the Committee members themselves are not seconding the motion. That is also a little bit strange. But I would like to thank the mover for tabling this, because it has given rise to some interesting thoughts over the last few days.

2840 So like my hon. colleague from Ramsey, I am not sure, and I am not convinced actually by what has been said so far that the Hon. Member for Douglas North is, in fact, conflicted here, on reviewing the Economic Strategy. Sustainable energy generation is absolutely critical for our success as an Island, but in terms of the Economic Strategy, it plays an enabling role, which is what the document sets out on page 38. It is not a key action. It is a supportive, enabling infrastructure basis, really, for the delivery of the Strategy.

2845 The Strategy does talk about ensuring green energy supply is available for business, but apart from that one action, there is not really a lot more in the Strategy about green energy. That action will be very important, but it remains a single action amongst a complex and wide-ranging piece of work.

2850 So reflecting on the Strategy document itself, there are 20 different references in there to energy in one form or another, but they all point back to that single aim, which manifests predominantly through onshore wind development or energy efficiency schemes. But the policy for those matters sit with Government, not with the MUA. The MUA does what it is told, ultimately. Government and Tynwald are the ones that tell them what to do.

2855 So I am pretty comfortable that I think Mr Wannenburg would recuse himself when the Committee gets round to doing the energy bit of its inquiry, he would step back for that short piece of work. But I am not convinced, from what I have heard, that it gives rise to such a conflict as to warrant appointing an alternative member in his stead for the whole inquiry.

2860 However, having reflected on the motion itself, I do think it might be worthwhile appointing an alternate member to the Committee for the purposes of this particular inquiry, because I think there is actually a conflict, and that is by virtue of the role that the hon. mover holds within the Department of Education, Sport and Culture. That is a clear conflict, in my view. I will explain why.

2865 Critical to the success of the Economic Strategy is the development of a highly skilled and flexible workforce. I think no one can argue with that statement – I would be surprised if anyone tries. But without having the right skills in place, without the right workforce, without the right schemes to reskill, upskill and retrain, that Strategy is doomed to fail.

So we need innovative and effective education and skills provision on the Island through a range of schemes and delivery mechanisms. So whether that is the school curriculum, whether it

is school leavers, retraining, upskilling, apprenticeships, bursaries, training courses, vocational or academic training, all of these are critical to the success of this Strategy, and they flow through pretty much every single action and objective.

The Economic Strategy document has more than 60 references to education or skills, and in the foreword to the Strategy the Chief Minister rightly highlights the need for skills remains the number one business concern across the economy. The level of importance is reflected in the terms of the inquiry that I think have been helpfully shared by hon. mover, which only have a single line of inquiry about energy. But the inquiry terms themselves do not actually mention skills, which I think is itself evidence of the conflict that I am talking about. But a huge number of areas of that inquiry cross over with the work on skills.

There is requests for updates around governance and funding, high-priority actions, feasibility of the four economic shifts, which are underpinned by skills. Facilities, activities and quality of life, retail and streetscape, the Development Corporation, Island Infrastructure Scheme, decarbonisation at scale, productivity analysis – all this comes back to skills.

A Member: Where's Jason gone?

Mr Hooper: So I think the point I am making is without the right skills in the economy and the right support and training schemes in place, Mr Wannenburg and his MUA will not be able to deliver onshore wind. Government will not be able to offer enough energy support or energy efficiency schemes. Manx Care will not be able to train and retain enough medical staff. The private sector will not have the right skills to fill their jobs and the construction sector will not be able to keep pace with the demand for housing and brownfield redevelopment. And we certainly will not be able to attract inward migrants if they do not see a long-term future on the Island for their children.

So basically what I am saying is education and skills are critical to the success of this Strategy and are so intertwined with so many of the objectives, I do not think you can disentangle the two. So I do not think it is actually tenable for a member of the Department of Education to participate in, or in this case to Chair an inquiry into a Strategy that the Department has a critical role in supporting and enabling the delivery of.

I am almost certain that the hon. mover must recognise this inherent and irreconcilable conflict between these two roles. Of course, anyone can try and make this case that skills are not, in fact, key to the success of our economy. Although the Education Minister in the Budget debate yesterday quite rightly stated that education is key to successfully achieving the outcomes in the Island Plan and the Economic Strategy, (**Ms Edge:** Hear, hear.) and I absolutely agree with the Hon. Member on that sentiment.

So I thought long and hard about whether the wording of this motion gives enough clarity and so I have shared a small amendment, because the motion itself does not give clarity on which Member is being asked to recuse themselves. And we have heard from Mr Wannenburg already saying, actually, he may disagree with the Chair on his need to recuse himself. So ordinarily, you would let the Committee make this determination themselves. One Committee member has done a runner and did not support the seconding of the motion, so it is a little bit difficult for me to get a feel for where the Committee is.

So whilst I do not think the amendment is strictly necessary – it is not, the wording of the original motion allows for any Member to recuse themselves – I think this amendment actually adds some clarity.

I would like to reiterate though, for the avoidance of doubt, as with the original motion, this amendment is solely in respect of the inquiry into the Economic Strategy and is solely due to the conflict between the key role of the Department of Education plays and participation in the inquiry.

Ultimately, Eaghtyrane, it is a matter for Tynwald Court. I have not gone out and actively sought a seconder for this amendment, because really it should be up to Members, I think, to make this

determination. But I felt it was sensible to raise my concerns and, again, I would like to thank the Hon. Member for bringing this debate to the floor, which I think is absolutely right and proper when any Member has a conflict of interest between their parliamentary and their executive functions.

2925 So with that, Eaghtyrane, I beg to move the amendment that has been circulated:

After the words 'Economic Policy Review Committee' to add the words 'to replace Mrs Christian'.

The President: I call on the Hon. Member, Mr Thomas.

Mr Thomas: Thank you, Mr President.

2930 Just a couple of facts. I was just thinking this through. I have not given a great deal of thought to this, but a quick look at a Freedom of Information response in respect of the Economic Fund, which was set up alongside the Economic Strategy back in 2021, the MUA has received £2.9 million to put Jurby water main up the priority list and there is nothing in the FOI responses that indicates that the Department of Education, Sport and Culture has received any money. And I do think that the alternative energy proposals are going to be, as far as I understand it, from information that
2935 has been circulated by the Treasury Minister, in part from the Economic Fund, amongst other sources. So that in itself would conceivably present a conflict.

2940 But I only offer that for what that is worth to the Hon. Member making up his mind whether or not he is conflicted or not, because ultimately it comes down to each of us to do those things. But a simple look at the evidence suggests that there is money that is transferred from the economic fund which is at the heart of the Economic Strategy Fund to the Manx Utilities Authority. That is not the case with the Department of Education, Sport and Culture, but obviously I would not know what the latest thinking is and what has been allocated, and that sort of –

2945 **Dr Allinson:** Mr President –

The President: Would the Member give way?

Dr Allinson: – would the Member give way?

2950 **Mr Thomas:** Of course.

The President: Dr Allinson.

2955 **Dr Allinson:** If I could just answer that, and I think that is a very good point that the Hon. Member makes. It would be absolutely suitable for the Department of Education, Sport and Culture to put forward a bid to the Economic Strategy Fund if they thought that that was valid and fitted within the terms of reference of that Fund. So I completely agree with you that at the moment there is a bid for that fund from Manx Utilities, but that does not preclude the Department of Education, Sport and Culture making a bid in the future.

2960 Thank you.

2965 **Mr Thomas:** Very pleased to give way and that is very helpful. The FOI response was back in September 2023, so I agree that there is a potential and I guess conflict of interest is potential, but we are looking, as far as I know, Policy Review Committees look back and understand what has happened and so on. And there are those two examples, I believe, on the public record already of interaction between that Fund and the Manx Utilities Authority's.

The President: I call on the mover to reply.

The Chair: Thank you, Mr President.

2970 I do hope that Hon. Members will just bear with me a little bit, because it was actually very hard to hear Mr Hooper's comments. So I am just getting the amendment and understanding what he is actually proposing –

The President: Mrs Christian, can I just point out that the amendment was not seconded, so you may proceed.

The Chair: Thank you, Mr President.

2980 But I think it is really important to first of all speak to the Hon. Treasury Minister, Dr Allinson. He spoke about how the expertise of Mr Wannenburg would be valuable in this review and I think he is absolutely right in the sense that that would be very valuable for us to bring him in and bring in the team with the MUA and for us to actually hold a hearing, but it would be very unusual to mark your own homework in that sense as a scrutiny Committee. So that is why we wanted to have a separation of that function.

2985 One of the things being in the Economic Policy Review Committee is you do only have three members. And as Members will have seen within the prior motion from the Public Accounts Committee, I did recuse myself from that Report as a prior member of the DoI, and that was relatively simple for me to do so. I attended everything else in the sense of the Public Accounts Committee, just not that report. But there are several other members, not just three. So it does put us to a limited two-member Committee.

2990 What I would say in answer to Mr Hooper, from what I gather, and I can understand that he is raising a separate query that I might be conflicted and he brings a very valid point, and I respect that, the conflict of me being a member in Education, but I am pleased to confirm that the review at this time, in its current form, does not include education. But he does raise a very important factor, that perhaps it will do, and if there was a separate review afterwards then for us to look into education and skills, I would certainly suggest that we would be happy to do exactly the same and for me to recuse myself as well –

The President: Will the Member give way? Mrs Christian, you have been asked to give way by Mr Hooper, will you give way?

3000 **The Chair:** No, I will not give way, because it is very difficult for me to hear him and I think it will be not useful. So one of the things that –

3005 **Mr Hooper:** 'Not useful', Mr President.

Mr Henderson: Not useful, Lawrie.

3010 **The Chair:** – I want to just draw on my hon. colleague, Mr Cannan, the Chief Minister said this is just a simple measure in his last summing up, and I think this again is just a simple measure, and not blowing this out of proportion, it really is bringing this to Tynwald for your thoughts, and I have heard those thoughts, and the Committee has as well, and it is really up to Tynwald.

3015 If you want, we can recuse Mr Wannenburg, absolutely, when we are talking about sustainability or when we are reviewing that part. But again, it would bring us down to two members. And what I am trying to do is best serve Tynwald with full three members on that. I think that hopefully you will understand my justification for that.

I apologise, as I said, this is not great to do this across a computer to the Hon. Court, but thank you for that, Mr President.

I beg to move.

3020

The President: Hon. Members, we come to vote on this Item, Item 11, Economic Policy Review Committee alternate member, motion as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The noes have it. The noes have it.

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

In the Keys – Ayes 3, Noes 20

FOR

Mrs Christian
Ms Edge
Mr Thomas

AGAINST

Dr Allinson
Mr Ashford
Mrs Barber
Mrs Caine
Mr Callister
Mr Cannan
Mrs Corlett
Mr Crookall
Ms Faragher
Mr Glover
Dr Haywood
Mr Hooper
Mr Johnston
Ms Lord-Brennan
Mrs Maltby
Mr Peters
Mrs Poole-Wilson
Mr Smith
The Speaker
Mr Wannenburg

The Speaker: Eaghtyrane, in the Keys, 3 for, 20 against.

In the Council – Ayes 0, Noes 8

FOR

None

AGAINST

Miss August-Hanson
Mr Craine
Mr Greenhill
Mr Henderson
Mrs Kelsey
Mrs Kinnish
Mr Mercer
Mrs Sharpe

The President: Legislative Council: none for, 8 against. Therefore, motion does not carry.

**12. Energy strategy, board and policy (adjourned debate) –
Call for CoMin policy by July 2024 –
Item withdrawn**

Extract from the Votes and Proceedings of the December 2023 sitting:

Motion made:

That Tynwald:

a) receives the Isle of Man Government Energy Strategy [[NN 2023/0010](#)];

b) notes the formation of the Energy Policy Board; and

c) calls on the Council of Ministers to lay its energy policy before Tynwald for consideration for approval by July 2024.

Mr Thomas

[[NN 2023/0009](#)] is relevant to this motion.

Motion made: that this debate be adjourned to February 2024.

Mrs Barber

Court divided.

In the Keys: Ayes 19, Noes 4

For: Dr Allinson, Mrs Barber, Mrs Caine, Mr Callister, Mr Cannan, Mrs Corlett, Mr Crookall, Ms Edge, Ms Faragher, Mr Glover, Dr Haywood, Mr Hooper, Mr Johnston, Ms Lord-Brennan, Mrs Maltby, Mr Peters, Mrs Poole-Wilson, Mr Speaker, Mr Wannenburgh.

Against: Mrs Christian, Mr Moorhouse, Mr Smith, Mr Thomas.

In the Council: Ayes 6, Noes 0

For: Mr Craine, Mr Greenhill, Mr Henderson, Mrs Kelsey, Mr Mercer, Mrs Sharpe.

Adjournment carried.

3025 **The President:** Now, Hon. Members, we come to Item 12, the debate on the energy strategy,
board and policy, which was adjourned in December. The story so far is set out on your Order
Paper and you will remember having adjourned this debate in December and knowing that was
due to be resumed in February, the Court nevertheless decided to consider a very similar motion
in January. And just to be clear, the procedural vote in January was a decision that would happen
3030 in January. It does not prevent this debate from being resumed in February.

So we find ourselves in a position of debating the same strategy two months in a row on slightly
different motions. This is certainly unusual, but it is the result of the decisions of the Court. I am
satisfied this is in order, and I will point out the Standing Order 3.11(1) provides that:

... no motion may be proposed which is the same in substance as any motion which, during the same session, has
been superseded or resolved in the affirmative or negative.

3035 Mr Thomas's motion at Item 12 is *not* being proposed today. It was proposed and seconded in
December. It therefore remains before the Court and must be either withdrawn or resolved one
way or another.

Mrs Barber, as the mover of the adjournment, has precedence and will be resuming the debate. I call on the Hon. Member, Mrs Barber.

3040 **The Minister for Environment, Food and Agriculture (Mrs Barber):** Thank you, Mr President.

It is important for me to begin by thanking the Hon. Court to agreeing to the adjournment of this motion, and then to the subsequent debate in January on this important topic. For the benefit of *Hansard*, I would like to explain the journey of the Energy Strategy to this point.

3045 The Energy Strategy was developed through the early part of 2023 and concluded in the summer, following comprehensive debate and discussion amongst the Council of Ministers, to ensure it provided the best approach for our Island. The path agreed for the Energy Strategy was to create a document that will be updated annually, acknowledging the continued focus needed on this important topic and to bring it to Hon. Members for debate.

3050 Before we were able to achieve this, the Strategy was published online in order to assist with the debate in this Court in June 2023, led by Mr Ashford. Due to an oversight for which I have apologised a number of times in this hon. place, the motion had not been tabled prior to Mr Thomas placing it on the Register of Business. Mr Thomas's motion highlighted this oversight, which I have sought to correct.

3055 In the spirit of the sitting, perhaps I should add a short quote: to err is human, to forgive divine. And I wonder, perhaps, if the Shakespearean question that accompanies it should be to be or not to be forgiven – added last bit on. You know, poetic licence!

3060 But moving on to the resumed motion before us on the Order Paper today, the first part of the motion requests that this Court receive the Energy Strategy. This would be a step backwards, given that this document has now already been approved by this Hon. Court. To roll this back to 'receive' on a document so fundamental to many of our work strands would seem the wrong move to make. Therefore, on these grounds, I would encourage Hon. Members not to support part (a).

Part (b) of the motion notes the formation of the Energy Policy Board. I suspect we are all aware of the board, and I am confident it will play a key role in the cross-cutting elements of energy policy. I am content to note its formation and therefore I can support part (b).

3065 Part (c) of the motion asks the Council of Ministers to lay its energy policy before Tynwald for consideration for approval by July 2024. In my motion to this hon. place in January, I committed to bringing annual updates for debate, noting the iterative nature of the document. This remains my intention and is a step further than this motion requires. I would therefore urge Hon. Members to also reject part (c).

3070 I am passionately supportive of all the work under way with regard to our energy production and the opportunities presented by renewable energy. Therefore I must conclude by thanking Mr Thomas for allowing more time in this Court for people to debate the matter and hope that we can continue to be progressive in our discussions and decision making.

3075 In light of this and the points set out, I would propose that Hon. Members vote against the motion as tabled today. Should the parts be voted on separately, then part (b) is the only part I would be able to support without undermining the decisions already taken by this Hon. Court.

I end simply by offering my apologies once again for what was an administrative error and was always the intention to bring this here. But that would be my proposal: that we either reject or, if voted in parts, I could support part (b).

3080 Thank you, Mr President.

The President: I then leave it to Mr Thomas to either respond to the debate or withdraw the motion. So over to you, Mr Thomas.

3085 **Mr Thomas:** I thought we had voted on the withdrawal of the adjournment, so now I am responding on the whole motion, aren't I?

The Speaker: Yes.

The President: You are indeed, (**Mr Thomas:** Yes.) or withdrawing. The choice is yours.

3090

Mr Thomas: There is that use of that word 'divine', so I am in a very difficult position. I do not know quite how to respond, when you have had the course of divinity laid out to you.

3095

It is absolutely clear, if we come to a vote, the only part of the motion that we should support is part (b), because parts (a) and part (c) are superior already in terms of their Tynwald recommendation. So I completely concur with the Hon. Minister for the Department of Environment, Food and Agriculture in terms of her recommendation and I would be happy to withdraw, if that is administratively easier or to take that vote. (**Mr Henderson:** Hear, hear.) I just need to – (**The Chief Minister:** You decide.) As I have said, I will be happy to withdraw, so I just –

3100

The President: Mr Thomas, if you are withdrawing, then that is the end of the debate.

Mr Thomas: I will be happy to withdraw, on conditional ... I will be happy to withdraw –

3105

The President: So the motion is withdrawn. Can I just clarify, the motion is withdrawn?

Mr Thomas: No, it is a conditional future. I will be happy, I am just going to begin to sum up and later on in my summing up –

3110

The President: No, Mr Thomas, you do not get to sum up. You get to sum up at a debate and we have a vote or you withdraw the motion. Can I just clarify –?

Mr Thomas: In a conditional future I will be happy to withdraw later in my summing up remarks.

3115

The Speaker: You're not withdrawing it!

The President: Mr Thomas, can you please resume your seat!

The decision is very clear. You can either withdraw, in which case that is the end of the matter, or if you wish to sum up, we therefore will have a vote. What is your decision?

3120

The Speaker: You're summing up.

Mr Thomas: I withdraw, Mr President –

3125

The President: Thank you very much.

Mr Thomas: – I will put down a Written Question and thank the Department of Environment, Food and Agriculture for carrying on with the work that they have done since June when this document was first published.

3130

The President: So Mr Thomas, you have withdrawn, so I now need to ask the Court, are you content for this to be withdrawn?

Members: Agreed.

3135

The Speaker: End it now!

The President: Thank you very much.

**13. Replacement for Castle Rushen High School –
Item withdrawn**

The Hon. Member for Rushen, Mr Speaker, to move:

That Tynwald notes:

*(a) that the need for a replacement for Castle Rushen High School had been identified by 2016;
and*

(b) that a timetable has been produced outlining completion by 2029;

and that Tynwald:

(i) reaffirms its commitment to providing a positive environment for teaching and learning;

*(ii) considers that the physical environment at the school falls short of the positive environment
to which Tynwald is committed;*

(iii) does not believe that a completion date by 2029 is acceptable;

*(iv) calls on the Council of Ministers to prioritise resources for the delivery of this key capital
project; and*

*(v) asks the Council of Ministers to bring to Tynwald an expedited timetable for the completion
of the project, with the timetable being published by the end of May 2024.*

The President: Now, Item 13 is already withdrawn.

3140

The Speaker: That's the way to do it!

**14. European Union and Trade Act 2019 –
Russia Sanctions (Application) (No.3) Regulations 2023 approved**

The Minister for the Treasury to move:

*That the Russia Sanctions (Application) (No.3) Regulations 2023 [[SD 2023/0339](#)] [[MEMO](#)] be
approved.*

The President: So we can move on to Item 14 and I call on the Treasury Minister to move.

The Minister for the Treasury (Dr Allinson): Thank you very much, Mr President.

3145

These Regulations make powers contained in section 19 of the European Union and Trade Act 2019, applying two United Kingdom Statutory Instruments to the Island concerning sanctions against Russia. These Regulations make Regulations to the existing Russian sanctions regime to further extend the most severe package of sanctions ever imposed on a major economy to undermine Russia's war effort. There is an extension to the prohibition on the Isle of Man credit or financial institutions from processing sterling payments to and from two particular banks to include any other currency subject to certain circumstances.

3150

Trade restrictions are amended which build on those already in place. These have been included by amending definitions of certain products, such as goods and technology relating to chemical or biological weapons, luxury goods, maritime goods and technology, plus oil-refining goods and technologies. In turn, this has led to the type of goods subject to prohibitions in relation to luxury goods to also be amended, which includes a ban on providing certain services relating to such goods.

3155

There are also further import prohibitions on iron and steel products, and other certain Russian origin metals, to further constrain Russia's ability to raise money to fund its war effort.

3160 The import, acquisition and supply and delivery of diamonds and diamond jewellery which are imported from Russia are also included within the trade sanctions.

3165 Within these Regulations, there is a power for the Treasury to grant a licence for certain activities carried out by an Isle of Man entity in order to divest itself of assets located in Russia which would otherwise be subject to sanctions. There are also new reporting obligations on relevant firms and designated persons themselves in relation to funds and economic sources; the creation of penalties, should such obligations be breached; and the power for the Treasury to improve to impose civil monetary penalties for those breaches.

Finally, the Regulations are also updated to include references to new Schedules which have effect in the Island from time to time.

3170 Mr President, I beg to move that the Russia Sanctions (Application) (No.3) Regulations 2023 be approved.

The President: I call on Mr Henderson.

3175 **Mr Henderson:** Gura mie eu, Eaghtyrane.
I beg to second, sir, and reserve my remarks.

3180 **The President:** Hon. Members, we come to vote on this Item, Item 14, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 14 carried.

15. Civil Aviation Act 1982 – Civil Aviation (Charges) Scheme 2024 approved

The Minister for Enterprise to move:

That the Civil Aviation (Charges) Scheme 2024 [[SD 2024/0005](#)] [[MEMO](#)] be approved.

The President: Moving on to Item 15, and I call on the Minister for Enterprise.

The Minister for Enterprise (Mr Johnston): Thank you, Mr President.

3185 The Civil Aviation (Charges) Scheme 2024 prescribes charges for services provided by the Isle of Man Civil Aviation Administration and the Isle of Man Aircraft Registry, and will revoke and replace the 2023 Scheme.

The Scheme makes a number of admin updates to the 2023 Scheme and charges have been amended to reflect the increased work involved and to cover increased expenses.

3190 The Scheme introduces new charges for cybersecurity, regulated agents and oversight for the Isle of Man-registered aircraft. All charges are for services currently provided.

Given the difficult trading conditions for global aviation, it is considered that the proposed Scheme provides the most appropriate strategy to protect the Registry's competitive position. If approved by this Hon. Court today, the Scheme will come into operation on 1st April 2024.

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

3195 **The President:** I call on Mrs Corlett.

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

3200 **The President:** Hon. Members, we come to vote on this Item, Item 15, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 15 carried.

**16. Public Records Act 1999 –
Public Records (Fees) Order 2024 approved**

The Minister for Enterprise to move:

That the Public Records (Fees) Order 2024 [[SD 2024/0008](#)] [[MEMO](#)] be approved.

The President: Moving on to Item 16, I call on the Minister for Enterprise to move.

3205 **The Minister for Enterprise (Mr Johnston):** Thank you, Mr President.

The Public Records (Fees) Order 2024 prescribes new fees for copies and scans of public records at the Public Record Office national archive collections.

3210 The Order introduces a new fee structure that includes fees for a wider range of services than previously offered, including copies of large maps and plans, and copies of digital records. The cost of copies and scans have been calculated to reflect the cost of providing specialist scanning and copying of archival documents, including large and fragile items, and to reflect inflation since the fees were last revised. While some of the small incidental cost fees are proposed to increase above inflation, they remain in absolute terms low.

3215 Tynwald approval of the Order is required under section 9(4) of the Public Records Act 1999. Mr President, I beg to move that the Public Records (Fees) Order 2024 be approved.

The President: I call on Mrs Corlett.

3220 **Mrs Corlett:** Mr President, I beg to second and reserve my remarks.

The President: Members, we come to vote on this Item, Item 16, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 16 carried.

**17. European Union and Trade Act 2019 –
Iran Sanctions (Human Rights) (Revocation) Regulations 2024 approved**

The Minister for the Treasury to move:

That the Iran Sanctions (Human Rights) (Revocation) Regulations 2024 [[SD 2024/0015](#)] [[MEMO](#)] be approved.

3225 **The President:** Moving on to Item 17 and I call on the Treasury Minister.

The Minister for the Treasury (Dr Allinson): Thank you, Mr President.

3230 These Regulations, made using powers contained in the European Union and Trade Act 2019, revoke Regulations concerning financial and trade sanctions against Iran. The revocation made by these Regulations is a consequence of the coming into force of a new Order in Council in the United Kingdom, which extends new Iranian sanctions legislation to the Isle of Man.

The United Kingdom replaced the sanctions regime against Iran in relation to human rights matters on 15th December 2023, which now include additional restrictive measures on exports and related services of goods to Iran and the new shipping sanctions.

3235 Mr President, I beg to move that the Iran Sanctions (Human Rights) (Revocation) Regulations 2024 be approved.

The President: I call on Mr Henderson.

3240 **Mr Henderson:** Gura mie eu, Eaghtyrane.
I beg to second, sir, and reserve my remarks.

The President: We come to vote on this Item, Item 17, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 17 carried.

18. Electronic Transactions Act 2000 – Electronic Transactions (General) (Amendment) Regulations 2024 approved

The Minister for Enterprise to move:

That the Electronic Transactions (General) (Amendment) Regulations 2024 [[SD 2024/0018](#)] [[MEMO](#)] be approved.

3245 **The President:** Moving on to Item 18. I call on the Minister for Enterprise.

The Minister for Enterprise (Mr Johnston): Thank you, Mr President.

3250 As Hon. Members may know, the Electronic Transactions Act 2000 provides for the legal validity of electronic communications and transactions. The Electronic Transactions (General) Regulations 2017 set out a general exemption from the Act for Departments, but where electronic transactions are accepted by Government Departments, they are listed in a Schedule to the Regulations.

3255 The Treasury now accepts claims for Incapacity Benefit online. This requires a minor amendment to the Regulations to remove any doubt that the claims are legally valid. The Electronic Transactions (General) (Amendment) Regulations 2024 amend the 2017 Regulations to make the required change.

3260 Again, as Hon. Members may know, the Department, led by Digital Isle of Man, has been carrying out a review of the current legal framework for electronic services and digital signatures. An amendment Bill has already been included in the current Island Plan legislation timetable. More details will be made available in the near future.

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

The President: I call on Mrs Corlett.

3265 **Mrs Corlett:** Thank you, Mr President.
I beg to second and reserve my remarks.

3270 **The President:** Hon. Members, we come to vote on this Item, Item 18, as laid out on the Order Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 18 carried.

**19. Payment of Members' Expenses Act 1989 –
Statutory Boards (Annual Sums) Order 2024 approved**

The Minister for the Treasury to move:

That the Statutory Boards (Annual Sums) Order 2024 [[SD 2024/0038](#)] [[MEMO](#)] be approved.

The President: Moving on to Item 19, I call on the Treasury Minister to move.

The Minister for the Treasury (Dr Allinson): Thank you, Mr President.

3275 The Statutory Boards (Annual Sums) Order 2024 revokes and replaces the previous 2015 Order.
It sets out the annual sums that became payable to non-Tynwald members and chairs of certain
Statutory Boards from 1st April 2023. It has been necessary to promote this Order, as although
the 2015 Order provided an automatic mechanism for uplifting annual sums payable to specified
Statutory Board memberships under section 6(2A) of the 1989 Act, Treasury has accepted advice
that such uplifts cannot be automatic and must be legislated for each time an increase in an annual
3280 sum is agreed.

Mr President, the opportunity has been taken to place within the Order the honorarium
payment arrangements applicable to the Chair of the Public Sector Pensions Authority, which has
operated on the same terms as payments made to members of Statutory Boards under the 2015
Order. Likewise, the opportunity has been taken to place within the Order the annual sums to be
3285 payable to members and the Chair of the Gambling Supervision Commission from 1st April 2023
and 1st April 2024.

The previous honorarium terms for annual sum payments to be made to the GSC board
members and Chair did not include any uplift mechanism. As a result, the payment of £12,000 per
annum made to members of the GSC and £25,000 per annum made to the Chair of the GSC have
3290 been unchanged since 2008. The Order corrects this by applying two increases to the
remuneration of members of the GSC board in the 2023-24 financial year.

The first is a 6% increase payable from 1st July 2023, which mirrors the Civil Service pay
increase that was applied from 1st April 2022. The second applies from 1st November 2023 and
reflects the agreed Civil Service pay increase applied from 1st April 2023 of a further 6%. This will
3295 increase the 2023-24 annual sums payable to a member of the GSC and its Chair, as set out in
Schedule 2 of the Order.

Mr President, I beg to move that the Statutory Boards (Annual Sums) Order 2024 be approved.

3300 **The President:** I call on Mr Henderson.

Mr Henderson: Gura mie eu, Eaghtyrane.

I beg to second, sir, and reserve my remarks.

3305 **The President:** Hon. Members, we come to vote on this Item, Item 19, as laid out on the Order
Paper. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes
have it. Item 19 carried.

**20. Gas Regulation Act 1995 –
Gas Regulation (Prevention of Disconnections) Order 2024 approved**

The Minister for the Cabinet Office to move:

That the Gas Regulation (Prevention of Disconnections) Order 2024 [[SD 2024/0027](#)] [[MEMO](#)] be approved.

The President: We now move on to Item 20 and I call on the Minister for the Cabinet Office to move.

3310 **The Minister for the Cabinet Office (Ms Lord-Brennan):** Thank you, Mr President.

The Order before the Court today was made on 18th January and became effective immediately after the Gas Regulation (Amendment) Act 2024 received Royal Assent. As per this Act, the Order is subject to affirmative resolution, hence the motion being put to Hon. Members today. If not approved by Tynwald, it will cease to have effect, so I ask for your support today.

3315 Hon. Members will recall that towards the end of last year there was widespread concern regarding the practices by the public gas supplier in terms of disconnecting or threatening to disconnect households. At that time, there were no legislative provisions to address this in the Isle of Man and no protections in place.

3320 Publicly available data from the time suggested that up to 30 people had already been disconnected and a further 90 placed on notice of disconnection as we were entering the coldest winter months. For comparison, in 2022 there were only six disconnections for non-payment of bills in the whole of the UK. This disparity highlighted that the Isle of Man's residents, in the view of the Council of Ministers, should be offered no less protection than those residing elsewhere (**Mr Wannenburgh:** Hear, hear.) in the British Isles, hence the need at that time for clear and urgent action.

3325 It is also worth noting, Mr President, that many of the Hon. Members in this Court will have heard from constituents that they were being disconnected through no fault of their own, due to well-publicised billing issues and the closure of Isle of Man Energy's customer service desk. Therefore, this issue transcended the issue around just not being able to afford to pay, but also the practicalities around getting a bill and then being told that they had not paid it. (**A Member:** Hear, hear.) All of this meant that we needed to have clear and urgent action in order to get the company to reconsider their approach in a more general sense, and I am confident that this Order and the relevant primary legislation has achieved this at this time.

3330 The Council of Ministers in November responded to the concerns and considered at that time what could be done for a short-term intervention to try and put some protections in place. And following that, the Gas Regulation (Amendment) Bill passed through the Branches in December and Royal Assent was announced at January's sitting Tynwald.

3340 The primary legislative change was supported by both Branches to give the ability for targeted and speedy intervention, which we have achieved. This Act provided the Council of Ministers with the power, by order, to specify circumstances where a customer must not be disconnected for reason of non-payment of bills, and in that we had to consult with CURA.

3345 During the policy development and consultation process, and given the nature of what is possible within the scope of an order as compared to, for example, the ability to specify terms in a licence, which is what provides safeguards in the UK, we had to be mindful to ensure that any measure was necessary, targeted and proportional.

Necessary, in that there was a clear and urgent need for action to be undertaken. In my view, and in the view of Council of Ministers, this was absolutely the case given the situation a few months ago and the reports we were receiving from the Office of Fair Trading.

3350 Targeted, in order to ensure that the measures introduced were to address a specific problem;
and proportionate, so that any measure does not place an undue burden on any party and could
be considered to be a reasonable response.

3355 The secondary legislation before us today offers the minimum legislative protections necessary
to safeguard vulnerable people who would be at risk of poor health outcomes as a result of
disconnection from the gas supply. Mr President, if we may now move to the content of the Order,
I will briefly outline the key provisions contained in it.

Firstly, the Order is set to be in operation, it is in operation and it would be so from October to
March each year. This aligns with similar safeguards in both the UK and Ireland aimed to protect
the most vulnerable in colder winter months.

3360 Secondly, due to the nature of the enabling primary legislation, the definition of a vulnerable
customer had to be express and unambiguous. A potentially vulnerable household and the public
gas supplier must be able to read the Order and know whether or not the household will fall into
one of the protected groups.

3365 As a result, for the purposes of this Order, a vulnerable household is defined as one which
contains a person over pensionable age, a person entitled to Disability Living Allowance or War
Disablement Pension, or a household which contains a child under the age of six.

3370 Mr President, as I have mentioned previously, the Order before the Hon. Court today is
intended to protect those most at risk from poor health outcomes as a result of disconnection
from their heating supply. These groups also broadly align with complaints received from the OFT
regarding this issue, which we shall continue to monitor and review the scope of the Order as
necessary. Furthermore, any feedback on other protections and how they may apply can also be
picked up by CURA, as they work to develop a fuller regulatory regime.

3375 Finally, Mr President, it is pleasing to see Isle of Man Energy's voluntary vulnerability
commitment that also came out in the middle of January, and the wide array of pledges that came
with it, not just with regard to disconnection, but also in terms of their customer service for
vulnerable people.

Mr President, I do not actually think it is a coincidence that this was released following the
development of the legislation that we put forward. And I think it is fair to say that there was
indeed no sign of that prior to Tynwald taking action.

3380 Mr President, the Order and Isle of Man Energy's voluntary commitment can complement each
other. Whilst the voluntary commitment does go further than the Order in some areas, the Order
provides the baseline legislative protections which are in line with the conditions in the
adjacent isles.

3385 Mr President, this is currently the only tool that we have in legislation to protect vulnerable
households in our society, to make sure that they are not disconnected from their gas supply
during the winter period. Whilst it is anticipated that the legislation will be superseded by CURA's
wider Economic Regulation Bill due to be consulted on, really in the next few weeks, but certainly,
hopefully, during this quarter, this Order was signed and Council of Ministers took this action to
address an immediate problem quickly, and I commend it to this Court.

3390 Thank you, Mr President.

Dr Allinson: Hear, hear.

The President: I call on the Chief Minister.

3395 **The Chief Minister:** I beg to second and reserve my remarks.

The President: I call on Dr Haywood.

Dr Haywood: Thank you, Mr President and I thank the Hon. Minister for the work she has undertaken over the last few months to try and address the issue of vulnerable customers being cut off from their gas supply during the colder winter months.

Mr President, in the UK, the protection of vulnerable customers is enforced through conditions on the energy company licence. The minimum protection standards are part of the licence conditions. The code of practice from the energy regulator ensures that people who are of pensionable age, disabled or chronically sick cannot be disconnected during the winter months. Although the licensing situation here is different, the statutory protection in the UK mirrors what we have in place here now with this Order.

But in the UK, energy companies supplying over 90% of customers have put in place the UK vulnerability commitment that gives a much greater level of protection. This commitment was worked up between the energy supply companies, consumers and charities to ensure a greater range of vulnerable customers were protected.

If the supplier has signed up to the commitment, they will not disconnect a customer between 1st October and 31st March if they live with children *under* 16. They also will not disconnect a customer at *any* time of year if they are disabled, have long-term health problems, have severe financial problems, or have children under six years old living at home.

This UK voluntary agreement has broadly been mirrored by Island Energy and published on their website. They commit to:

Never knowingly disconnect a vulnerable customer at any time of year, where the household has children under the age of 6 (or under the age of 16 during the Winter Moratorium) or where for reasons of age, health, disability, or severe financial insecurity, that customer is unable to safeguard their personal welfare or the personal welfare of other members of the household.

This commitment that Island Energy Group has made to support a greater range of vulnerable customers is to be heartily welcomed. I congratulate them on bringing it forward. I wish to sound a note of caution, however. In the UK, the ability to change that voluntary protection requires the consent of the other energy companies, the customers and charities who all got together to put together the vulnerability commitment. So there is some level of permanency in that extended protection.

In the Isle of Man, Island Energy could change their commitment at any time. Not that I am saying they would, but it is possible. Therefore, I think we should thank Island Energy for suggesting a greater level of protection is appropriate, but we should also consider how to ensure that that level of protection is ensured for the vulnerable members in *our* society.

I understand that CoMin might have been nervous about extending the definitions of protected customers beyond the UK statutory minimum because of the effect that they might have on a private company. However, now that Island Energy has put its voluntary code in place, it is quite clear that they themselves do not think that this extended definition of vulnerable customers will have a negative impact on their business. I am utterly certain that before they brought forward a code, even when they were faced with mounting political pressure, they would have gone and analysed their own business and they would have evaluated the impact on their own business.

Therefore, I believe we should task CoMin with extending the Gas Regulation (Prevention of Disconnections) Order to match the protections promoted by Island Energy and to give more vulnerable customers the confidence in the extended protections that Island Energy has proposed.

Hon. Members, to this effect, I propose an amendment to the motion to insert a semicolon at the end and to add that the Council of Ministers should implement standards equivalent to the Island Energy voluntary code by October 2024. If this amendment is accepted, I would expect that a second order would be in place before next winter starts, but actually, given the year-round protection that is offered by Island Energy's position, I would hope that CoMin could move as quickly as possible to put this into effect.

Mr President, I beg to move the amendment in my name:

To add at the end the words:

‘; and that the Council of Ministers should by October 2024 make a further order amending the definitions of vulnerable tariff customers and relevant periods to match the Island Energy vulnerability commitment’.

The President: I call on Ms Faragher.

Ms Faragher: Gura mie eu, Eaghtyrane. I rise to second the amendment.

I understand there might be some apprehension regarding the potential impacts on a private company. However, Island Energy’s proactive adoption of extended protections does show their confidence that these measures are viable. As Dr Haywood explained, vulnerable gas customers in our neighbouring jurisdictions are better protected, and I support extending similar protections in the Isle of Man to ensure parity of safeguard for Manx citizens.

Hence I support this amendment to the motion urging the Council of Ministers to align the Gas Regulation Order with the comprehensive protections advocated by Island Energy. This amendment seeks to instil confidence in vulnerable customers and ensure equitable standards of protection across the board.

Eaghtyrane, ta mee shirrey kied dy phohlldal.

Gura mie eu.

The President: I call on Mr Thomas.

Mr Thomas: I was just hesitating. I was hoping that the Council of Ministers would have provided a view on the amendment. Perhaps they support it then, if they are not speaking about it.

The first point is that I think we have to look at the fifth provision in this Regulation, which says that:

A public gas supplier must not cut off the supply of gas to premises during the relevant period if —

(a) it knows;

(b) it reasonably suspects; or

(c) had it made reasonable enquires, it would have known or suspected, the premises to be the premises of a vulnerable tariff customer.

So just for the avoidance of doubt, that means you have to use the vulnerable customer policy of Island Energy, which has been in place for a number of years alongside their donation of money to charity —

The President: Does the Hon. Member wish to give way, I think Dr Haywood ...

Dr Haywood: Mr President, I wish to apologise. I read out from my speaking notes which had been prepared before I changed the amendment and the amendment that has been circulated is the one that I actually meant to propose. So it is the written amendment that Members have had circulated around them. I do apologise. It is about amending the definition of vulnerable tariff customers and relevant periods to match the Island Energy commitment. So —

The President: For clarity, I guess, would you mind just reading what the amendment is, Dr Haywood?

Dr Haywood: Yes. So the amendment is the Council of Ministers should, by October 2024, make a further order amending the definitions of vulnerable tariff customers and relevant periods to match the Island Energy vulnerability commitment.

The President: Thank you.
The floor is yours, Mr Thomas.

3490 **Mr Thomas:** So therefore, if you want to avail yourself of this statutory offence, going to the Police and complaining that Island Energy has cut you off, if you are a vulnerable customer, you have to have allowed them to know, reasonably suspect or have made reasonable enquiries that you *were* a vulnerable customer.

3495 So this whole statutory framework depends on the existence of the voluntary framework, because you have to subsequently, inside whichever part of the legal system hears this offence, they will have to establish that the only person who can carry out this offence is actually knowing and reasonably suspecting that there is an offence being committed.

3500 So a big thank you to the energy company for putting in place those voluntary arrangements over recent years and I am sure people like the Salvation Army and all the recipients from the Salvation Army would want to thank Energy for paying for so much of the support systems to poorer people.

3505 Which brings us on to if we are going to extend this commitment, across, and not only is it a group of people that put it together voluntarily, government is also involved. Because obviously we can just say the business must have assessed the impact. Well, obviously, if the business has assessed the impact and it increases the costs, the business can go off to CURA and increase the operating costs. There is a pre-agreed amount of money that they assume in terms of bad debts, but if that goes up, it is perfectly legitimate for them to go on and look to increase the prices for all tariff customers to pay for the extra amounts of costs.

3510 So I did take it upon myself to phone up and find out what the local gas company has done in recent months to help poorer people and apparently they have approved over 200 payment plans with a 12-month payment terms, a lot of which will not actually cover the amount of money that is owed in those 12 months, so there will still be debt outstanding at the end of those 12-month periods.

3515 Conceivably this sort of arrangement, especially accompanied by the sort of language that the Treasury Minister and the Chief Minister used about, 'Just don't pay, it's a bad administration system, you're probably right, it's a bad administration system' that might well cause all tariff customers to go up.

3520 I think we also ought to be a bit precise about exactly what the situation was before. There always has been since ... well, at least since 1995, there has been provisions about what you have to do as a public gas supplier before you can cut somebody off. I think the implication and the suggestion in the speech was there just was not regulation in this area. So you do have to go through a process of sending letters, there are time periods set out. There was always that process, it is just that process is got rid of if it is a vulnerable customer in a certain time period.

3525 We also ought to remember that the 90 cases were not necessarily all of vulnerable customers and it was never quite clear exactly what that number, where it came from originally and what it exactly represented.

3530 So all in all, we actually would have been better off if my amendment had been passed with the original primary legislation. We could get to actually a proper regulatory regime sooner. As it is, there will be lots of consultation and engagement and we will still be there, whereas we could have just basically put in place the basic regime to have a *proper* UK-, Ireland-matching regulatory system sooner, if we would have applied my amendment.

3535 Where we are now is I do think we need to work with CURA about economic regulation, we need to think through who is responsible for consumer regulation in the energy markets, because at the moment, as far as I can see, it is the Department of Infrastructure. It is not even the Office of Fair Trading because of section 57 in the Gas Regulation Act. (**Mr Henderson:** Vote!) So we need to move as quickly as possible to sort that out. And I just want, for the avoidance of doubt, I do have permission to reveal that over 200 payment plans have been put in place for vulnerable customers this winter.

The President: I call on the Hon. Member, Ms Lord-Brennan, to speak to the amendment, is it?

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Ms Lord-Brennan: Yes, thank you, Mr President. Just to speak to the amendment and then I will also get to sum up at the end? Yes.

I welcome the recognition and the spirit of the amendment, which is saying good that you have got this commitment now and the Order, but actually we hope that there is a chance that it could go further. But I am concerned about it as written, because I think that some of the things that we had to take care to do in preparing the Order was actually to at least give Isle of Man Energy the indication that this is what we were doing. As Hon. Members will know, as we put it through the Branches, this is what we said we would do. I do not know, if in proposing this amendment, the hon. mover has had those conversations, whether this is going to come completely out of the blue to Isle of Man Energy.

3550

We have got this situation where we have wanted to do something, so we have actually approached it quite carefully. And we also know, as the Hon. Member for Douglas South has said, we do know we need a well-thought-out, well-developed regulatory regime.

Doing something where you start to land in stuff like this by way of Tynwald resolution in a document which actually ... There are some good bits in that vulnerability commitment from Isle of Man Energy, there are other bits that do not make sense, but also we do not know what will change in their vulnerability commitment between now as it has been published on 18th January, and indeed what Council may then want to consider in the future and if we ... *[Inaudible]* hopefully we might have a fuller regulatory regime.

3560

So whilst I think it is a good thing and we have always said we will keep all these things under review, and we can keep this aspect under review, I do not think we should be leaping in there and committing to it, actually for many of the reasons that the Hon. Member, Mrs Haywood, made in the Keys sitting of December, when she was saying be careful about rushing some of this stuff.

I am confident the Cabinet Office and Council have taken the right steps with the Order and the communication of it. That is why we have kept it tight, because actually it is not a good idea, a bit risky, to land in in the way that is suggested by this amendment.

3565

So on that basis, Hon. Members, I would urge not to support that amendment, but there is something in keeping it under review.

Thank you, Mr President.

3570

The President: I call on Dr Allinson.

The Minister for the Treasury (Dr Allinson): Thank you very much, Mr President.

I would like to speak to the amendment but also propose an amendment to the amendment and I do apologise for doing this. I do not normally like creating policy on the hoof, but I think, again, I did not see this amendment coming forward, so I have not managed to talk to people like CURA about the implications of it.

3575

As the Hon. Member has just said, one of the aspects of this amendment twins our definitions really with those that have been selected by Isle of Man Energy and I do have problems with that because I am not quite sure of the basis of those. There has not been very much consultation, they have been decided by the company themselves. But I think there is further work that needs to be done with that.

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So I have just asked the Clerk to type up an amendment, which I think takes the essence of the concerns from the Hon. Member for Rushen and adds to those words ... Sorry, I do beg your pardon.

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The Speaker: Don't forget to read it first.

Dr Allinson: Adds to those words and basically changes them slightly to add, following the motion, that the Gas Regulation (Prevention of Disconnections) Order 2024 be approved and adds

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that the Council of Ministers should by October 2024 review the Order in light of the definitions of vulnerable tariff customers and relevant periods within the Island Energy vulnerability commitment.

3595 So it gives some time to go out to look at the actual commitment that has been made by Island Energy, to consult with the regulator, but also perhaps to consult with other people who may have input into that definition, to make sure that the order, which is very much a statutory order which is linked to financial penalties, is absolutely clear going forward.

With that, Mr President, and I do apologise for the haste in this amendment to an amendment, I beg to move the amendment to the amendment proposed by Dr Haywood:

To leave out the words 'make a further order amending the definitions' and in their place to add the words 'review the order in the light of the definitions'; and to leave out the words 'to match' and in their place to add the word 'within'.

3600 **The President:** I am not sure we have it just yet, the amendment – *(Interjection by Mr Henderson)*

The Clerk: It has been circulated by email, so the papers are on their way.

3605 **The President:** Thank you.

So I have just had it seconded by Mr Henderson.

Mr Hooper, did you wish to speak, you indicate, or were you seconding?

3610 **The Minister for Health and Social Care (Mr Hooper):** Just intending to second the amendment, Mr President.

3615 Personally I think the argument the Treasury Minister has made makes a lot of sense. I think the Cabinet Office Minister has made it quite clear that Council had to act quickly to get this Order in place in the first instance. It needed to be in force quickly to make sure people were protected as much as possible over what remained of this winter period, but I think it was always Council's intention to see how it works, review it, engage with CURA, engage with IEG and whoever else needs to be talked to about actually what do we really mean by a vulnerable tariff customer? I do not think anyone thought that the Order that was presented is the final full version, really, of what we would like to end up with.

3620 So I think the suggestion from the Treasury Minister that says, actually, now that IEG have published their own version of a vulnerability commitment that does go quite a lot further and starts dealing with people who have health issues or need a continuous energy supply for various reasons, I think actually it is incumbent on us to go back and review the Order that we have and make sure that it is actually doing what we think it should be doing.

3625 I would be nervous with Dr Haywood's original amendment leaping straight into just doing what IEG have published. It feels like that is a risky approach to life, actually, trusting and relying on IEG. So I would be much more comfortable I think saying that we will review the Order in light of that commitment and coming back with something that may be different, it may be the same, but at least it will be well thought through and properly considered and not made hastily on the floor of this Hon. Court.

3630 So I am happy to second, Mr President.

The President: I call on the Hon. Member, Dr Haywood, to speak to the amendment.

3635 **Dr Haywood:** The amendment to the amendment.

The President: Dr Allinson's amendment.

Dr Haywood: Thank you, Mr President.

3640 I think the real thing that I am very nervous about here is the clear differential between winter protection for any household with children under 16, which is what is in the vulnerability commitment – and we have only gone for under six years across the winter period – and waiting until October to address the fact that there are some year-round protections feels like we are going to be waiting months. And I hate to say it, I have been at the mercy of reviews from CoMin before, and I am not always satisfied with where they actually go or what they actually do.

3645 So I am not minded to support the further amendment.

Ms Faragher: Hear, hear.

The President: I call on the Hon. Member, Mr Thomas.

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Mr Thomas: Thank you very much.

I fully support Government's amendment, and to do anything less would actually be contrary to some of the good principles of regulation, because good regulation needs to be well thought through, needs to consider even unintended consequences, impacts on various people. You need to discuss it with CURA, you need to discuss it with the DoI as the licensing regulatory body for public gas supplying licences, you need to see to what extent the Office of Fair Trading can be involved in enforcing this, given section 57 of the Consumer Protection Act and its interaction with the Gas Regulation Act. So basically it is a very sensible move.

3655 I had just asked the President if I could just make a brief personal statement on my report of the 200 payment plans, because I said something like 'vulnerable customers', but what I meant to say on top of that was 'by any definition of vulnerability that you want to think of'. So I am not saying that there are 200 who meet the statutory definition of this offence, to which you can end up in court. They could just be meeting the definition of Isle of Man Energy, or they could just be ... they cannot pay. They have not got enough money to pay, so therefore they wanted a payment plan to be put in place.

3660 So all I am basically saying is that there are 200 payment plans put in place this winter for 12 months, and I do think it would be excellent if a more positive dialogue could take place about the administration systems and what the implications would be for other people of these payment plans and credit arrangements, so that we can work out that we have the best possible gas regulation for everybody in the future.

The President: I call on the mover to reply.

Ms Lord-Brennan: Thank you, Mr President.

3675 Just to thank the Hon. Members in this Court for thinking about this matter and just supporting the move overall, I think. I will probably just pick up a couple of minor points.

Mr Thomas has suggested that Government's Order is really dependent on the vulnerability commitment from Isle of Man Energy. It is not, it stands alone, but he does make some very valid points about the complicating factors of addressing a fuller regulatory regime. That point keeps coming up and we are aware of that.

3680 But we have done a good thing with this, it has been the right move to make, and it has been a starting point that has actually procured a better response from the energy company that many people rely on, that I am sure we would not want to see left literally out in the cold over the winter period. So I ask Hon. Members to support the amendment from Dr Allinson and also the Order.

3685 Thank you, Mr President. I beg to move.

The President: Now, Hon. Members, we come to vote on this Item, of which we have two amendments. I am going to put to you first, the amendment in the name of Dr Allinson. All those in favour, please say aye; those against, please say no.

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

In the Keys – Ayes 19, Noes 4

FOR

Dr Allinson
Mr Ashford
Mrs Barber
Mrs Caine
Mr Callister
Mr Cannan
Mrs Corlett
Mr Crookall
Ms Edge
Mr Glover
Mr Hooper
Mr Johnston
Ms Lord-Brennan
Mr Peters
Mrs Poole-Wilson
Mr Smith
The Speaker
Mr Thomas
Mr Wannenburg

AGAINST

Ms Faragher
Dr Haywood
Mrs Maltby
Mr Moorhouse

3690 **The Speaker:** Eaghtyrane, in the House of Keys, 19 for, 4 against.

In the Council – Ayes 8, Noes 0

FOR

Miss August-Hanson
Mr Craine
Mr Greenhill
Mr Henderson
Mrs Kelsey
Mrs Kinnish
Mr Mercer
Mrs Sharpe

AGAINST

None

The President: Legislative Council: 8 for, none against. Therefore, Dr Allinson's amendment passes.

I now put to you Dr Haywood's amendment, as amended. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it.

3695 And now I put you the Item 20 as amended. All those in favour, please say aye; those against, please say no. The ayes have it. The ayes have it. Item 20, as amended, carried.

Now, Hon. Members, that concludes the business of Tynwald Court this month and Council will now withdraw and leave you in the hands of Loayreyder.

3700 **Mr Henderson:** Gura mie eu, Eaghtyrane.

The Council withdrew.

House of Keys

The Speaker: Gura mie eu, Eaghtyrane.

I have no further business to put before the House. We stand adjourned until our next sitting, which is 27th February, 10 o'clock in our own Chamber.

Thank you very much.

The House adjourned at 3.13 p.m.