

**STANDING COMMITTEE OF
TYNWALD ON
PUBLIC ACCOUNTS**

**ANNUAL REPORT COVERING
ACTIVITY DURING THE
SESSION 2022-2023**

STANDING COMMITTEE OF TYNWALD ON PUBLIC ACCOUNTS

ANNUAL REPORT COVERING ACTIVITY

DURING THE SESSION 2022-2023

- 3.1 *There shall be a Standing Committee of the Court on Public Accounts.*
- 3.2 *Subject to paragraph 3.6, the Committee shall have –*
- (a) a Chairman elected by Tynwald,*
 - (b) a Vice-Chairman elected by Tynwald,*
 - (c) four other Members, who shall be Chairman of each of the Policy Review Committees (ex officio) and the Chairman of the Committee on Constitutional and Legal Affairs and Justice;*
- and a quorum of three.*
- 3.3 *Members of Tynwald shall not be eligible for membership of the Committee, if, for the time being, they hold any of the following offices: President of Tynwald, member of the Council of Ministers, member of the Treasury Department referred to in section 1(2)(b) of the Government Departments Act 1987.*
- 3.4 *The Committee shall –*
- (a) (i) consider any papers on public expenditure and estimates presented to Tynwald as may seem fit to the Committee;*
 - (ii) examine the form of any papers on public expenditure and estimates presented to Tynwald as may seem fit to the Committee;*
 - (iii) consider any financial matter relating to a Government Department or statutory body as may seem fit to the Committee;*
 - (iv) consider such matters as the Committee may think fit in order to scrutinise the efficiency and effectiveness of the implementation of Government policy;*
 - (v) determine within six months of a General Election whether it will report on a year ending on the last day of March, August or December. Once that determination has been made, the Committee must make an annual report within six months of its year-end, unless during that period it has made an end-of term report under sub-paragraph (vi). An annual report may be in the form of a statement; and*

(vi) no sooner than three months before a Dissolution, make an end of-term report on its activities during each term of the House of Keys.

- (b) be authorised to require the attendance of Ministers for the purpose of assisting the Committee in the consideration of its terms of reference.*
- (c) be empowered to issue directions under Standing Order 5.6(3), provided that any direction so issued shall be reported to Tynwald within a year.*
- (d) be the Accounts Committee referred to in section 3 of the Tynwald Auditor General Act 2011, with the relevant powers and responsibilities in relation to the Tynwald Auditor General; and*
- (e) be the Tynwald Public Accounts Committee referred to in section 3 of the Tynwald Commissioner for Administration Act 2011, with the relevant powers and responsibilities in relation to the Tynwald Commissioner for Administration.*

3.5 The Chairman, Vice-Chairman and any member of the Committee shall not sit when the accounts of any body of which that person is a member are being considered.

3.6 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 the Committee's consideration of that matter. Subject to paragraph 3.5, a conflicted member so replaced shall continue to serve as a member of the Committee for all other purposes.

The powers, privileges and immunities relating to the work of a committee of Tynwald include those conferred by the Tynwald Proceedings Act 1876, the Privileges of Tynwald (Publications) Act 1973, the Tynwald Proceedings Act 1984 and by the Standing Orders of Tynwald Court.

Committee Membership

The Hon J P Watterson SHK (Rushen) (Chair)

Mrs D H P Caine MHK (Garff) (Vice-Chair)

Miss T M August-Hanson MLC

Mrs C S B Christian MHK (Douglas South)

Mrs C A Corlett MHK (Douglas Central)

Mr R Mercer MLC

Copies of this Report may be obtained from the Office of the Clerk of Tynwald, Legislative Buildings, Finch Road, Douglas IM1 3PW (Tel: 01624 685500) or may be consulted at www.tynwald.org.im

All correspondence with regard to this Report should be addressed to the Clerk of Tynwald, Legislative Buildings, Finch Road, Douglas, Isle of Man, IM1 3PW.

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To: The Hon Laurence David Skelly MLC, President of Tynwald,
and the Hon Council and Keys in Tynwald assembled

STANDING COMMITTEE OF TYNWALD ON PUBLIC ACCOUNTS

ANNUAL REPORT COVERING ACTIVITY DURING THE SESSION 2022-2023

I. ABOUT THIS REPORT

1. This Report summarises the work of the Public Accounts Committee from October 2022 to September 2023 inclusive.

II. MEETINGS AND PUBLIC HEARINGS

2. During this period we met on 13 occasions, taking public oral evidence on one of those occasions. On 25th May 2023 we heard from the Department of Education, Sport & Culture (DESC) on the topic of the Student Awards scheme. The witnesses were Chief Officer Graham Kinrade and Deputy Chief Officer Joanne Roberts.¹

III. LIAISON WITH POLICY REVIEW COMMITTEES

3. An update from the Chair of each Policy Review Committee regarding current inquiries is a standing item on each Public Accounts Committee agenda. Their respective reports for 2022-23 can be found at Annex 1.² These will also be published on the respective policy review committee webpages.

¹ Q1-Q198

² Annex 1

IV. ASSURANCE ADVISORY DIVISION AND REPORTS

4. We receive an executive summary report in relation to all reviews undertaken by the Isle of Man Government's Audit Advisory Division (AAD). A list of those considered in 2022-23 may be found in Annex 2.³
5. In June 2023 we were provided with an audit into the Department and Infrastructure's (DOI) waste management regulations.⁴ We were particularly concerned by the conclusions that were made:

Assurance status	Controls	Application
<i>Unacceptable</i>	<i>Unacceptable</i>	<i>Unacceptable</i>

6. Accordingly, we referred this audit to the Environment and Infrastructure Policy Review Committee which currently has waste management under inquiry.⁵ Mr Mercer MLC, Chair of that Committee, has advised that the Committee has since made contact with the AAD, the DOI and the Department of Environment, Food & Agriculture in respect of the audit and the recommendations therein. We also understand that the Committee intends to take evidence from the DOI on this topic in the 2023-24 Session.
7. On a separate matter, on 12th December 2022 the AAD shared with us for comment and approval its revised Internal Audit Charter which had been updated to reflect current and best practice in line with government and Internal Audit Standards. The Charter details the mission, purpose, scope authority and role of the Internal Audit service. This was last reviewed in April 2011.
8. We responded with our comments on two separate occasions and are grateful to the AAD for asking us to pass comment on this important document.⁶

Departmental conflict registers

9. The AAD is conducting a series of audits into the conflict registers of each Department and Statutory Board. We have resolved to consider these reviews as a whole once all audits have been received.

³ Annex 2

⁴ Appendix 1

⁵ Appendix 2

⁶ Appendix 3

V. MATTERS CONSIDERED

Availability of detailed financial information

10. On 1st March 2023 we wrote to the Treasury Minister, Hon. Dr Alex Allinson MHK, to express our concerns regarding the availability of detailed financial information following the withdrawal of two important sets of government accounts known as the Light Blue Book and the Orange Book.⁷
11. The Light Blue Book was a set of detailed, unaudited accounts for government Departments and offices but not the non-revenue funded Statutory Boards such as the Isle of Man Post Office and Manx Utilities Authority nor government owned companies. The publication essentially compared actual income and expenditure against budgeted amounts down to a Divisional level and was traditionally laid before July Tynwald; this was last published after the end of the 2021 financial year.⁸
12. The Orange Book – or the *Financial Information and Miscellaneous Accounts* – contained details of Trust Accounts and other third party statements, usually published after the audited accounts. It appears that this information has not been published since 31st March 2017.⁹
13. There is now no financial information available to either the Committee, Government, or the wider public until the publication of the all-new Annual Report. Whilst the publication of quarterly Management Accounts does provide some level of financial detail, neither this nor the Annual Report compares to granularity of the documents which preceded them.
14. Our suggestion, as stated in our 1st March letter, was that instead of resurrecting the Light Blue Book, the raw data be produced each year ahead of the July sitting. This would fill the gap of timely financial information and could come in the form of a spreadsheet published on the accounts section of the Government website. As this would be produced on a near cash basis, rather than in accordance with accounting standards, we would hope that to a large extent this would be easy to produce and would be necessary data from which to start building the financial statements.

⁷ Appendix 4

⁸ GD 2021/0060: Isle of Man Treasury, 'Detailed Government Accounts 2020-21', (nd), <https://www.gov.im/media/1373798/detailed-government-accounts-year-ended-31-march-2021.pdf>

⁹ GD 2018/0057: Isle of Man Treasury, 'Financial Information and Miscellaneous Accounts', December 2018, <http://www.tynwald.org.im/spfile?file=/business/opqp/sittings/20182021/2018-GD-0057.pdf>

15. The Minister's response stated that the Light Blue Book 'took up a significant amount of officer resource for what was unaudited information' and that conversations would be had with the Chief Financial Officer to consider how such information might be published on a regular basis without resurrecting the publication. Apologies were made for the delay in the production of the Orange Book and we were told that a review of all outstanding accounts was currently underway and completed books would be laid before Tynwald as soon as possible this calendar year.¹⁰ It should also be noted that Local Government accounts should be laid before Tynwald, not just the abbreviated versions provided in the Orange Book.
16. We replied on 27th June 2023 requesting an update on these considerations, making a further suggestion that one option could be to make available the AX ledger at the year end, with a note as to where and how this data was combined to produce the Light Blue Book.¹¹
17. The Minister replied on 10th July 2023 advising that:
- It would be possible to provide the AX trial balance however, the process to produce the Light Blue Book information is complex and involves levels of aggregation and disaggregation of general ledgers balances in various areas. It is felt that the AX trial balance would lead to many queries and would not provide useful information to the Committee.*
18. Attached to this correspondence were Light Blue Book tables that provide the performance information for Departments and also the external reserves and internal funds.¹²
19. Meaningful, targeted financial scrutiny is not possible without the Light Blue Book or an equivalent. The remit of the Public Accounts Committee is to examine the value for money of Government projects, programmes and service delivery, as well as scrutinising the efficiency and effectiveness of the implementation of Government policy and public spending more broadly. The Committee is restricted in performing its functions without the availability of detailed financial information.

¹⁰ Appendix 5

¹¹ Appendix 6

¹² Appendix 7: The Treasury advised that the financial information provided here has not been audited and is subject to change prior to the audited Annual Report being signed

20. While conscious of the strain on resource, the publication of more financial information we believe would prevent many requests to Treasury, reduce parliamentary questions, and improve the transparency of public finances.
21. Accordingly, we make the following Recommendation:

Recommendation 1

That an unaudited summary of key financial information be published no later than 6 months after the year end. This summary should include:

- **Approvals by Treasury for use of the Revenue Contingency Budget;**
- **Income vs budget per Department, Board and Office at division level on a 'near cash' basis split by income tax, customs and NI income, as well as other revenue streams that are significant for that division;**
- **Expenditure vs budget per Department, Board and Office at division level on a 'near cash' basis split by wages (basic and overtime), pensions and temporary staff, maintenance, vehicles, IT, as well as other expenditure streams that are significant for that division;**
- **Capital transactions by project;**
- **Use of capital contingency fund;**
- **Income and expenditure by fund; and**
- **Book and market value of internally and externally managed investments at year end**

Douglas Bay Horse Tramway

22. In February 2023 we resolved to look into government expenditure on the Douglas Bay Horse Tramway, commissioning a briefing paper from the Tynwald Research and Scrutiny Support Team. This can be found at Annex 3 and includes a chronology of events, decisions, and commitments relating to the Tramway since 2010.¹³
23. In July 2017, Tynwald approved expenditure not exceeding £20,730,000 for works associated with the reconstruction of the highway from Peveril Square to

¹³ Annex 3

Strathallan Crescent, as outlined in the explanatory memo.¹⁴ In the debate it was revealed that £5.2 to £5.5 million of this sum for the promenade refurbishment was allocated to works on the Tramway.

24. In response to an oral question in March 2021, the then Infrastructure Minister Tim Baker said that works on the single-track to the Sea Terminal had been 'de-scoped' and that new funding would be requested.¹⁵
25. On 29th August 2023, as follow-up to questions asked at the July 2023 sitting of Tynwald, the Chief Minister confirmed in an open letter to Mrs Caine MHK that authorisation of the de-scoping was a 'collective decision' made on 30th April 2020.¹⁶ We believe that de-scoping something already approved by Tynwald, without seeking further approval from Tynwald, reflected poorly on the Department and the Council of Ministers.
26. Noting this response, we make the following recommendation:

Recommendation 2

Tynwald is of the opinion that where specific scoping with associated funding is approved by Tynwald, Tynwald approval should be sought in advance of any proposed deviation away from that scope.

27. The Briefing Paper at Annex 3 touches on the media attention around this issue which continues.¹⁷ In 2023, 22 Petitions for Redress were presented to Tynwald at St John's on 5th July, one of which related to the truncated Tramway route being 'unconstitutional', and another to the enforcement of Tynwald resolutions. Both were found to be in order by the Standing Orders Committee of Tynwald.¹⁸

¹⁴ Tynwald, Item 12 (18 July 2017) 1254 T134,

<https://www.tynwald.org.im/spfile?file=/business/hansard/20002020/t170718.pdf#page=111>;
Department of Infrastructure, 'Explanatory Memorandum to Tynwald Members: Douglas Promenade Highway Regeneration Scheme', (nd),
<https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/Tynwald%2020162018/MEMO-DouglasProm-July2017.pdf>

¹⁵ House of Keys, Oral Question 3.2 (23 March 2021), Hansard Extract,
<https://www.tynwald.org.im/spfile?file=/business/OPHansardIndex1821/7395.pdf#search=%22%22tramway%22%22>

¹⁶ Department of Infrastructure, Open Letter to Mrs Caine MHK, 29 August 2023,
<https://www.tynwald.org.im/spfile?file=/business/hansard/20202040/t230718-HA-Q12.pdf>

¹⁷ Annex 3

¹⁸ PP 2023/0095: Standing Orders Committee of Tynwald, 'Petitions for Redress', July 2023,
<https://www.tynwald.org.im/spfile?file=/business/pp/Reports/PP-2023-0095.pdf>

VI. CURRENT INQUIRIES

Liverpool Landing Stage

28. In December 2021 Tynwald resolved:

*That the Public Accounts Committee should undertake a full and detailed inquiry into the Liverpool Landing Stage Project and publish a report to Tynwald no later than the last day of January 2023.*¹⁹

29. Mrs Christian recused herself from this inquiry given her previous responsibilities within the Department of Infrastructure.

30. Unfortunately we have been unable to report by the aforementioned deadline. The evidence received to date has been extensive and in January the Chair wrote to Members to advise the report would be delayed.²⁰ This is due to the significant amount of written evidence requested. We are grateful for the Department's ongoing cooperation in responding to requests for information. The report is now in the final stages of drafting and the aim is to publish this before the adjourned debate on the general reserve expenditure application which is due to take place in November 2023.

Student Awards

31. In January 2023 we began scrutinising the efficiency and effectiveness of the Student Awards scheme through an examination of its policies and procedures.

32. Mrs Christian recused herself from this inquiry given her previous work within the Department of Education, Sport and Culture.

33. A Briefing Paper was prepared for us by the Tynwald Research and Scrutiny Support Team which includes a jurisdictional comparison section and a summary of recent parliamentary activity on this issue. This can be found at Annex 4.²¹

34. On 3rd March 2023 we launched a public call for evidence to seek information relating to any issues experienced by applicants.²² In the accompanying media release, our Chair, Mr Juan Watterson MHK, said:

¹⁹ Tynwald, Item 3 (14 December 2021) 256 T139,

<https://www.tynwald.org.im/spfile?file=/business/hansard/20202040/t211214.pdf#page=58>

²⁰ Appendix 8

²¹ Annex 4

²² Public Accounts Committee of Tynwald, 'Student Awards Inquiry by Public Accounts Committee', Call for Evidence Media Release, 3 March 2023, <https://www.tynwald.org.im/news/student-awards-inquiry-by-public-accounts-committee>

Student awards are a key gateway to Higher Education. A lot depends on getting it right first time to make this important life transition as smooth as possible. The PAC would like people to get in touch to talk about their experiences as to how administration of this system can be improved.

35. The call for evidence ran for three weeks, and 37 written submissions were received.
36. The responses to our call for evidence informed the questions we asked the Department at a public oral evidence hearing on 25th May 2023.²³ The substantive themes covered included: the purpose of awards; the associated budget; loans and repayment; support; disability grants; assessment; delivery; and information sharing.
37. A government media release outlining a new Student Awards system designed to streamline the application process was released on the morning of the hearing.²⁴
38. We intend to report in due course, with the objective of assessing to what extent the scheme provides value for money and supports the *Our Island Plan* aims and objectives related to higher education. Both the written evidence from DESC and the written submissions received as part of this inquiry will be included in our report.

Health governance

39. In June 2023 we resolved to look into the topic of health governance on the Island. The scoping question we are considering is:

Whether the healthcare system governance structure is effective and efficient, both ensuring and assuring that the system is fit for purpose?

40. Miss August-Hanson has recused herself from this inquiry given her responsibilities within the Department of Health and Social Care.
41. We will report in due course.

Procurement

42. In 2019, we embarked on a wide-ranging evidence gathering exercise on procurement generally, with a view to honing this down to areas of particular interest. The Committee is grateful to all of those who provided written and oral

²³ Q1-Q198

²⁴ Department of Education, Sport & Culture, 'Student Awards process improved following feedback', gov.im, 25 May 2023, <https://www.gov.im/news/2023/may/25/student-awards-process-improved-following-feedback/>, (accessed 19 September 2023)

evidence to us in 2019. We had started to scope more detailed work when COVID-19 struck in early 2020. At this point, we suspended work on procurement and focussed our efforts on the pandemic. This continued for 2020 and 2021. In the Autumn of 2021 there was a General Election. Mr Robertshaw retired, and all of the other Members of the Committee became Government Ministers.

43. No sooner had this Committee been elected than it was tasked with reviewing the procurement of the Liverpool Landing Stage. As previously mentioned, we hope to report on this shortly. We also became aware of a Government internal review of procurement which reported last year. New capital procedure notes have been issued in 2023, and the decision was made to move the central procurement team from the Attorney General's Chambers back to Treasury. All of this has meant that procurement has taken a back seat.
44. We expect that the appointment of a Tynwald Auditor General will mean that procurement will once again be a focus for value for money within Government. There will be further public communication when this happens.

VII. INTER-PARLIAMENTARY ACTIVITY

CPA Visit to Westminster

45. In November 2022, a delegation of 10 Members visited Westminster, including the Chair and Mrs Christian. Among a wide variety of topics covered, there were sessions with the UK PAC Chair Dame Meg Hillier, and on the UK budget approval system.

CPA Visit from St Helena

46. In January 2023 the Commonwealth Parliamentary Association hosted an inward delegation programme in Westminster for the Public Accounts Committee of St Helena. Our Clerk and Chair presented virtually on a session called 'Effective Questioning'. Advice was imparted around question resources and oral evidence session planning and managing.

Clerk Attachment to the Public Accounts Committee of the Solomon Islands

47. In March a delegation from the Westminster Foundation for Democracy - led by Lord Bruce of Westminster and Francisca Gale of the Clerk of Tynwald's Office - visited Honiara to undertake work with the National Parliament of Solomon

Islands as part of a programme to support and enhance accountable democratic governance in the Solomon Islands.²⁵

48. This partnership was developed to strengthen the financial work of its standing committees, including parliamentary oversight of the budget. Sessions were held on financial management with members of its PAC, the Public Expenditure Committee and staff of the National Parliament.

Westminster Study Visit

49. During a trip to Westminster with the Isle of Man delegation for the Commonwealth Parliamentary Association British Islands and Mediterranean Regional Conference the Clerk met with Sarah Heath, Clerk of the Public Accounts Committee and Linda Mills, National Audit Office (NAO) Liaison Officer.
50. The discussion about how the Westminster Public Accounts Committee use National Audit Office Reports to inform their work was of particular interest in light of the appointment of the first Tynwald Auditor General.

Clerk Attachment from Anguilla

51. Over two weeks in May we hosted Ms Vanisha Proctor, a visiting PAC Committee Clerk from the Anguilla House of Assembly. This attachment was initiated by the CPA UK Overseas Territories Project office. Ms Proctor observed the work of this Committee with interest, attending a meeting and the oral hearing on student awards. Ms Proctor met with the Chair and Clerks and discussed the techniques and approaches for preparing questions for oral evidence sessions.
52. In her reflections about the visit Ms Proctor's noted the value in having a Clerk and Assistant Clerk for the Committee and lauded the 'effective cohesion and communication that distinguish Tynwald's support functions'.²⁶

Turks and Caicos Islands PAC Visit to Westminster

53. In June our Clerk presented virtually - alongside Dr Stephen McGinness, Clerk of the House of Commons Select Committee Team - on the subject of 'Getting a Government Response' at the Turks and Caicos Islands PAC visit to Westminster.

²⁵ 'UK – Solomon Islands Parliamentary Partnership', Westminster Foundation for Democracy, accessed 19 September 2023, <https://www.wfd.org/what-we-do/where-we-work/uk-solomon-islands-parliamentary-partnership>

²⁶ 'Study visit 'amazing experience'', Tynwald Media Release, 31 May 2023, <https://www.tynwald.org.im/news/study-visit-amazing-experience>

British Virgin Islands Post Election Seminar

54. At the end of August, the Chair and Clerk were part of a delegation of six who delivered a three-day post-election seminar to the recently elected House of Assembly arranged by the CPA UK Overseas Territories Project office. The workshop included sessions on different types of scrutiny, including the work of a Public Accounts Committee, effective questioning, and a committee exercise.

UK Public Accounts Committee Network Event

55. In September our Chair, both Clerks, and the Tynwald Auditor General attended at one-day networking event hosted in Westminster. Attendees consisted of Members and officials from Public Accounts Committees across the United Kingdom, Ireland, the Channel Islands, and the British Islands and Mediterranean Region.
56. Our Clerk sat on a panel which led a discussion topic on the handling and scrutinising sensitive information, during which experiences of how and when to maintain confidentiality were shared. A workshop session on preparing for committee evidence sessions included sharing experiences of effective questioning and briefing notes.

Inward Visit from the Solomon Islands

57. Also in September, Tynwald hosted five delegates from the Solomon Islands, together with two officers from the Westminster Foundation for Democracy (WFD). This was the second part of our collaboration with the jurisdiction as part of WFD's programme to support and enhance its accountable democratic governance.
58. The general theme of the visit was: as another small parliament, how does Tynwald approach parliamentary work? As part of an extensive programme the Chair and Assistant Clerk hosted a session on 'Scrutiny and the Public Accounts Committee'.

VIII. COMMONWEALTH PARLIAMENTARY ASSOCIATION TRAINING

59. The CPA offers an online course entitled *201 Public Accounts Committee Course*. Its 8 modules cover: the origin and history of the PAC; role and remit; role of the Auditor-General and Supreme Audit Institutions; the work of a PAC; effective questioning; reporting; follow-up and assessing performance; and an exam. A number of Members have completed the course.

IX. TYNWALD AUDITOR GENERAL AND THE PAC

60. In November 2020 the Tynwald Management Committee published a report on the Tynwald Auditor General.²⁷ The Tynwald Auditor General Act received Royal Assent on 18th October 2011 but at the time of that report had not been brought into effect. In its introduction the Committee noted that due to the absence of an Auditor General the Isle of Man was out of step with UK and international best practice which favours an independent national audit function. As such, the Committee argued that ‘Tynwald fails 2018 CPA Benchmarks for Democratic Legislatures which state: 7.2.7 *There shall be an independent, non-partisan supreme or national audit office whose reports are tabled in the Legislature in a timely manner*; and 7.2.8 *The supreme or national audit office shall be provided with adequate resources and legal authority to conduct audits in a timely manner*’.
61. In March 2023 Tynwald approved the appointment of the Island’s first Tynwald Auditor General.²⁸ Stephen Warren, previously the Deputy Comptroller and Auditor General to Jersey, was selected for the role by a Selection Committee comprising the Speaker of the House of Keys, Juan Watterson MHK, Chief Minister, Alfred Cannan MHK, and PAC Vice-Chair Daphne Caine MHK.²⁹ Mr Warren’s appointment was approved on the 40th anniversary of the appointment of Tynwald’s first Public Accounts Committee in 1983.
62. The key functions of an Auditor General are to review the effectiveness and efficiency of government, to assess value for money and, where appropriate, to identify where savings could be made. The advertisement for the post made it clear that a key objective is that by year three of the appointment, the post holder should identify savings equivalent to the cost of the Office. This objective was accepted by Mr Warren and written into the agreement, which was appended to the Selection Committee’s report into his appointment.³⁰
63. Since his appointment Mr Warren has consulted with the Public Accounts Committee in accordance with Section 8(1) of the Tynwald Auditor General Act 2011 on the criteria he intends to apply in deciding whether to comply with a

²⁷ PP 2020/0190: Tynwald Management Committee, ‘First Report for the Session 2020-21 - Tynwald Auditor General’, November 2020,

<https://www.tynwald.org.im/spfile?file=/business/pp/Reports/2020-PP-0190.pdf>

²⁸ Tynwald, Item 9 (March 2023) 826 T140,

<https://www.tynwald.org.im/spfile?file=/business/hansard/20202040/t230321.pdf#page=78>

²⁹ PP2023/0037: Tynwald Auditor General Selection Committee, ‘First Report for the Session 2022-23 – Appointment of Mr Stephen Warren’, February 2023,

<https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/20212026/2023-PP-0037.pdf>

³⁰ *ibid*

request for an investigation under Section 10 of the 2011 Act. Attending its fortnightly meetings, he has also routinely delivered both an update on progress with the establishment of the Office of the Auditor General, as well as training sessions for committee members on how to read government accounts and the audit commentary which accompanies them.

64. Our Chair noted that ‘this day has been a long time coming, and has been something of a personal quest during my time in politics. I look forward to being part of the process of improving audit quality, and creating a more robust and focussed approach to identifying value for money in Government’.

J P Watterson (Chair)

D H P Caine (Vice-Chair)

T M August-Hanson

C S B Christian

C A Corlett

R Mercer

September 2023

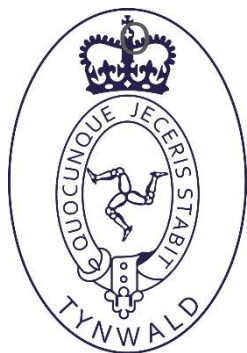
**ANNEX 1: REPORTS BY THE PUBLIC ACCOUNTS COMMITTEE
AND POLICY REVIEW COMMITTEES LAID AND DEBATED –
OCTOBER 2022 TO SEPTEMBER 2023**

Committee	Report Title	PP number	Laid	Debated
<i>Public Accounts Committee</i>	Annual Report Covering Activity During the Session 2021-2022	2022-PP-0125	15 th November 2022	Not debated as laid without recommendations
<i>Social Affairs Policy Review Committee</i>	Report on the Handling of the Knottfield Inquiry Report 2021-22	2022-PP-0022	15 th November 2022	21 st February 2023
	Second Report on the Handling of the Knottfield Inquiry Report 2022-23	2022-PP-0129	15 th November 2022	21 st February 2023
	Social Affairs Policy Review Committee First Report for the Session 2022-23 Oral Health in Children	2023-PP-0002	21 st February 2023	16 th May 2023 and 20 th June 2023
<i>Economic Policy Review Committee</i>	Economic Policy Review Committee First Report for the Session 2022-23 Gas Regulation	2023-PP-0070	18 th July 2023	Not debated as laid without recommendations
	Economic Policy Review Committee Progress Report Covering Activity During the Sessions 2021-23	2023-PP-0089	18 th July 2023	Not debated as laid without recommendations
<i>Environment & Infrastructure Policy Review Committee</i>	Environment and Infrastructure Policy Review Committee First Report for the Session 2022-23 Active Travel Strategy	2023-PP-0012	21 st March 2023	16 th May 2023 and 20 th June 2023
<i>Constitutional & Legal Affairs & Justice Committee</i>	Constitutional and Legal Affairs and Justice Committee First Report for the Session 2022-23 Youth Justice - Volume 1 and Volume 2	2022-PP-0137	13 th December 2022	21 st February 2023

ANNEX 2: AUDIT ADVISORY DIVISION SUMMARIES CONSIDERED BY THE PUBLIC ACCOUNTS COMMITTEE – OCTOBER 2022 TO SEPTEMBER 2023

PAC Considered Date	Dept	Name
24 November 2022	DEFA	Government Laboratory
24 November 2022	IOM Post Office	Northern Delivery Office - Counter Service
24 November 2022	IOM Post Office	Revenue Protection Measures - 2021-2022
24 November 2022	DOI	Coastguard Services
9 th February 2023	DEFA	Conflict Registers Review IOMG/COI/DEFA
9 th February 2023	Manx Utilities Authority	Implementation of Reservoir Safety Recommendations
16 th March 2023	IOM Post Office	Business Continuity Planning (BCP)
16 th March 2023	IOM Post Office	GDPR
16 th March 2023	DfE	Conflicts Register Review
6th April 2023	DOI	Conflicts Register Review
11 th May 2023	Cabinet Office	Conflicts Register Review
29 th June 2023	DHSC	Conflict Registers Review IOM/COI/DHSC 2022
29 th June 2023	DESC	Conflict Registers Review IOM/DESC/COI-2022
13 th July 2023	N/A	Corporate Governance

**ANNEX 3: BRIEFING PAPER ON THE DOUGLAS BAY HORSE
TRAMWAY**



Douglas Bay Horse Tramway

CONFIDENTIAL

Issued 02/02/2023

For: Public Accounts Committee

From: Sam Bowers, Assistant Clerk

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1. Scope of this Paper

This research paper provides an overview of the Douglas Bay Horse Tramway, before assessing the development of the service in the wider context of the Promenade Scheme with a focus on ministerial commitments and comments since the tramway was taken over by the Isle of Man Government in 2016.

2. Douglas Bay Horse Tramway

2.1 Background

Founded by Yorkshire-born engineer Thomas Lightfoot, the Douglas Bay Horse Tramway has been a feature of Manx life since it first opened in 1876. From 1902 to 2015, the tramway was owned and operated by local government Douglas Borough Council (formally Douglas Corporation). Following a period of financial instability, in 2016 the service came under the auspices of the Isle of Man Government, operated by Isle of Man Transport (part of the Department of Infrastructure), with additional support from volunteers and the third sector.

Today, the tramway is one of only two horse-drawn systems that remain in operation worldwide and has retained thirteen of its original Victorian and Edwardian tramcars.¹

2.2 Relevant Legislation

The Douglas Bay Tramway Act 1876 authorised the construction of a Tramway from the Queen Victoria Pier to Strathallan Crescent in Douglas.

The Isle of Man Passenger Transport Act 1982 provides under statute improved provision in respect of the island's transport network, and for connected purposes. In its Schedule, 'railway' includes any tramway operated by horses.

The Douglas Bay Tramway Determination of Promoter's Powers Order 2016 removed all powers from Douglas Borough Council as 'promoter' of the service.

There was a commitment in the Legislative Programme 2019/2020 for a Douglas Bay Tramway (Amendment) Bill, which proposed to amend various powers contained within the Douglas Bay Tramway Act 1876 to ensure the current and future operation of the tramway is on a secure legal footing. This legislation was not forthcoming.² An identical commitment has been made in the Island Plan legislative programme for 2022-23.³

¹ Culture Vannin, 'Douglas Horse Trams', [culturevannin.im](https://culturevannin.im/watchlisten/videos/douglas-horse-trams-337479/), accessed 11 September 2023, <https://culturevannin.im/watchlisten/videos/douglas-horse-trams-337479/>; Douglas Bay Tramway Heritage Trust, 'Douglas Bay Horse Tramway', [horsetram.im](https://www.dbtht.org/tramway-guide), accessed 11 September 2023, <https://www.dbtht.org/tramway-guide>

² GD 2019/0051: Isle of Man Government, 'Legislative Programme 2019/20', October 2019, <https://www.tynwald.org.im/business/opqp/sittings/20182021/2019-GD-0051.pdf>

³ GD 2022/0045: Isle of Man Government, 'Our Island Plan', June 2022, <https://www.tynwald.org.im/business/opqp/sittings/20212026/2022-GD-0045.pdf#page=26>

2.3 Transfer into Government Ownership

Douglas Corporation purchased the Tramway in 1902. In January 2016, Douglas Borough Council announced that the line would close following a reported loss of £263,000 in 2015 which meant that the service was no longer financially viable.⁴

Shortly after this announcement, Ms Kate Beecroft MHK tabled an [urgent motion](#) before the House of Keys which received unanimous support: *That this House is of the opinion that the Council of Ministers should explore all possibilities to allow the horse trams to be transferred to another entity; and report back as a matter of urgency.*

A working party, comprising Government officers, Douglas Borough Council, Manx National Heritage and Culture Vannin was established to examine alternatives to a discontinuation of the tramway.⁵ More than 2,000 people signed a public petition to save the service.⁶

An 'emergency fix' deal was reached in which Isle of Man Transport (part of the Department of Infrastructure) took on responsibility for its operation throughout the summer of 2016.

These developments played a role in the outcome of a [Tynwald motion in July 2016](#) which approved operation of the horse trams by Isle of Man Railways (a division of Isle of Man Transport) for two further seasons, alongside other recommendations within the Report *Proposals Regarding the Future Operation of Douglas Bay Horse Tramway*.⁷ The motion was moved by Infrastructure Minister Phil Gawne MHK.

2.4 Reviews and Reports on the Heritage Railways

The Island's Heritage Railway network constitutes:

- Douglas Bay Horse Tramway
- Steam Railway
- Snaefell Mountain Railway
- Manx Electric Railway

In [February 2013](#), in oral evidence to the Environment and Infrastructure Policy Review Committee, the Minister for Community, Culture and Leisure (Mr Graham Cregeen MHK) said the following:

Rail operation costs about £2.75 million, but generates an economic value of around £11million to the Isle of Man – 10% of all tourist income alone and 25% when linked with Manx National Heritage joint activity

⁴ 'Isle of Man horse tram service ends after 140 years', *BBC News – Isle of Man*, 26 January 2016, [bbc.co.uk, https://www.bbc.co.uk/news/world-europe-isle-of-man-35380961](https://www.bbc.co.uk/news/world-europe-isle-of-man-35380961), (accessed 11 September 2023)

⁵ 'Future of horse trams: Joint statement from Council and Department of Infrastructure', Douglas Borough Council, accessed 11 September 2023, <http://www.douglas.gov.im/index.php/news/council-news/item/1307-future-of-horse-trams-joint-statement-from-council-and-department-of-infrastructure#.Y3TSc8fP2U>

⁶ 'Isle of Man horse trams: More than 2,000 people sign petition to save service', *BBC News – Isle of Man*, 23 January 2016, [bbc.co.uk, https://www.bbc.co.uk/news/world-europe-isle-of-man-35384707](https://www.bbc.co.uk/news/world-europe-isle-of-man-35384707), (accessed 11 September 2023)

⁷ GD 2016/0046: Department of Infrastructure, 'Proposals Regarding the Future Operation of Douglas Bay Horse Tramway', July 2016, <https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/Tynwald%2020142016/2016-GD-0046.pdf>

Commissioned by Treasury and published as an Appendix to the Securing Added Value and Efficiencies (SAVE) Programme in June 2018, the Review of Isle of Man Heritage Railways reviewed the current operation and future development of the heritage railways⁸. This was conducted by SYSTRA, consultants in transport and engineering.

It provided the following passenger data for 2017 across all of the island's heritage railways:⁹

Heritage Railway	Journey Type	2017 Passengers
Douglas Bay Horse Tramway	Single	73,954
Steam Railway	Single	147,892
Snaefell Mountain Railway	Return	63,175
Manx Electric Railway	Single	227,826
TOTAL		512,847

Regarding the average tourist visitor stay on the island, SYSTRA makes the following remark:

The impact of the Douglas Bay Horse Tram has been excluded from these assumptions as it is assumed that, given its passenger numbers and limited coverage, its removal would not impact on the total visitor numbers to the Isle of Man.¹⁰

On the issue of staffing and operations, SYSTRA recommended that:

The MER is extended over the Horse Tram route at the earliest opportunity and that ticket purchasing and retail facilities are provided to support this. In addition we recommend Horse Tram operation is focused on the Ferry Terminal to War Memorial section of route.¹¹

2.5 Freedom of Information Requests

A number of [Freedom of Information Requests](#) relating to the tramway have been published since 2018. These have covered risk assessments, associated costs, collisions, passenger numbers, losses, problems, designs, and rust removal.

3. The Tramway in the Context of the Promenade Scheme

3.1 Background

The future of the Douglas Bay Horse Tramway has been a matter of debate since the beginning of plans to renovate Douglas Promenade. In 2010, an Issues & Options consultation document was published which sought public opinion on proposals to move the tram route from the centre of the road to the seaward side of the promenade and replacing the horse-drawn trams with a more modern system.¹²

⁸ GD 2018/0030: Isle of Man Government, 'Securing Added Value and Efficiencies (SAVE) Programme Progress Report – Appendix 5: Review of the Isle of Man Heritage Railways (SYSTRA)', June 2018, <https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/Tynwald%2020162018/2018-GD-0030.pdf#page=175>

⁹ *ibid*, p.52

¹⁰ *ibid*

¹¹ *ibid*, p.86

¹² NN 2010/0046: Department of Infrastructure, 'Douglas Promenade: Issues & Options', November 2010

3.2 Reconstruction of the Promenade: DOI Proposals

In [December 2016](#), Infrastructure Minister Ray Harmer MHK asked Tynwald to approve the principles for the reconstruction of the Loch Promenade [[GD 2016/0083](#)].¹³ The motion included the following tramway-related proposals:

(ii) The twin tracks between Broadway and Summerhill are to be renewed in the current location;

(iii) The rails are to be laid in such a manner as to support a heritage or potential future light rail electric tramway system;

(v) The area around the Villa Marina and Gaiety Theatre on Harris Promenade is to benefit from broader improvement and the provision of a tramway terminus;

(vi) The current tramway is to be removed but a tram corridor is to be allowed for in the section of the Promenade running between the Sea Terminal and the War Memorial to provide for the possible future extension of the tramway;

Recommendation (ii) was lost, and the Minister gave notice that he intended to move it for a combined vote at the [January 2017](#) sitting, at which Mr Chris Robertshaw successfully moved the following amendment (in bold): *(ii) The twin tracks between Broadway and Summerhill are to be renewed in the current location **and a new single tram track is to be laid on the roadway between the Sea Terminal and the War Memorial.***

In [July 2017](#), Tynwald approved expenditure not exceeding £20,730,000 for the works associated with the reconstruction of the highway from Peveril Square to Strathallan Crescent, as outlined in the [explanatory memo](#).

The DOI successfully applied for planning permission to reconstruct the promenade from the Sea Terminal to Harris Promenade in early 2018. The planning application can be accessed [here](#).

Appendix 2 of the Planning Statement for the application gives a description of the proposed works related to the tramway from Strathallan Terminus to Peveril Square:

1. Linking the existing twin tracks at Strathallan Terminus to a twin track in the centre of the road, through to Castle Mona Ave; similar to original arrangements with separation width standardised at 1.945m
2. Converting the twin track to single track on the seaward side after Castle Mona Ave;
3. Provision of a passing area at the War Memorial
4. Provision of shelters at Peveril Square and the War Memorial

The DOI had previously applied for planning permission in [September 2015](#) which was refused.

3.3 The Length of the Line

In the [House of Keys on 8 February 2022](#), in response to questions from Ms Joney Faragher MHK and Mrs Daphne Caine MHK, Minister Tim Crookall MHK said that a decision had been made to cut the tramline back to the War Memorial; reversing the January 2017 Tynwald commitment to extend the new line to the Sea Terminal. Mr Juan Watterson MHK said in an interview with Manx Radio that this

¹³ GD 2016/0083: Department of Infrastructure: 'Douglas Promenade: Options Review', November 2016, <https://www.tynwald.org.im/spfile?file=/business/opqp/sittings/Tynwald%2020162018/2016-GD-0083.pdf>

was against the will of Tynwald.¹⁴ In an article in February 2022, the Manx Electric Railway Society claimed that this decision had been made 'unconstitutionally', for such a fundamental variation in the plans was made without parliamentary endorsement.¹⁵

Funding for this stretch of track has since been reallocated. The current Minister, Mr Thomas MHK said that there has been 'no misuse of public funds' in relation to the horse trams despite the works not being completed with the funds for those works already allocated.¹⁶ Further funding is being sought and in October 2022 the Minister suggested using charities to fund and manage the island's historic railways.¹⁷

On 29 July 2022, after three years without movement, the first horse tram departed the station with passengers aboard. Shortly afterwards the Minister commented that the decision to extend the line beyond the war memorial 'has to be balanced with other priorities' admitting that the island is in a different economic situation than it was in 2016 when the decision was made.¹⁸ Similar comments were made by his predecessor, Tim Crookall MHK in [February 2022](#), who in a response to a question in the House of Keys revealed that fulfilling this commitment was not going to be immediate.

In oral evidence to the Built Heritage Select Committee of Tynwald in [October 2022](#), heritage campaigner Charles Guard said that progress on the single track had been impeded by a row between highways and railways. In response, Minister Thomas described these comments as 'unhelpful', insisting that the plans to procure funding are a work in progress.¹⁹

3.4 Scrutiny of the Scheme

The Environment and Infrastructure Policy Review Committee undertook an inquiry on the Promenade Scheme and published three reports:

1. [First Interim Report](#)
2. Second Interim Report: [Volume 1](#) and [Volume 2](#)
3. [Final Report](#)

In the General Debate on the Second Report in [July 2020](#), Minister Baker spoke of 'descoping' the plans to meet deadlines, but remained 'totally committed' to completing the single-track line to the Sea Terminal.

¹⁴ 'Department of Infrastructure gone against the will of Tynwald, says MHK', Manx Radio, 19 February 2022, <https://www.manxradio.com/news/isle-of-man-news/departments-of-infrastructure-gone-against-the-will-of-tyrwald-says-mhk/>, (accessed 18 September 2023)

¹⁵ 'Press Release from the Manx Electric Railway Society', *Manx Electric Railway Society*, 9 February 2022, <https://mers.org.im/blog/articles/view/id/693/Press%20Release%20from%20the%20Manx%20Electric%20Railway%20Society>, accessed 18 September 2023

¹⁶ '"No Misuse of Public Funds" In Relation to the Horse Trams', *Manx Electric Railway Society*, 5 September 2022, <https://mers.org.im/blog/articles/view/id/726/No%20Misuse%20of%20Public%20Funds%22%20In%20Relation%20to%20the%20Horse%20Trams%E2%80%9D>, accessed 18 September 2023

¹⁷ Noah Bovenizer, 'Could charities be brought in to fund and manage our railways?', *Isle of Man Today*, 2 October 2022, <https://www.iomtoday.co.im/news/could-charities-be-brought-in-to-fund-and-manage-our-railways-566132>, accessed 18 September 2023

¹⁸ 'Horse Tram Extension "Has to Be Balanced with Other Priorities"', *Manx Electric Railway Society*, 30 July 2022, <https://mers.org.im/blog/articles/view/id/723/Horse%20Tram%20Extension%20%22Has%20to%20Be%20Balanced%20with%20Other%20Priorities%22>, accessed 18 September 2023

¹⁹ 'Claims DoI wants to get rid of horse trams are 'unhelpful'', *Manx Radio*, 21 November 2022, https://www.manxradio.com/news/isle-of-man-news/claims-doi-wants-to-get-rid-of-horse-trams-are-unhelpful/?fbclid=IwAR3ZO391TyPjy8TftyHi_6IqtKt3YszxJ1kp2vV2Q9TYiPJqYG5foPfZ7Q, accessed 18 September 2023

[Section III](#) of the Committee's final report identifies a number of issues, namely the timeline to the project's completion, budget, issues for businesses, and strategic issues. Refer to [paragraphs 14-18](#) for horse tram related commitments made by the Infrastructure Minister and CEO in oral evidence.

4. Parliamentary Questions since Tramway came under Government Ownership

Below is a list of questions asked in Keys and Tynwald since 2016 together with any key commitments and/or comments made by the Infrastructure Minister in response (in **bold**).²⁰

4.1 [Keys – 12 April 2016](#): length of line, costs, and plans

1. *Whether it is his policy that any future planning application for the Promenade refurbishment will not include the horse tram rails proceeding past the War Memorial in the direction of the Sea Terminal?*
2. *What the costs are of running the horse tram services; and how he will fund this?*
3. *What his current plan is for running the horse trams?*

The planning application submitted by the Department on 1st April does not include the horse trams proceeding south past the War Memorial. Provision has been made, however, within the application to protect the corridor to allow for future installation of the horse trams on Loch Promenade, as required under Transport Policy 3 of the Isle of Man Strategic Plan...

4.2 [Keys – 06 December 2016](#): passenger numbers

How many of the 69,542 passengers carried during the 2016 horse tram season, started and terminated their journey at the final stop at the Sea Terminal end of the track?

No commitments made.

4.3 [Keys – 13 December 2016](#): stables and depot

What progress has been made by his Department in providing temporary stables and tram depot for the continued operation of horse tram services along Douglas Promenade over the next two years as agreed at July Tynwald 2016?

The Department will be able to remove and reuse the structure if the horse tram service is either abandoned or confirmed after a two-year trial period agreed by Tynwald. My objective is that we secure the horse trams for the long-term.

...we have applied for planning permission to put a temporary building on the Summerland site whilst we do further work on a long-term solution.

4.4 [Tynwald – 18 July 2017](#): horse excrement

What steps he has taken to ensure that horse excrement from the horse tram service is cleared in a timely manner?

²⁰ Click on the date to view the complete Hansard

...we have recently allocated an old sweeper that has just been replaced, to the work, allowing tramway staff, once trained, to sweep the centre of the Promenade in the middle of the day.

4.5 Keys – 23 October 2018: suspensions during TT and MGP

What assessment has been undertaken of the impact of the suspension of horse tram services from 5pm to 6pm on race days; and whether any further amendments to the timetable of the horse trams during the TT and the Festival of Motorcycling are being considered as a result?

The changes that will form part of the Douglas Promenade Refurbishment Project will bring benefits. Horse trams on the southern end of the Promenade will run in a separate lane from vehicles. To the north of Broadway, where the trams will continue in the centre of the road, the road will be slightly wider and this will make it easier for road vehicles to pass the horse trams, or, as is more likely to be the case during road closures, for trams to overtake queuing cars

4.6 Keys – 7 May 2019: update on redevelopment

If he will provide an update on the redevelopment of Douglas Promenade?

Presently the contract is anticipated to be delivered within the budget approved by Tynwald. The project team continues to work actively in liaising with local businesses and residents to keep them informed of progress. In addition, the Department is working closely with the Department for Enterprise to assist local businesses with ongoing issues and proactively providing assistance where possible.

4.7 Tynwald – 21 May 2019: timetables

What the outcome of the 2018 trial suspension of horse tram services between 5 p.m. and 6 p.m. was; how the 2019 timetable will reflect this; and how the timetable will ensure that traffic flow issues are minimised?

No commitment made.

4.8 Tynwald – 21 May 2019: economic value

What the assessed economic value is of the Douglas Bay Horse Tramway; who conducted this assessment; when it was conducted and on what it is based?

In 2011 the Department of Community, Culture and Leisure employed the services of Ecorys Ltd to undertake an assessment of the economic impact of the heritage railways. This was before Government took responsibility for the Douglas Bay Horse Tramway. The conclusion of this report was that heritage railways were considered to add £12 million to the gross domestic product of the Island.

4.9 Keys – 23 March 2021: location of tramway termination

Where the horse tramway will terminate when the promenade works conclude in July; when the tramway will operate during the summer; what the estimated cost is of completing the horse tramway to the south end of Loch Promenade; and when the Department plans to tender for that work?

[This was followed by a number of supplementary questions].

...the horse tramway will temporarily terminate at the bottom of Broadway on the seaward side of the promenade. The operating dates and times for heritage rail services have not yet been decided.

In response to Mr Speaker's supplementary around costs and the end of the tramway, the Minister said:

...we have now, as Hon. Members know, de-scoped that part of the scheme [single track to the Sea Terminal], along with the work on the roundels. That is being delivered this coming winter, subject to the approval of the spend which, as Hon. Members know, is expressly shown in the Budget for 2021-22 in column 3, and I would expect to be coming back to Tynwald in November for approval of that spend, based on a tendered project, and be ready to execute that work over the time of the winter, as I have previously committed to do.

4.10 Tynwald – 20 April 2021: allocation of funds

How much of the additional £1.2 million required to complete the horse tramway will be allocated to (a) track installation, (b) road surfacing, and (c) other work; and whether this was previously included in the Promenade Scheme budget?

The design of the horse tramway project from Broadway to the Sea Terminal is still being developed. It is estimated that the installation of the rails will account for 50% of the costs, surfacing will be approximately 25% and ancillary costs, contingencies and preliminary costs will account for the final 25%. The sum was previously included within the Tynwald approved budget for the scheme.

4.11 Tynwald – 20 July 2021: progress update and costs

What progress has been made on installing the horse tramway on Douglas Promenade; when it is expected the de-scoped section will be built; what the cost is of soft landscaping the Loch Promenade section including the paving being installed; and when horse trams will start operating?

The remaining section of single-track rail between Castle Mona Avenue and the Sea Terminal was de-scoped from the Promenade Scheme (in mid-2020). This will be constructed once additional funding is approved by the Court of Tynwald in line with the 2021 Budget. I expect that the tender will be issued (early in the next administration) enabling the required motion to be brought before this Hon. Court very promptly after the procurement process is concluded.

4.12 Keys – 8 February 2022: reinstatement of sea terminal line

1. *When his Department plans to reinstate the tramway from the War Memorial to the Sea Terminal; when this plan was made; what assessment has been undertaken of the impact of this plan on tourism; and if he will make a statement?*

2. *Where the horse tram track will terminate (a) for the 2022 season and (b) in subsequent years?*

Refer to section 3.3 of this paper for Minister Crookall's comments.

4.13 Written Answer – 17 November 2022: heritage railways operated by volunteers

Whether he has asked the Minister for Infrastructure to report on whether heritage railways should be operated by volunteers; and what work has been undertaken on this to date.

In response to a question from the Hon Member for Douglas North, Mr Ashford, in the House of Keys on 25 October, I advised that the Heritage Railways is an area where operating at arm's length from government is being considered, and that the service could be moved, possibly, into a charitable trust. The Council of Ministers will be considering all the options before the Minister for Infrastructure gives a statement to Tynwald Court in April 2023.

5. Timeline

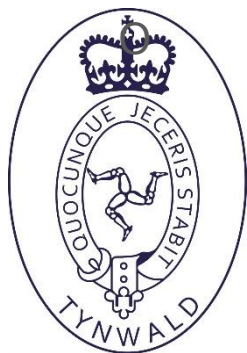
Taken from information above, below is a timeline of events, decisions, and commitments on the Tramway/Promenade since 2010:

Date	Event
2010	Issues & Options consultation document [NN 2010/0046] was published.
2011	Ecorys Ltd undertook an assessment of the economic impact of the heritage railways, concluding that they were considered to add £12 million to Island GDP.
September 2015	The DOI unsuccessfully applied for planning permission to relocate the horse tram tracks onto the promenade walkway.
January 2016	Douglas Borough Council announced that the line would close following a reported loss of £263,000 in 2015.
	Ms Beecroft MHK tabled an urgent motion before the House of Keys: <i>That this House is of the opinion that the Council of Ministers should explore all possibilities to allow the horse trams to be transferred to another entity; and report back as a matter of urgency.</i>
	An 'emergency fix' deal was reached in which Isle of Man Transport took on responsibility for its operation throughout the summer of 2016.
April 2016	Planning application submitted by DOI which did not include the horse trams proceeding south past the War Memorial. However provisions were made to protect the corridor to allow for future installation of the tramway on the promenade.
July 2016	Tynwald motion which approved operation of the horse trams by Isle of Man Railways for two further seasons.
December 2016	Infrastructure Minister Ray Harmer asked Tynwald to approve the principles for the reconstruction of the Loch Promenade [GD 2016/0083]. The motion included four tramway-related proposals.
January 2017	Mr Chris Robertshaw successfully moved the following amendment (in bold): <i>The twin tracks between Broadway and Summerhill are to be renewed in the current location and a new single tram track is to be laid on the roadway between the Sea Terminal and the War Memorial.</i>
July 2017	Tynwald approved expenditure not exceeding £20,730,000 for the works associated with the reconstruction of the highway from Peveril Square to Strathallan Crescent.

Early 2018	The DOI applied successfully for planning permission to reconstruct the promenade from the Sea Terminal to Harris Promenade.
June 2018	Systra recommends that: <i>The MER is extended over the Horse Tram route at the earliest opportunity and that ticket purchasing and retail facilities are provided to support this. In addition we recommend Horse Tram operation is focused on the Ferry Terminal to War Memorial section of route.</i>
2019	Commitment in the Legislative Programme 2019/2020 for a Douglas Bay Tramway (Amendment) Bill, which proposed to amend the Douglas Bay Tramway Act 1876 to ensure the current and future operation of the tramway is on a secure legal footing. This was not forthcoming although an identical commitment was made in the Island Plan legislative programme for 2022-23.
March 2021	Announced to Tynwald: That the Tramway will temporarily terminate at the bottom of Broadway; That the single track to the Sea Terminal had been de-scoped along with the work on the roundels with the expectation of delivery in the winter, subject to the approval of the spend which was expected to be shown in the Budget for 2021-22 in column 3; and That the DOI was expected to come back to Tynwald in November for approval of that spend.
April 2021	Design of the tramway from Broadway to the Sea Terminal was still being developed. Estimated that the installation of the rails will account for 50% of the costs, surfacing will be approximately 25% and ancillary costs, contingencies and preliminary costs will account for the final 25%. The sum was previously included within the Tynwald approved budget for the scheme.
July 2021	Reaffirmed March 2021 commitment that the remaining section of single-track rail between Castle Mona Avenue and the Sea Terminal was de-scoped from the Promenade Scheme. This would be constructed once additional funding is approved by the Court of Tynwald in line with the 2021 Budget. It was said that the tender would be issued early in the next administration enabling the required motion to be brought before Tynwald after the procurement process concluded.
February 2022	Minister Crookall MHK told the Keys that a decision had been made to cut the tramline back to the War Memorial; reversing the January 2017 Tynwald commitment to extend the new line to the Sea Terminal.
Early-mid-2022	This decision was later reversed and the Department committed to completing the line although this wouldn't be until after the construction of the dual tracks up to the War Memorial.

July 2022	On 29 th July the first horse tram departed the station with passengers aboard. Shortly afterwards the Minister commented that the decision to extend the line beyond the war memorial 'has to be balanced with other priorities'.
September 2022	Funding for construction of the dual tracks was reallocated. Minister Chris Thomas MHK said that there has been 'no misuse of public funds' in relation to the horse trams despite the works not being completed with the funds for those works already allocated. Further funding was being sought and the Minister suggested using charities to fund and manage the island's historic railways.
October 2022	Heritage campaigner Charles Guard said that progress on the single track had been impeded by a row between highways and railways. Minister Thomas described these comments as 'unhelpful', insisting that the plans to procure funding are a work in progress.
November 2022	Minister Thomas advised that the Heritage Railways is an area where operating at arm's length from government is being considered, and that the service could be moved into a charitable trust. The Council of Ministers would be considering options before the Minister gives a statement to Tynwald Court in April 2023.

ANNEX 4: BRIEFING PAPER ON THE STUDENT AWARDS SCHEME



Student Awards

CONFIDENTIAL

Issued 09/03/2023

For: Public Accounts Committee

From: Sam Bowers, Assistant Clerk

Request: At its meeting of 9th February 2023, the Public Accounts Committee reviewed a scoping paper prepared by Mr Speaker and requested a briefing paper with supplementary information

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1. Purpose

This briefing paper has been prepared as a supplement to Mr Speaker's scoping paper on the same topic.

2. Jurisdictional comparison

This section provides an overview of student finance available to undergraduates in neighbouring jurisdictions where England, Scotland, Wales, Northern Ireland, Jersey and Guernsey all have different processes.

2.1 England

Students in England continuing after higher education may be able to borrow money from [Student Finance England](#) to help pay for university or college tuition fees, and to assist with living costs.

2.1.1 Eligibility

To apply, students who are 'from or normally live in England' can [apply online](#) using the following steps:

1. Set up a student finance online account;
2. Log in and complete the online application;
3. Include your household income if needed. Your parent or partner will be asked to confirm these details; and
4. Send in proof of identity, if needed.

Gov.uk have an easily to follow [step-by-step guide](#) on its website.

Those who are either on a low income, have a disability, or have children, may be entitled to a higher sum. If someone is under 25 and has no contact with their parents, they might be able to apply as an 'estranged student'. If you have spent at least 13 weeks in the care of your local authority before you turned 16, you might be able to apply as a care leaver.

2.1.2 Funding

If a student's course starts/started on or after 1st September 2016, they can apply for both a:

- Tuition Fee Loan; and a
- Maintenance Loan for living costs

Tuition Fee Loan: Your university or college sets your tuition fee, and the loan is paid directly to them. You have to pay it back. If you're a full-time student, you can get up to **£9,250**. If you're studying an accelerated degree course, you could get up to **£11,100**.

Maintenance Loan: You have to give details of your household income and your course start date. The loan is paid directly into your bank account at the start of each term. You have to pay the loan back.

Maintenance loan provision by criteria:

	2022 to 2023 academic year	2023 to 2024 academic year
Living with your parents	Up to £8,171	Up to £8,400
Living away from your parents, outside London	Up to £9,706	Up to £9,978
Living away from your parents, in London	Up to £12,667	Up to £13,022
You spend a year of a UK course studying abroad	Up to £11,116	Up to £11,427
If you're 60 or over on the first day of the first academic year of your course	Up to £4,106	Up to £4,221

Applicants can use a [student finance calculator](#) to estimate how much maintenance loan they might get. It will also inform whether you are eligible for extra grants or allowances. A student may be entitled to a grant helping to cover travel expenses if they normally live in England but study away from home.

Gov.uk say that 'you may not get the full amount, so you may have to find other ways to fund the rest of your living costs. This could include, for example, part-time work, local authority assistance, bursaries, scholarships, or family contributions'.

2.1.3 Repayment

X will start repaying this debt once X begins earning over a certain amount. The size of X's monthly repayments will depend on how much X earns, not what X owes. X will be charged interest on the loan from the day X takes it out.

There are differing repayment '[plans](#)' with varying thresholds depending on weekly or monthly income.

2.2 Scotland

Undergraduate funding in this jurisdiction is administered by [Student Awards Agency Scotland](#).

2.2.1 Eligibility

When applying for funding, X will be classed as either a Young Student or Independent Student. The main differences are whether you are under 25, and/or have a child.

To meet the general residence conditions the applicant must:

- be ordinarily resident in the United Kingdom, the Channel Islands or the Isle of Man for the three years immediately before the relevant date; and
- have 'settled status' in the UK (as set out in the Immigration Act 1971) on the relevant date; and
- be ordinarily resident in Scotland on the relevant date.

2.2.2 Funding

Like the English system, tuition fees will be paid directly to the college or university.

Loans are available for studying in Scotland, as well as studying elsewhere in the UK. Regarding the latter, applicants can apply for a student loan of up to **£9,250** to pay part or all of their fees. Furthermore, a bursary can be received to cover living costs. The amount of loan and bursary one can receive depends on household income, and whether you are a Young Student or Independent Student:

Young Student		Independent student	
Household income	Bursary	Loan	Total
£0 to £20,999	£2,000	£6,100	£8,100
£21,000 to £23,999	£1,125	£6,100	£7,225
£24,000 to £33,999	£500	£6,100	£6,600
£34,000 and above	£0	£5,100	£5,100

Young Student		Independent student	
Household income	Bursary	Loan	Total
£0 to £20,999	£1,000	£7,100	£8,100
£21,000 to £23,999	£0	£7,100	£7,100
£24,000 to £33,999	£0	£6,600	£6,600
£34,000 and above	£0	£5,100	£5,100

2.2.3 Repayment

Recipients of funding that are **employed** will start making repayments from the April after they graduate or leave their course, provided that they make the 'salary threshold' of £25,375.

Self-employed debtors will make repayments through a self-assessment tax return.

The current interest rate for students on repayment Plan 4 is 5%. Plan 4 is automatic for any Scottish student who started an undergraduate or postgraduate course anywhere in the UK on or after 1 September 1998.

2.3 Wales

Undergraduate funding in this jurisdiction is provided by [Student Finance Wales](#).

2.3.1 Eligibility

Its website says that 'Welsh students are not just students from Wales. Your nationality is important but is not the only consideration'. A Welsh student status is given if you are:

- a UK national or Irish citizen and been living in UK and Islands for 3 years before the first day of the first year of your course;
- have been granted settled status and been living in UK and Islands for 3 years before the first day of the first year of your course; and
- have been granted settled or pre-settled status under the EU settlement scheme and been living in UK and Islands for 3 years before the first day of the first year of your course

You also need to live in Wales on or before the first day of the first academic year of your course. If you're not able to identify as a Welsh student you may still be eligible for funding as a European Union student. You can also have an eligible exception residency type such as a refugee, stateless person or humanitarian protection.

2.3.2 Funding

Most students can get a loan to pay for their tuition fees and a mixture of a loan and a grant to help with their living costs. Applicants might also be able to get extra help on top of this, if they have children, an adult dependant or a disability.

Tuition fee loan: recipients can receive up to **£9,250** a year, depending on how much their course costs. How much the student receives does not depend on household income.

Maintenance Loan and Grant: students could also get a mixture of loan and grant to help with living costs. How much one receives depends on household income and where you live and study.

See [here](#) for estimates of how much one could get based on household income.

The Maintenance Loan and Grant is paid into the student's bank account in 3 instalments, usually at the start of each term.

2.3.3 Repayment

The loan part must be paid back, with interest upon completion of the course. Grants do not need to be repaid.

2.4 Northern Ireland

Funding for students in Northern Ireland is administered by [Student Finance NI](#).

2.4.1 Eligibility

The words in the eligibility criteria for Northern Ireland are identical to that of Wales above.

2.4.2 Funding

Tuition Fee loan: The amount an individual may receive depends on individual circumstances, but the maximum is **£4,710**. Universities and colleges in Northern Ireland charge lower tuition fees than other areas, so the amount of loan required is also less.

Maintenance Loan: In this jurisdiction, assistance with living costs comes in the form of a loan, not a grant, therefore it must be repaid with interest. The table below shows the maximum loan amounts for the last two academic years, based on instances where household income has been provided:

Maximum Maintenance Loan		
Your living arrangements	2022 to 2023 academic year	2023 to 2024 academic year
Living with parents	Up to £3,750	Up to £5,250
Living in London and not with parents	Up to £6,780	Up to £9,492
Living outside London and not with parents	Up to £4,840	Up to £6,776
Living abroad for at least one term as part of your course	Up to £5,770	Up to £8,078

2.4.3 Repayment

Student Finance NI's repayment plan is below:

What you'll repay

You'll repay 9% of your income over the repayment threshold. If your income changes, either rising or falling, your repayment amounts will automatically change to reflect this.

Income each year before tax	Monthly income before tax	Approximate monthly repayment
£22,015	£1,835	£0
£25,000	£2,083	£22
£28,000	£2,333	£44
£30,000	£2,500	£59
£35,000	£2,917	£97

2.5 Jersey

The [Government of Jersey](#) provides financial help to Jersey residents who wish to undertake a course in either:

- higher education
- postgraduate professional education
- 1 year level 3 vocational arts course

2.5.1 Eligibility

In 2023 and 2024 a student is eligible for consideration for a grant if:

- the student is resident in Jersey (Residency Requirements)
- the student is over compulsory school age on 31 August 2023; and
- the academic requirements for funding the specific course are met

2.5.2 Funding

The amount one may be able to receive is means tested. A grant may be payable and is composed of two elements:

Tuition Fees: up to **£9,250** per year, except for the tuition fees grant for a one year vocational arts course where the amount is limited to the actual cost of tuition fees for an equivalent course provided by Highlands College.

Maintenance Grant: up to **£8,572** for an academic year. This helps to pay some of the living expenses, including accommodation, food and books.

Additional funding is available for clinical years of medical, veterinary, dentistry and nursing. Allowances may be granted to support those with disabilities.

Independent students and dependent off-island students may receive:

Student's relevant income (total/gross)	Tuition fees	Maintenance	Total
£0 to £49,999.99	£9,250	£8,572	£17,822
£50,000 to £59,999.99	£9,250	£6,857	£16,107
£60,000 to £69,999.99	£9,250	£5,143	£14,393
£70,000 to £79,999.99	£9,250	£3,429	£12,679
£80,000 to £89,999.99	£9,250	£1,715	£10,965
£90,000 to £99,999.99	£9,250	£0	£9,250
£100,000 to £109,999.99	£9,250	£0	£9,250
£110,000 to £119,999.99	£8,325	£0	£8,325
£120,000 to £129,999.99	£7,400	£0	£7,400
£130,000 to £139,999.99	£6,475	£0	£6,475
£140,000 to £149,999.99	£5,550	£0	£5,550
£150,000 to £159,999.99	£4,625	£0	£4,625
£160,000 to £169,999.99	£3,700	£0	£3,700
£170,000 to £179,999.99	£2,775	£0	£2,775
£180,000 to £189,999.99	£1,850	£0	£1,850
£190,000 to £199,999.99	£925	£0	£925
£200,000+	£0	£0	£0

2.5.3 Repayment

It appears that the Channel Islands have the same repayment conditions as England.

As reported by the Jersey Evening Post, the UK Government announced in [February 2022](#) that students starting university courses in 2023/24 will have to begin paying back their loans once they are earning more than £25,000, a change from the previous salary threshold of £27,295. This threshold will be set until 2026-27. In practice, this would mean that a graduate earning £28,000 would pay back £17 a month. Interest rates would be cut for new students so their loan balance rises with the rate of inflation.

The linked article above provides further information on the public consultations launched in early 2022 around potential changes to the student awards system, specifically the introduction of minimum entry requirements and a 'lifelong loan entitlement'.

2.6 Guernsey

Approximately £4 million is budgeted each year to support students studying full-time higher education degree courses outside of the Bailiwick.

An FAQ document on [Guernsey's student finance system](#) is available [here](#).

2.6.1 Eligibility

Like other jurisdictions, eligibility is based on residency status. Guernsey state that 'a student is entitled to apply for an award if he or his parents have been ordinarily resident in the Channel Islands, the UK, or the Isle of Man for three years immediately before the commencement of the course, and he or his parents are ordinarily resident in Guernsey or Alderney on the relevant day (for courses commencing in the autumn, the relevant day is the 30th June prior to the commencement of the course).' Furthermore, 'a person who is, or was, absent from Guernsey (or Alderney) owing to the fact that he, or his parent, is, or was, temporarily employed outside the island will normally be treated as ordinarily resident in Guernsey'.

2.6.2 Funding

Grants consist of two elements; living and travel costs (known as a maintenance grant) and tuition fees. Financial support is through a means-tested grant scheme and dependent on a number of factors including an assessment of gross household income.

There are three types of award:

1. Assessed Award
2. Fee Subsidy Only
3. Independent Student Bursaries

An assessed award is based on an assessment of gross household worldwide income, and assets. A Fee Subsidy Only (minimum) award does not require a declaration of income or assets, but parents assume responsibility for the maximum contribution.

A number of local companies and organisations offer bursaries or scholarships to help fund local students through their time at university or college.

Tuition fees are as follows: Students who commenced study prior to 2017 can receive **£9,000**. Students who commence/d a new course from 2017 can **£9,250**.

The **basic maintenance allowance** for studies in London is **£9,213** and **£7,567** elsewhere. Furthermore, a travel allowance is awarded as part of the maintenance grant towards the cost of three return trips to the university:

- South of England incl. London £527 for a three term year under 45 weeks
- Rest of UK £657 for a three term year under 45 weeks

The Schedule of Fees and Allowances is [here](#).

2.7 Comparison summary

All neighbouring jurisdictions, bar Northern Ireland, provide tuition fees of £9,250. Where they differ is over the amount of maintenance provided, as below:

ENGLAND	£9,978
SCOTLAND	£8,100
WALES	£11,720
NORTHERN IRELAND	£6,776
JERSEY	£8,572
GUERNSEY	£7,567

Note: figures above are the maximum a student can receive provided that they are studying outside of London and away from parents, and are in the lowest threshold for household income.

Both tuition fees and maintenance loans must be paid back in all of these countries.

3. Recent parliamentary activity on the Isle of Man

In [November 2022](#) the Minister of the Department of Education, Sport & Culture, Hon Ms Edge MHK, laid the Departmental Plan for 2022-23 before Tynwald.

The Plan stated that DESC's Policy, Strategy and Governance Division has responsibility for providing guidance and advice to the Department on policy and legislation matters, providing a wide range of administrative services, of which student awards is one.

There is a commitment within the Plan to: *review current Vocational Training Scheme, Pre-School Credit Scheme, and Student Awards, to ensure they are fit for purpose, with the following timescale: to be reviewed by December 2022, with implementation of new schemes by April 2023*. The Minister said in the debate that 'I am happy to go through what work we have done on the student awards. We did go out for consultation [...]'.

This [consultation](#) ran between 10 June 2021 and 22 July 2021 as part of a review of the Island's education legislation, seeking public views on policy principles of student awards which would influence the content of future Student Award Regulations. It was said that 'all responses received during the consultation have been considered and will be deliberated when the Regulations are next updated prior to introduction to Tynwald'. See the [Student Awards Policy Results in Graphics](#) for a visual depiction of the responses. In [April 2022](#), the Minister said that the review was nearing completion and that the Department 'will put recommendations to the Council of Ministers in due course. However, any cost implications will be subject to Treasury funding'.

In response to a question from Mrs Corlett in [May 2022](#) around income caps preventing younger people from accessing grants due to the dependence on parents' income, the Minister said that this will be reviewed as part of regulations for the next academic year.

In [January 2022](#), Dr Haywood MHK asked the following question: *What plans she has to make sure the university maintenance grant applications process is timely, clear and responsive; and what changes will be made before applications for the next academic year?* In response, the Minister made the following remarks:

- The application process has been subject to internal review and refinement over the years.

- Changes to the existing system: had to remove the parent contributor financial details from the online application and make it available as an e-form on the main student award webpage. This was to ensure that the online application process functioned effectively. However, the Department was in the process of finalising updates to the system to ensure that the online application includes the parent contributor section going forward.
- The Department were in the early stages of developing a new student award system with a view to delivering this in readiness for the 2023-24 academic year, working closely with the Government's Technology Services team for their technological support.
- The Department has a number of communication streams to reach students and provide them with information as to the timeline surrounding the application process. This information is updated annually and is available on its website.

ORAL EVIDENCE

25th May 2023 – Evidence of Mr Graham Kinrade, Chief Officer, and Ms Joanne Roberts, Deputy Chief Officer; Department of Education, Sport & Culture



**STANDING COMMITTEE
OF
TYNWALD COURT
OFFICIAL REPORT**

**RECORTYS OIKOIL
BING VEAYN TINVAAL**

**PROCEEDINGS
DAALTYN**

PUBLIC ACCOUNTS COMMITTEE

STUDENT AWARDS

HANSARD

Douglas, Thursday, 25th May 2023

PP2023/0104

PAC-SA, No. 1/22-23

All published Official Reports can be found on the Tynwald website:

www.tynwald.org.im/business/hansard

Members Present:

Chair: The Hon J P Watterson SHK
Mrs D H P Caine
Miss T M August-Hanson MLC
Mrs C A Corlett MHK
Mr S Warren, Tynwald Auditor General

Clerk:
Ms J Corkish

Assistant Clerk:
Mr S Bowers

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Standing Committee of Tynwald on Public Accounts

STUDENT AWARDS

*The Committee sat in public at 2.30 p.m.
in the Legislative Council Chamber,
Legislative Buildings, Douglas*

[Mr Speaker in the Chair]

Procedural

The Chair (Mr Speaker): Good afternoon, everyone.

Welcome to this meeting of the Public Accounts Committee. My name is Juan Watterson. I am the Chairman of the Committee. With me are Daphne Caine MHK, Ann Corlett MHK, Tanya August-Hanson MLC and the newly appointed Tynwald Auditor General, Stephen Warren.

5 As a Member of the Department of Education, Sport and Culture, Mrs Claire Christian MHK has recused herself from the Committee for these Inquiries. And also with us are our Clerk and Assistant Clerk.

Today we are meeting with the Department of Education, Sport and Culture's Chief Officer and Deputy Chief Officer.

EVIDENCE OF Mr Graham Kinrade, Chief Officer; and Ms Joanne Roberts, Deputy Chief Officer; Department of Education, Sport and Culture

10 **Q1. The Chair:** Welcome to this public oral hearing. For the benefit of Hansard and those listening, could you please introduce yourselves, including your title and for how long you have been in post please?

Mr Kinrade.

15 **Mr Kinrade:** Good afternoon. My name is Graham Kinrade. I am the Chief Officer of the Department of Education, Sport and Culture, and I have been in post for about two and a half years.

The Chair: Thank you.

20

Ms Roberts: Good afternoon. My name is Joanne Roberts. I am the Deputy Chief Officer for the Department of Education, Sport and Culture, and I have also been in post for about two and a half years.

25 **Q2. The Chair:** Thank you very much.

We have an awful lot to get through this afternoon. So if I could ask for everyone to keep their questions and their answers brief so we can get through it all.

30 We understand that the Department has just implemented a new system for the Student Awards Scheme. We would like to give you an opportunity to make a brief introductory statement of a few minutes just to share the context around the implementation of this system and the benefits that we might all expect as a result.

Mr Kinrade: Absolutely. Thank you, Chair.

35 The Department of Education, Sport and Culture under the Education Act 2001 is able to provide fees, grant awards and expenses to support students to continue into higher education either in the Isle of Man or elsewhere. Contributions towards tuition fees were first introduced in 2010 to address the increase in postgraduate students and undergraduate students undertaking a course exceeding three years. During 2012, it was also agreed that all undergraduate degree courses beginning in the 2013-14 academic year, would be subject to a contribution towards tuition fees.

40 The Student Awards Regulations, which are approved by Tynwald, outline the criteria students must meet to be eligible for support and to have the following policy aims: Aim No. 1, no student who is able to benefit from higher education should be denied access due to affordability; Aim No. 2, subject to meeting certain eligibility criteria, students should be able to choose their place and course of study; Aim No. 3, funding should not be provided for a course of study at the same level as a course previously undertaken.

50 **Q3. The Chair:** Can I just ask where those policies are in terms of a member of the public finding them, please?

Mr Kinrade: They will be on our website, would be my best guess.

Ms Roberts: On the Department website.

55 **Mr Kinrade:** We can confirm that, but they will be on the Department's website.

Q4. The Chair: I was trying to find something that said what the policy was –

60 **Mr Kinrade:** They will be there, but I will certainly check.

The Chair: Thank you.

65 **Mr Kinrade:** The Department has a £10 million annual budget for Student Award support which covers tuition fees, maintenance grants and disability support expenses. In recent years, changes to the Island's Student Award scheme introduced student loans and income testing families whose income exceeded £112,000 per annum.

An annual review of the regulations is undertaken. These actions, together with the impact of previous changes to the scheme, have resulted in reviews of the scheme to ensure that it supports the strategic aims of the Department and the Government.

70 A new online Student Award system has now been developed which is to ensure a better service for the public by: (1) Improving the experience of making an application; (2) Improving the back-end processing efficiency, ultimately resulting in quicker response times.

75 A series of quick fixes were implemented for the 2021-22 academic year which resulted in an uptake of online applications, moving from 50% in 2020 to 94% in 2021. To allow these applications to be processed, a split of contributors at that time between student and contributors was required to facilitate the online process. Even with the larger uptake of online applications, the Department could see that there was still room for improvement in that system.

In January 2022, the Minister committed to delivering a new online system for the 2023-24 academic year. The objective for the new system was to deliver a better service to students by providing a reliable, efficient and user-friendly system covering the application process from beginning to end.

The most significant improvements include: firstly, the system now enables both students and contributors to complete all phases of the application online, including uploading all support documentation alongside their applications. Previously, all further details and documentation that were required needed to be submitted via email and linked manually to the application. This would include things like support documentation, course completion, verification processes, submitting results, unconditional offer letters. All the things that were needed to bring that together. Also, submitting contributor-income verification from tax assessment notices – all had to be manually linked to the application.

Secondly, contributors now only need to complete one income assessment which is linked to all of their dependent students and populates the back-end system. These changes reduce the processing effort and eliminate the risk of human error related to things like manual linking of those files; manual linking of the contributor to the student; duplication of the processing of putting that data in for each student if you have multiple students.

Thirdly, there has been an element of gate-keeping introduced into the back end of the system and this ensures that all checks are performed and flags are raised where special review is required before awards are communicated.

The new system forms a good foundation for the future inclusion of additional modules, such as student loans. To date, including loans in the old system would have been a challenge and required considerable involvement of both the third-party developer and GTS. Up until 2021-22 academic year, the application window for the first-year students would open on 1st June and close on 31st July. This resulted in a two-month peak. To improve response time, the opening date for the 2023-24 applications was brought forward to April.

In preparation of the official launch of this new system, a small group of students were invited to participate in a soft launch on 5th April. Thirty eight applications were submitted and processed. The feedback was positive. A few tweaks were made to the system off the back of that. And the new system was officially launched for first-year students on 18th April. As in previous years continuing students we will open in June.

The new system will be reviewed and any adjustments or enhancements will be prioritised and implemented in time for the next academic year 2024-25. An enhancement currently being explored is the issuing of a conditional award letter, detailing maintenance grant values at an earlier stage than in the current process.

Thank you very much.

Q5. The Chair: Thank you very much.

The Island Plan actions talk about reviewing Student Awards more fundamentally to see if they are fit for purpose. I suppose the obvious question is: is that an action that is still ongoing; and what would be the motivation in spending a significant amount on a new system and new software if the system potentially is going to change quite significantly?

Mr Kinrade: Thank you, Chair.

A review of the awards would essentially look, I am guessing, at thresholds or amounts awarded and a change to the regulations. The system has been designed in such a way that if those parameters change, they can be changed within the system. The broad system design is about the flow of the processing rather than the elements of the process within it, if that makes sense.

Q6. The Chair: So what we are not seeing is that fundamental shift in policy. We would be looking at maybe changing some of the variables that go into it and tweaking things a bit higher or lower, but not changing the fundamental structure of it, the Awards system?

Mr Kinrade: No, not within this build.

This build, as with any IT system, it has been designed in such a way, in conjunction with GTS, that if we do need to make changes, changes can be made. We are not set in stone on it. It has been built in a flexible manner.

Q7. The Chair: Back to the policy objectives that are set out. We had a look in the Island Plan, the guidance notes in the Department Plan and could not find the policy there. So I would look forward to getting that link. That would be really useful.

How, then, do you judge the success of the system and whether it is achieving what you hope it will achieve?

Mr Kinrade: I think, if I can talk of the old system, of the old methodology. The easiest way and the most effective way to judge that would be to say, for example, last year we had 1,354 students go through. All got their awards. All that were eligible and accepted, all got the awards they required. All took up their places at university and are all undertaking their study. So the effectiveness of the system is to make sure the correct amount of money is delivered to the correct person in time for them to start their journey.

Q8. The Chair: In terms of right money, right person and right time, how successful were you?

Mr Kinrade: I would say we were successful because the money got to the right people at the right time.

Q9. The Chair: What percentage of the 1,354 people got the right amount to the right person at the right time?

Mr Kinrade: To my knowledge, everybody got the money at the time they required it to start their course. So you would have to say 100%.

The Chair: Okay.

Mr Kinrade: I was just going to say there is the old system, but the new system will allow us to be a lot more reactive in that space. So, for example, with a full-blown IT system now, one of the next steps of development would be, you could set flags in there. So you could be informing not just the team to say this application is in, but this document has been added.

You could equally be going out to contributors or to the student to say, we asked for this and we are still waiting ... So the system can become quite reactive and hold the timescales, and those timescales would then give us different KPIs against which we can measure how effective we are being at delivering that service.

Q10. The Chair: Some of the feedback we had from parents was that some of these payments arrived late, that sometimes graduations were affected, people having to pay by credit cards. But you are confident that is your measure of success and that is 100% of all 1,354 got the right money at the right time?

Mr Kinrade: I would have to say yes, because my measure of failure would be somebody who did not get on their course or somebody was not able to undertake their study.

Q11. The Chair: Wonderful.

180 So in terms of the £10 million budget that you have for this, is that typically overspent or underspent in the course of a year?

Mr Kinrade: It is never overspent. It usually falls within. We get challenged sometimes. Sometimes we can get invoiced late from universities, but we always manage to keep it within budget.

185

Q12. The Chair: And is that good luck or rationing or just cautious provisioning?

Mr Kinrade: No. I would say it is prediction of numbers. So our numbers are fairly steady on the Isle of Man. We know what the cohort of children are coming through schools. We can broadly predict the sorts of numbers of students that will come through for an award.

190

There are clearly some unknowns in there as to students with disability awards or whatever which might be more difficult for us to predict what the cost of those would be. But to date, there is sufficient within the budget to enable us to manage that.

195

Q13. The Chair: And in terms of the number of people that manage these applications, 1,354 applications. How many staff are we talking about here in terms of managing that whole process?

Mr Kinrade: We have one EO, two AOs and a temporary member of staff who will move from another team into that team when required, if we hit peak times.

200

The Chair: Excellent. Thank you very much.

I will hand over to Mrs Caine and we will talk a bit about the loans.

Q14. Mrs Caine: Thank you, Chair.

205

Could you tell us what assurances you can give students applying for support over the next few years that their tuition fees will be paid for?

Mr Kinrade: Assurances that their tuition fees will be paid for?

210

Q15. Mrs Caine: Will they get their tuition fees paid? Any students?

Mr Kinrade: In the way that we do at the moment?

Q16. Mrs Caine: What proportion of students have tuition fees paid, who apply?

215

Mr Kinrade: So I have some data here, if you give me one second. Unless, Jo, you have it quicker than I do?

220

Ms Roberts: If I can just add on to that, we have a lower threshold for tuition fees. So it is £112,000 before we start putting any reduction amount on the tuition fees. We pay the £6,750 of the £9,250. The remaining £2,500 comes through the loan. So we obviously have got no plans in this current year to change that process.

225

Q17. Mrs Caine: So all the students who applied get that and there is no change of that policy?

Ms Roberts: If they go over £112,000 in income, we start to do deduction from the £6,750, up to earnings of £131,285. At that point, there is no contribution to the tuition fees. However, those students are still eligible to apply for the £2,500 in the loan.

230 **Q18. Mrs Caine:** And what is the £2,500 maintenance grant figure based on? Is that the appropriate amount of loan for students to be asked to take on? And that is each year?

Mr Kinrade: So that is the initial figure that was in the original inception of this scheme. That has always been the same figure. We have not made any changes to that.

235 **Q19. Mrs Caine:** That has been going 10 years. So is that one of the levels that might get changed in any review?

240 **Mr Kinrade:** I think in any review, what would need to be understood, I guess, is if we were to change levels – whether it be threshold levels, whether it be amounts of loan or whether it be amounts of grant – it would be: which would have the most impact and benefit to the individual concerned?

245 **Q20. Mrs Caine:** And have you given any consideration to additional loans to cover things such as the accommodation, living expenses and travel, depending where students take up the places?

Mr Kinrade: So on the £7,500, it is slightly different to account for London. And I think it is worth bearing in mind, that £7,500 is a contribution towards the costs of going. I do not think anybody is claiming that would cover everything and clearly costs would vary. Hence, when you move into London there is slightly more available.

250 **Ms Roberts:** Can I also clarify on that. That is actually a maintenance *grant*, that £7,500. So there is no asking for repayments on that. (*Interjections*)

255 **Q21. The Chair:** That is as well as the tuition fees?

Mr Kinrade: Yes.

260 **Ms Roberts:** Yes. So there is the tuition-fee element which is based on a grant and a loan. And then they have got a maintenance grant which is to support the costs of the university.

Q22. The Chair: So just to be clear, no one is being asked to pay any more than £2,500 on the *tuition fee* element, we are just talking here about the maintenance costs?

265 **Ms Roberts:** That is per year.

Q23. Mrs Caine: Each year?

Mr Kinrade: Yes.

270 **Q24. Mrs Caine:** Has consideration been given to loaning money to parents to support children in education, allowing them to cash flow what is a very expensive enterprise?

Mr Kinrade: I am not aware of consideration being given to that at this moment in time.

275 **Q25. Mrs Caine:** So are you aware of other providers, such as Cherry Godfrey has a headline 17% interest to support students? Are you aware of that?

Mr Kinrade: I am aware of that.

280 **Q26. Mrs Caine:** Are you aware how many students take up that additional support?

Mr Kinrade: No.

Q27. Mrs Caine: How has your repayment rate been set?

285 **Mr Kinrade:** So again, at the inception of the scheme, the repayment rate was set at that time along with the £2,500 level for the loan and has remained unchanged.

Q28. Mrs Caine: Any plans to change it?

290 **Mr Kinrade:** Currently, no.

Q29. The Chair: But where did the base rate plus 2% come from?

295 **Mr Kinrade:** It was at the inception of the scheme back in 2013.

Q30. The Chair: Was that from Treasury?

300 **Mr Kinrade:** I could not confirm one way or the other. Honestly, I was not there. I could not confirm where that thinking came from.

Q31. Mrs Caine: How much of an issue is debt recovery? Can you give us an indication of the number of debtors the Department has lost contact with?

305 **Mr Kinrade:** So lost contact with, I am informed as of today is 40.

Q32. Mrs Caine: Total 40? Out of how many?

310 **Mr Kinrade:** Currently we have live, as of again yesterday in fairness, 2,051 live loans, active loans.

Q33. Mrs Caine: And who is responsible for their debt recovery?

315 **Mr Kinrade:** We have an officer within the Department who takes responsibility for managing that loan book.

Q34. Mrs Caine: So do you know what the total amount of debt is that you are recovering?

320 **Mr Kinrade:** If I can find it, I know it begins with £13 million. I cannot remember the exact digits after it ...

Q35. Mrs Caine: And that is from the start of the scheme, so over 10 years?

Mr Kinrade: Yes. since the inception of the scheme. That is the total loan book value.

325 **Q36. Mrs Caine:** How difficult is it to enforce the debts or debt collection in the UK and further afield?

Mr Kinrade: It is a challenge. Yes.

330 **Q37. Mrs Caine:** Most of the lost contacts, are they people who have left the Island?

Mr Kinrade: I believe most of the lost contacts are people who have left the Island. Yes.

Mrs Caine: Right.

335 **Q38. The Chair:** Along, presumably, with their families?

Mr Kinrade: Possibly, they would not have to have left with their families. It may be that they have chosen to stay in the UK and work, because the debt is a debt upon the student, not upon the family. The family may well have stayed here.

340 **Ms Roberts:** The other thing, if I could just add in terms of the value of the loan book, which is that £13.2 million at the moment. Some of those students will not be due to pay their loan back yet. So until they earn above £25,000 per annum, they will not be due.

345 We would run every year to try and get an income declaration. But there are a number, obviously, until you earn that, we will not have asked for anything. We then ask for a 9% contribution on that, anything above £25,000.

Q39. Mrs Caine: What is the Department's position on partial or complete write-off of debt for returning students? Has that been a policy consideration?

350 **Mr Kinrade:** There has been some write-off of debt over time. I think the figures were provided. I am just looking here.

Q40. Mrs Caine: Specifically for returning students, as an incentive to encourage more students to return to the Isle of Man?

360 **Mr Kinrade:** The Department has a scheme whereby debt is written off for teachers returning to the Isle of Man, that we fund ... And there is also a write-off of debt, sometimes, when we have a death of a student. We would write off the debt at that point.

Q41. The Chair: So in terms of the write-off loan book, we have had that number, we have had some of the categories. We have not had a breakdown as to how many are in each category.

I think perhaps what would be useful in terms of knowing how you pursue it before you write it off. Is that Treasury policy that you are following?

365 Is it that you have your own Department policy? It was not within the operating procedures that were provided to us ahead of the session. So I suppose that is what I am ...

Mr Kinrade: We can provide those.

370 **The Chair:** Okay.

Q42. Mrs Caine: Is it only teachers who are eligible to have their student loan debts written off?

375 **Ms Roberts:** At the moment, that is what we do. We do a loan forgiveness scheme for teachers.

There are terms and conditions that stand with that in terms of being in post for a certain period of time etc. So it is not just an automatic write-off. But at the moment, that is the only loan forgiveness scheme that is operated.

380 **Q43. Mrs Caine:** So once they returned, they would not pay any repayments?

Ms Roberts: If they stay in employment with us for a certain period of time.

Q44. The Chair: You mentioned earlier that when they hit that £25,000 income threshold, 9% above that is repayable.

385 Firstly, has that £25,000 been the income level since the start of the scheme or has that been revised at any point in the last 10 years? Because obviously there is a fiscal drag there ...

It is a lot easier to £25,000 now than it was 10 years ago.

390 **Mr Kinrade:** I think it is the start of the scheme, Chair. I will verify that for you ...

Q45. The Chair: One would hope that would be uprated perhaps a little bit more regularly than that.

How do you actually verify that the payments are accurate, when you get to ... That someone is actually eligible to make those payments?

395

Ms Roberts: We request an income verification and then we would request ...

You can get that from a tax return etc. But we do not. It is more from the individual.

Q46. The Chair: So you would verify that against their tax return?

400

Mr Kinrade: Yes. We write out to them.

Q47. The Chair: You write to the individual. They will give you a response. How do you verify it?

405

Ms Roberts: Against their resident assessment.

Q48. The Chair: And for non-residents?

410 **Mr Kinrade:** We would ask –

Ms Roberts: We would ask for something –

Q49. The Chair: Do you have a gateway with Inland Revenue or HMRC in order to be able to –

415

Mr Kinrade: We do not have a gateway. We have to get it direct from the individual.

Q50. The Chair: So it is very much reliant on the trust with the individual, for non-resident students?

420

Ms Roberts: It will for residents as well. We do not get it from the Income Tax Office on the Isle of Man. We get the resident's assessment notice from the individual.

Mr Kinrade: It is from the individual.

425

Q51. The Chair: This is the point I was asking. But do you check that against the Income Tax Office records?

Ms Roberts: You ask for the actual Income Tax for –

430

Q52. The Chair: Do you go to Income Tax and say, 'This is the amount of earnings that we have had from the from the individual. Is that right?'

Mr Kinrade: No, we do not go to the office. We ask for their return from the Income Tax Office. We ask for their actual (**Ms Roberts:** The individual.) assessment return.

435

Q53. The Chair: That is from the individual?

Mr Kinrade: Yeah.

440

Q54. The Chair: So you do not actually have any direct contact with Income Tax at all?

Ms Roberts: No.

Mr Kinrade: No.

445

Q55. Mrs Caine: So a final question from me.

Does the Department think owning the loan book is a good use of your time and resources, or is it a marketable commodity? And have you had any discussions with student loan companies to operate it on behalf of Government?

450

Mr Kinrade: We have not had any discussions. Okay. So I need to caveat here.

At the inception of this scheme, I cannot say whether conversations were taken back in 2013 and 2014 with companies, so I need to be careful. I have not had any conversations with the loan companies in the two and a half years I have been here.

455

Q56. Mrs Caine: And is it something you think the Department might consider?

Mr Kinrade: I think the Department will consider anything that offers an improvement in service to the individuals. I cannot see why we would not.

460

Q57. The Chair: So there is that £13.2 million loan book there. You have not worked out what that might be worth as a saleable commodity to financial institutions in the Isle of Man? That is not a conversation you have had?

465

Mr Kinrade: No, that has not been had.

The Chair: Thank you. Does anyone else want to come in?
We will pass on to Mrs Corlett.

470

Q58. Mrs Corlett: Thank you.

Could I ask, do we make it easy for students to pursue higher education on Island, either at college or remote learning? Or is priority awarded to those students going off Island?

475

Mr Kinrade: I would not say priority is awarded to going off Island. The application process is the same for both, so I cannot see that we favour one over the other.

Q59. Mrs Corlett: Regarding grant eligibility for online courses, is it correct that if learning remotely, then the student's earnings are taken into consideration with the parent's earnings?

480

Ms Roberts: That is correct.

Q60. Mrs Corlett: Do you think that disadvantages students wishing to learn remotely?

Mr Kinrade: I think that would probably have to be looked at on a case-by-case basis. It would depend on the circumstances of each individual as to whether that was a disadvantage or not.

485

Q61. Mrs Corlett: Do you feel that remote learning should be something that is made more available? I understand there are restrictions in lifelong learning in that, but students coming out of school?

490

Mr Kinrade: I can see that since the inception of this scheme, remote learning and learning online was not really something that factored within it. The scheme has been written very specifically to support. Yes, there is now an element of online learning in there. I can see the point you are making around reviewing that.

495

Q62. The Chair: Does the Department actually have the discretion within the regulations to vary it for those purposes? I am conscious that in some areas there is discretion, in other areas there is not discretion.

500

Mr Kinrade: We would have to work within the regulations. So if we wanted to change that, we would have to bring new regulations through an amendment.

Q63. The Chair: So it is not something that could be taken on a case-by-case basis even, because there is no flexibility within the regulations?

505

Mr Kinrade: Correct.

Q64. The Chair: So it cannot be done on a case-by-case basis?

510

Mr Kinrade: No, sorry. The case-by-case basis was considering whether that is disadvantaging somebody or not. That would be a broad statement for me to say, yes, that disadvantages everybody or does not disadvantage everybody.

515

Q65. The Chair: So you could decide on a case-by-case basis whether they were disadvantaged, but you could not do anything about it?

Mr Kinrade: We cannot flex the offer because it is bound within the regulation.

The Chair: Okay.

520

Q66. Mrs Corlett: Is there something in unfairness and disadvantage around the fact that the income levels that allow you support are much lower for remote learning than they are for if you wanted to go to university in the UK?

525

Mr Kinrade: They do vary. I want to say remote learning starts at £32,000.

Ms Roberts: It is when your income exceeds £32,500. Then what we do is the percentage of fees to be paid by the students is at 25%.
So again, it is just tuition fees.

530

Q67. Mrs Corlett: Okay. But that is at £32,000, whereas it is at £112,000 before you ...?

Ms Roberts: Yes.

Q68. Mrs Corlett: That is a huge difference.

535 I would like to ask you, is the academic achievement bar set high enough to assist those only most likely to succeed?

Mr Kinrade: Is it set high *enough*?

540 **Q69. Mrs Corlett:** Yes. Is the bar too low and ...? (*Interjection by Ms Roberts*)

Mr Kinrade: In the 80 UCAS points?

Mrs Corlett: Yes.

545

Mr Kinrade: Is that what you are referring to?

Mrs Corlett: Sorry, I should have made myself clear.

550 **Mr Kinrade:** I think we slightly moved that bar, I believe, during the COVID period. But I think that can always be a discussion and that is probably a policy decision on who are we trying to encourage and what pathways are we trying to open to higher education. At the moment, it is set at a level that would give opportunity to a wide number of people.

555 **Q70. Mrs Corlett:** Is there any data held ... Is there a correlation between university drop-out rates and A-level results?

Mr Kinrade: I cannot comment on whether we hold that data. I am sure we could probably – well, hold it, as in I have got it in front of me now. I am sure we would know because I could get a report or I could get some output from the system, but I do not have that with me at this moment in time.

560

Q71. The Chair: So you do not monitor that routinely?

565 **Mr Kinrade:** No, not in the correlation. Clearly, if somebody drops out, then we will be informed that they have dropped out, eventually, and we will deal with the process off the back of that. But we do not then monitor that to say, what were their results going in and is there a correlation to the drop-out rate?

570 **Q72. The Chair:** So actually, if you are not monitoring it, it is hard to know if that policy is working in terms of having the right UCAS level. But it is data that you do hold and you could monitor?

Mr Kinrade: We could monitor, yes. The drop-out rates are for so many reasons that ...

575

Q73. The Chair: It is a correlation, I think. It is just –

Mr Kinrade: It would be a correlation. It is a fair point.

580 **Ms Roberts:** And also, just adding into that, I think the new system would allow us to do more considerable reporting than, actually, from the older system, I think, which was more difficult to get output like that out of the system. I think, going forward, we will be able to get more data that will inform the policy decisions.

585 **Q74. Mrs Corlett:** Okay. And is the UCAS points system actually used properly insofar as if you are given an offer at a university when you do not have that required number of UCAS points?

And that does happen, but we still fund it. We do not have a deadline of you must have so many UCAS points in order to be funded. Is it more on whether you get an offer at a university?

590 **Ms Roberts:** No, you need 80 UCAS points to be eligible for funding from the student awards.

Q75. Mrs Corlett: How do the income thresholds adjust to take account of parents who have more than one child at university?

595 **Mr Kinrade:** Again, we have got that table here, haven't we? This is going into some detail now.

Ms Roberts: We do take that into account.

Q76. Mrs Corlett: You do adjust?

600

Ms Roberts: We do adjust it accordingly for a number of children.

Q77. Mrs Corlett: And you feel that the adjustment is appropriate to allow people to afford more than one child at university? It is not preventing more than one child from any family going?

605

Mr Kinrade: I would not say so.

Mrs Corlett: No, okay.

610 **Q78. The Chair:** Do you know how much it costs to send a child to university for a year? I appreciate it will be a pretty broad range compared to whether they go to London or to Liverpool, maybe. But does the Department even have an idea as to how much that costs?

615 **Mr Kinrade:** I have a personal idea how much it costs to send two at this moment in time. So they are both out now! But yes, we have a broad idea as to what it would cost to send a child to university.

Q79. The Chair: Hopefully you do monitor that on an ongoing basis to make sure that your grants – not just the tuition fees – but the maintenance grant levels are at least a bit relevant?

620

Mr Kinrade: Yes. Are within a reasonable space of what is required. Yes, absolutely.

Q80. Mrs Corlett: Have support levels and income thresholds kept pace with inflation and earnings changes over the recent years; and are they updated on a regular basis?

625

Mr Kinrade: We review every year. We do look every year to see, clearly we have to ... Any changes that we make to the levels or to the regulations, as well, is always a funded decision. So the Department has to look each year to decide.

630 We can see what would be wanted as increase. But can the Department afford that increase within its current budget envelope? We do that on an annual basis to look at what we can and cannot afford to do.

Q81. Mrs Corlett: Are there any cliff edges in eligibility where, even when support is given, income levels vary only by small amounts. Is it graded or are there cliff edges in that?

635

Mr Kinrade: No, it is graded and there is a whole side of A4 that shows the grading, for example, on the maintenance. It slips over very small numbers as the income changes. It is not a huge step

each time. I would want to say there is 30 or 40 graduations in there but I am guessing that, having read it this morning.

640

Q82. Mrs Corlett: What work is the Department doing in terms of ensuring that Manx students are able to access the home student rates rather than the overseas rates?

Mr Kinrade: It depends on where the student chooses to go and sometimes we find ourselves having to match rates higher than the standard UK rate because of specific courses in specific establishments. And we do accommodate that where we see that it needs to be accommodated.

Q83. Mrs Corlett: Financial issues where Manx students may not be able to pay fees in instalments, where they can in the UK. How does the Department assist there?

650

Mr Kinrade: Sorry, Mrs Corlett, I lost track there. Where they cannot pay what in instalments? My apologies.

Mrs Corlett: Fees. Sorry.

655

Mr Kinrade: When they cannot pay fees? So the fees are now – let me get this straight in my own head before I say the wrong thing – fees are paid directly.

Ms Roberts: We pay the fees direct to the university. So the university bills *us* for the fees.

660

Mr Kinrade: We get the bill for the fees.

Q84. The Chair: I think an example might be something like Open University. So distance learning courses – where, again, there is a higher proportion of fee that must be met by the student – Open University students in the United Kingdom are allowed to make payments by instalments for theirs.

665

Would that be an issue here in terms of you would still have this system whereby they would be entirely covered; or would there be some form of cash-flow assistance?

Ms Roberts: Thank you, Chair.

670

To take it at the Open University, for that distance learning, the tuition fees need to be paid in advance by the individual and we would reimburse in that circumstance.

Q85. The Chair: Again cash flowing, £11,000 – or whatever, it might be £9,000 – is not something that everyone can do. So how do you assist with that?

675

Ms Roberts: At the moment, they have to pay them in advance. They have to pay the money and we reimburse.

Q86. The Chair: That is the point where, who you allow that to be done by in-stage payments if it is a UK student, you do not do it for international students presumably due to credit risk. That invoice cannot just be passed on to the Department and paid by the Department. You are waiting for them to have actually paid out the money and that they have had that sort of money in their bank account.

680

Do you realise that that possibly is not something that a lot of people can do?

685

Ms Roberts: Yes, I appreciate that.

Mr Kinrade: I recognise that.

690 **The Chair:** Okay. Thank you.

Q87. Mrs Corlett: In order to fund studies, some people will need to work overtime, which is of course subject to tax and NI as well as being assessed by DESC as additional income the following year. What is the Department's policy on the taper rate? Basically the withdrawal rate
695 of benefit for every extra pound earned, as you would on benefits – every extra pound earned is ...

Mr Kinrade: I have to be honest, Mrs Corlett, I do not have that with me at this moment in time. Jo, I do not know if you have that?

700 **Ms Roberts:** No.

Mr Kinrade: No, I am sorry. We could not answer to that level of detail.

Q88. Mrs Corlett: Okay, that is fine.
705 So how do we support those who fall between the gaps of residency? Currently, it is four years. Is there any support available for people who have not had residency for four years?

Ms Roberts: The only additional which we have on the residency is you have got your four years – as you have commented, Mrs Corlett – and then there is also another residency element
710 where if you have lived here for 10 years, and it is two years prior to the commencement of your course, we would also class you as resident as well.

Q89. Mrs Corlett: But there is no discretion on the four years?

715 **Ms Roberts:** Only, as I have said, the 10-years plus, with the two prior to commencement of the course.

Mrs Corlett: I just have one more question, actually.

720 **Q90. Mrs Caine:** Can I just come in on that, with the residency?
Do you align anything with the Island Plan in terms of trying to attract the increasing amount of workers here and also the key workers, teachers and medics, for instance? Have you experienced, even in your own teacher recruitment, that that four-year residency is a disincentive for anyone taking up positions?

725 **Mr Kinrade:** I could not say I am aware of it within our own recruitment of teachers. No.

Q91. Mrs Corlett: Okay. Does DESC ever offer to act as a guarantor for accommodation? Perhaps for care leavers, for example?

730 **Mr Kinrade:** Currently, no.

Ms Roberts: No.

735 **Mrs Corlett:** No. Thank you.

The Chair: Mrs Caine.

Q92. Mrs Caine: Thank you.
740 How are children in care supported into higher education?

Mr Kinrade: All students, as the policy aims would say, are encouraged into higher education. There is no differentiation made within the policy or the structure.

745 **Q93. Mrs Caine:** Do you pay particular attention to children in care who go on to higher education? I think the numbers are very low.

Mr Kinrade: They were very low.

750 **Q94. Mrs Caine:** And are they still? Can you give us any indication of how many children in care have gone to start higher education and completed, graduated?

Ms Roberts: I will get that information for you, but I believe it is in single figures.

755 **Q95. Mrs Caine:** Over the last 10 years?

Ms Roberts: I know certainly over the last couple of years, it is in single figures.

Mr Kinrade: We could get you the data over the last 10 years, but I do not have it with me.

760 **Ms Roberts:** Can I just currently add on that there is an amendment to the regulations which we are looking at, to come in for September 2023, which would be to look at writing-off the looked-after children's loan amount, so that actually on completion we would be able to write that off. But again, that will be subject to approval ...

765 **Q96. The Chair:** I think that is sending the cart way after the horse on that one, because they have to be able to get in through the door in the first place. And you are talking about the other end of the system rather than actually making it any way easier to get into the door of higher education in the first place.

770 I think that is worth exploring a little further. Just in terms of, we have identified that looked-after children are far less likely to go in. But what you are saying is the system does not flex, does not have any other mechanisms that would make it easier?

Mrs Caine talked about, for example, acting as a guarantor for accommodation. There are so many more barriers to people who do not have that parental support, who are not mature students. Has the Department done any assessment in that at all as to what barriers might help
775 to be removed for that group in order to access higher education?

Mr Kinrade: I would guess that the evidence would say the main barrier there is qualification. It is being able to achieve the qualification to be able to get through that first doorway.

780 We have not looked at the guarantor, although we are aware of the issues. And I am beginning to hear further noise around guarantor of accommodation in the UK, which seems to have changed even since my children left only a couple of years ago. So there are a number of items that the Department is currently looking at on this.

But at this moment in time, no, there is an equal gateway for everybody through the door.

785 **Q97. The Chair:** You said that you guessed that it was the UCAS points in terms of the main barrier. Again, do you have any evidence to support that or would you have evidence available to support that if you actually looked at it?

790 **Mr Kinrade:** Not evidence with me – but I will do.

Q98. The Chairman: No. But is that something that the Department monitors?

Mr Kinrade: We monitor looked-after children very carefully. Yes.

Q99. The Chair: But it has not led to any policy solutions? Okay.

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Q100. Mrs Caine: Thanks.

Whilst loan support and maintenance is not available for people who have studied at the same or higher level previously. Does the same apply to disability support funding? Is there an equality issue for disability or disabled students?

800

Mr Kinrade: No.

Q101. Mrs Caine: So is disability funding means tested?

805

Mr Kinrade: Jo, do you have that one?

Ms Roberts: Not that I am aware.

Mr Kinrade: I do not think it is. I think there is a one-off payment.

810

Without diving into the detail of this, I think there is a £1,670 one-off payment. And then I know there is a DSL assessment undertaken then. We have a company in the UK that undertakes those assessments for us.

They will then inform us as to what the needs of the individual are. And we would then provision the equipment through that same company to the individual because they are over in the UK.

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Q102. Mrs Caine: That assessment that is undertaken, can you confirm the cost of that to the Department, is that £1,000 per student?

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Mr Kinrade: £700 is my understanding,

Q103. Mrs Caine: £700?

Mr Kinrade: And that is to the Department.

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Q104. Mrs Caine: So the Department pays for the DSL assessment?

Mr Kinrade: Yes.

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Q105. Mrs Caine: And providing what they say, then prompts you to make available a grant of £1,670?

Mr Kinrade: No, the grant is available. The assessment would then prompt us to make available what the assessment says the student requires. So that will vary from student to student.

835

Q106. The Chair: So can you just say then where this £1,670 came from?

Mrs Caine: A one-off payment.

840

Mr Kinrade: There is a one-off payment. As I say, I have not got the exact numbers in front of me, but there is a one-off payment.

845 **Ms Roberts:** So it is a basic allowance per annum of £1,642. Then there may be an additional allowance on there which could be for something like a non-medical helper, for a reader or something like that. That is up to a maximum of £12,420.

Then there could also be an additional allowance for any special equipment as well which is at a maximum of £4,905. But again, it depends on what the assessment says as to what that looks like.

850 **Q107. Mrs Caine:** Is that per year?

Ms Robert: Some of it I think is annual. Other elements are based on the entire course.

855 **Q108. Mrs Caine:** How many students are accessing that at the moment?

Mr Kinrade: I am sorry, I do not have that figure.

Q109. Mrs Caine: Additional support?

860 **Ms Robert:** I do not have that number with me.

Mr Kinrade: I can get it and we will have it, but I do not have it at the moment.

865 **Q110. The Chair:** Can I ask, do you monitor the number of people who get that far in the process and then do not take up a place, in terms of them being able to see whether they found some other ... that or another barrier, to accessing higher education?

So they have gone through the assessment process but then have ultimately not taken up the course that they have been offered. Do you look at that?

870 **Mr Kinrade:** We would look at that. It is not an easy thing to look at in the old system. It is one of the things that the new system will enable us to do and to trigger when we have made offers, when we have had assessments through and then we have not had the final piece that says someone has taken up their course.

875 We will begin to get much clearer data out of the system that we have just built then we are able to get out of the old system.

Q111. The Chair: If you are able to find that in the old system, that would be very useful.

880 **Mr Kinrade:** Yes.

Q112. The Chair: Thank you.

And could I just ask, that assessment that you pay £700 for, do you do that in all cases irrespective of, potentially, there being a very well-documented medical history that sits with a GP or with Manx Care?

885 **Ms Roberts:** Depending on what it is, sometimes a letter from the doctor or a specialist in respect of a disability may be enough. It would be. It may then need the assessment. It depends, I suppose, on what that letter says.

890 **Q113. The Chair:** But it is not something that is automatically gone through whether it is needed or not. The start of the process is perhaps other medical evidence and then an assessment?

Mr Kinrade: If required. Yes.

895 **The Chair:** Miss August-Hanson.

Q114. Miss August-Hanson: Thank you.

Does each parent have to submit financial information even though they submit a joint income tax return for an assessment?

900

Mr Kinrade: Yes, I think we need both.

Ms Roberts: We need contributor information from both parents.

905 **Q115. Miss August-Hanson:** And if more than one student is applying from the same household, do parents have to provide their financial information a second time around?

Mr Kinrade: In the old system, yes. In the new system, as I mentioned in the statement at the beginning, one of the benefits of the new system is you submit your information once and the system then ties that to all students who are allocated to that contributor.

910

So that is one of the benefits of the new system.

Q116. Miss August-Hanson: Partners of divorcees and step-parents, how are they assessed? Are there any inconsistencies?

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Mr Kinrade: I am not sure I would say 'inconsistencies'. So the parents are joint contributors in the case of a divorce situation, unless we had a clear instruction that one individual was no longer required to contribute. Then we would expect contributions still from both.

920 **Q117. Miss August-Hanson:** Does it purposefully mirror the benefit system, then?

Mr Kinrade: I would not say it purposefully mirrors the benefit system, no.

925 **Q118. The Chair:** Does the Department have a means by which it apportions support costs? So if you have one partner who is on a very low income and another partner who is on a very high income, are they always jointly liable for the parental aspects or is there an apportionment?

Ms Roberts: If we talk about divorced parents, in terms of divorced parents, both parents' income would need to be put into the system, unless there is something in the divorce papers that states otherwise, that that one parent is no longer liable for that child.

930

So we would have both parents' income put into that system. And whatever that contribution comes out like, actually how that is then paid will be down to the parents to determine.

935 **Q119. The Chair:** So actually, as far as you are concerned, the parents are jointly liable for the parental contribution, even if they are divorced and their finances are entirely separate. So if one parent is earning £200,000 a year and the other one is earning £20,000 a year, the parental contribution comes out. And as far as you are concerned, they have to pay it 50/50?

940 **Ms Roberts:** We do not determine how they pay it. It is just it is a parental contribution that will be determined by those parents.

Q120. The Chair: Okay. So the Department does not in any way apportion that in any way?

Mr Kinrade: No, Chair.

945

The Chair: Okay. That makes it rather interesting from a moral perspective. Thank you.

Q121. Miss August-Hanson: Self-employed people, how are they assessed? Are their business accounts examined to ensure that the cash is not allowed to build up in the business whilst drawing a smaller wage?

950

Ms Roberts: We do take accounts. We do look at accounts.

Miss August-Hanson: Right. Okay.

955 **Q122. The Chair:** And again, in terms of, is it a mixture of what is building up in the business and then what is being drawn down? Because obviously people can structure their affairs in such a way as to take a very low wage from a business during certain years for different reasons whilst building up reserves in the business.

960 Do you only look at what is drawn out of the business as a wage? Presumably wage and dividends in coming to that assessment? Or do you realise that in some cases there is an awful lot of cash building up in a business over a few years and maybe some of that should be drawn out and used to be assessed against the parents' income?

965 **Ms Roberts:** I would have to clarify, but I think we do use not just the income element. I think we do look at the wider element of the accounts as well, but I can confirm that with you.

Q123. The Chair: Thank you.

970 And again, if there is documentation ... Just so that that is clear and transparent, and then everyone knows what it should be. That is something that I think we would very much appreciate.

Q124. Miss August-Hanson: Which leads to my next question. What measures are taken to ensure that the award scheme operates in a fair and accountable manner by the Department? Is there a policy?

975 **Ms Roberts:** Do you mean the regulations? But we look at it from a perspective of we look at the regulations, we make a decision based on the regulations and that ensures that it is fair and consistent through anyone who applies. That we apply the same regulations to every applicant.

980 **Q125. Miss August-Hanson:** Regarding monitoring and evaluation, how does the Department monitor the effectiveness of the Student Support system?

985 **Mr Kinrade:** I think I would refer back to what we were discussing earlier. The purpose of the Student Award system is to give access to students who want to undertake higher education and to make sure that we provide the right amount of money within the regulations as stipulated so that they can access.

So a failure to me would be if we had 1,000 people applying and we were only letting 200 through. That would be a poor system. If 1,000 people apply and 1,000 people take up their courses, I would say it is an effective system.

990 **Q126. The Chair:** Can I just – before I bring in Mrs Corlett again – go back to an earlier question on disability assessments. You said you get an assessment from a company and presumably that is done through a procurement process and they are people who are used to dealing in this field. What you then do is you then say, well, that is the assessment and you need X, Y and Z in terms of support.

995 The implication was that it is the same company that would provide that support as it does the assessment. Is that right?

1000 **Mr Kinrade:** They do not provide the support. We would provision the equipment through them. So the challenge to the Department would have is, I could have a student in St Andrew's in Scotland requiring a laptop. That is tricky from the Isle of Man. Whereas if we use a company in the UK, they can provision those pieces of equipment that we need provisioning.

1005 **Q127. The Chair:** Okay, so the company that does the assessment is not actually providing any of the services, whether that is a reader or any of the kit? I just wanted to be clear about that because obviously that would lead to something of a –

Mr Kinrade: I understand the question.

1010 **The Chair:** Interesting motivations. Thank you.
Okay, Mrs Corlett.

Q128. Mrs Corlett: Thank you.

Does the Student Awards team have the ability or capacity to reply to correspondence in a timely manner?

1015 **Mr Kinrade:** That is a very tricky question, isn't it? There are a lot of variables within there, in a team that are currently three. Although we have a part-timer that we can bring in.

And in fairness, in any team within the Department, if it gets particularly busy in that admin space, we would flow people from one team to another to be able to deal with that. But if we get hit by sickness or absence or problems at a peak time of applications coming through, specifically in the old system, that can become very challenging. Yes.

And particularly in a system as was, that was causing some problems, then you see an increase in the numbers coming through and it created a perfect storm.

1025 I think what we are seeing from the current system is we are not seeing any of those problems at all. The comment from the team the other day was the mailboxes are in a completely different place than they have been before because the system is clean and well designed and takes everybody through the process; and enables me to log in and see myself where my application is up to and whether somebody is waiting for me to submit something or whatever it might be.

1030 Equally, the contributor can log in and see what is expected of them. Then by enabling people to interact it takes the need to email in, out. And equally if I can upload my documents directly, I do not need to email you in the first place to say here is my 'whatever' certificate it is that we need to put through.

1035 So I think the year will tell, if I am honest. We need to give it a little bit longer and the peak will come in June when we open up for continuing students. But all the signs at the moment are for an IT implementation, this has been remarkably good. I am just seeking a piece of wood whilst I say that. *(Laughter)*

Q129. Mrs Corlett: So, at this point, you do feel confident that come June we will be okay?

1040 **Mr Kinrade:** Well, I think at this point – and again, Jo will probably have the number – but I think it is something like 290 –

Ms Roberts: Is it 269?

1045 **Mr Kinrade:** I was close, 269 applications already in, all processed. First documentation piece that we need to supply has been supplied on all ... Usually.

Ms Roberts: We are trying to spread that peak, really. That is the focus, because as you can imagine having the two-month period with that peak is very difficult for the team. So if we can

1050 spread that a little bit longer ... However, we will still get that peak in August with the results.
However, with a system that becomes less manual, that should support the team.

Q130. Mrs Corlett: Following on from that, it is our understanding that Year 2 information requests do not go out until July. Is that correct?

1055 **Ms Roberts:** June.

Q131. Mrs Corlett: June. Okay.

Is there any scope to start that earlier or is there a reason why it is?

1060 **Ms Roberts:** For us now, it allows us to start with the new students. That is the first key, because there is more information needed initially. As we get into our second and third-year students, the system now going forward will hold that data.

1065 **Q132. Mrs Corlett:** Are there any instances of people having to pay fees up front and the money arriving later? Or does that just not happen?

Ms Roberts: There would be, just for the distance learning. We have covered that. In terms of the universities, we would get the invoice.

1070 **Mrs Corlett:** Okay.

Q133. The Chair: Only again, in evidence from the public, we have had instances where people have been denied library access or have had delayed graduations because of delays in the university receiving money from the Department. Do you monitor those sorts of cases? It sounds like, because of the earlier answer, about 100% of the people have had the right money in the right place at the right time, that the Department is just not aware of any cases that that has happened.

1080 **Mr Kinrade:** I think the Department is aware of cases where the challenge with the old system would be that we can be awaiting something from a contributor or from a student and they may not be aware we have contacted them to say. But if it has been overlooked, our processes cannot move on until we receive certain documentation to enable us to comply with the regulations as the regulations are laid out.

1085 So we have had instances where documentation comes to us later than we would like it to be, and then we are on a rush to get the payment out through the door. But in all of those instances, I know the team do everything they can to get the payment out as soon as they have got everything in place. But the payment cannot be made until everything is in place.

1090 **Q134. The Chair:** On graduations, there would be the July following the year that they commence their third year. So that would be ... Nine months is a long wait time, isn't it, in terms of there being a potential issue?

1095 **Ms Roberts:** I am not aware of that. And actually, if there were details on that, we would be happy to look into that. I am not aware of any individual cases in terms of graduations, but I would be really happy to look into that to understand it.

Q135. The Chair: Thank you very much.

1100 So if I might, there is also, you mentioned earlier about a bit of a peak of activity in August around A-level results. There is a distinct possibility that this system may have changed since I got my A-levels, but I seem to remember actually going to the school and *they* had them and they

gave them to me. It is not like you just get them in the post or you get an email with your A-level results. So if the Department already has them, why are we then making the student take a picture and upload the results?

1105 **Mr Kinrade:** Thank you, Chair.

The Department does not have them. The Department is not the exam centre. The exam centre is the school and each school is an individual exam centre. They have the results. They are not my results. I cannot hold them at the Department. Those results go to the student and the student can then upload them direct into the new system.

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Q136. The Chair: You do not have the ability to obtain data under statute from your schools?

Mr Kinrade: Not in the speed that they would. Broadly, what we find now is, the schools will receive this data. The students have been able to log in prior to that and obtain that data before the schools would receive it or before they can turn up at the schools to get it.

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So the students invariably will log into a system, obtain that information and upload it into ours.

Q137. The Chair: Okay. You see where I am going with this, that it seems a bit of a ... The Department does not appear then, from what you are saying, to have a statutory gateway to obtain the information from the school?

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Mr Kinrade: We can obtain the information. We have a gateway to do that. But what we have to be very careful of is, because I am not the exam centre, I do not know if there are any re-marks being run on that, I do not know if there is any challenge to those examinations. It is just the first set of data.

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So what we rely on, and I think the whole premise of this system is to enable the contributor and the student to manage this process much better themselves. And it is much easier to say, here is a gateway, this is the information you need. Please, in your own time, put the information in, as and when you have it and you know it is valid.

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Q138. The Chair: Do we not think there is value in having an automated system that then deals with some of these things by exception? That in a way you are getting re-marks or things like that. There is all this data that just –

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Mr Kinrade: Absolutely. And I think there are many things we could do with this new system to automate some of this. I have to be honest, the decision and the Minister's position was, we have a new system for 2023-24 for now. And in any IT implementation, you have a list this long that you want to put in place.

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What you actually have is your 80% that I must get done to make it work. And then you have to draw a line and say everything else becomes enhancement.

Q139. The Chair: So you are saying this is on the list of ambition for the system?

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Mr Kinrade: It is certainly on the list that I have had sight of. Yes. Of things that we should be considering in the future.

Q140. The Chair: And do you have in terms of the Department's ambition, that timescale for when you hope that this ambition will be fully fulfilled?

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Mr Kinrade: I do not have that timescale.

Q141. The Chair: You would be shocked if I did not ask, but –

Mr Kinrade: I would. I would.

Q142. The Chair: But do we think this is a three-year, five-year programme?

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Mr Kinrade: Okay, that is a fair question. Please do not hold me to this one. I think, where we are at now, is the system is live and running. We are about to go into June and we will see a peak over the next few months as that.

1160 At the moment, the team and the IT team that have supported us from GTS and we have some project management over this, will be watching to see the implementation as it stands at this moment in time. Come towards the end of this year, then we will start saying, okay, what are the priorities that we need to look at for next year?

1165 So until I see what that looks like, I am loath to say it is a one-year, two-year, three-year. I suspect like any good IT implementation, this should continue to improve. You very rarely draw a line and say, that is it, leave it alone now. There is always something that can be done to improve.

Q143. Miss August-Hanson: Thank you.

1170 Just one question on, we are talking, I suppose, about joint initiatives, partnerships to streamline the application process and anything connected to it, improve communication between the Department and educational institutions. So how does the Department address any issues or challenges that arise from the interaction between Student Awards and also the policies and practices of individual educational institutions?

1175 **Mr Kinrade:** So this new online system is purely for students and for contributors.

Miss August-Hanson: Yes.

1180 **Mr Kinrade:** Institutions will not be logging in to this. The communication between institutions will be as it is always been, via email.

Q144. Miss August-Hanson: So how does the Department then address those things?

Mr Kinrade: Address which things?

1185 **Q145. Miss August-Hanson:** On a case-by-case basis, I suppose?

Mr Kinrade: Yes.

Q146. Miss August-Hanson: Yes.

1190 And the second question is just in relation to what we were talking about regarding student engagement. Has the Department encouraged students to actively engage in creating betterment, in creating the hub, even. How does the Department engage with students?

Mr Kinrade: Creating betterment of this particular system?

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Q147. Miss August-Hanson: Yes, in the creation of the system.

1200 **Mr Kinrade:** So as I said earlier in the statement, we went with a soft launch on this, which broadly means we have not told anybody it is live. But we went out to one of the secondary schools and asked any students who were wishing to make applications, the team sat with them and went through the applications with them.

By doing that, we were able to see, does the information on the screen actually make sense to the individual? And we made a lot of changes off the back of that, a lot of changes. Changes to the interface off the back of the 5th April launch, just where we could see it made sense to us writing it ... When I say *us* writing it, I did not write any of it, but you know what I mean.

But actually, it does not always make sense to the individual sat on the other side of that screen. So we made those changes and then we made a launch into the other secondary schools. So four out of the five secondary schools, the team have actually gone and sat in the school and gone through the application process with numerous students looking for that very information that says, 'It would be better if it said this ...' or 'I read that and I thought it meant ...'

So I think that is why it is running so smoothly at this moment in time. If I am honest, the proof of the pudding with any IT implementation is always when it goes fully live and we launch into June and we see the second round in.

Miss August-Hanson: Okay. Thank you.

Q148. Mrs Corlett: So your new digital hub, does that create the ability for an applicant to track their application online?

Ms Roberts: Yes.

Mr Kinrade: Yes. At the moment, Mrs Corlett – sorry if I may?

I think we can improve it. I think at the moment it allows you to log in and see where your application is, where it is up to. But I think there is more work we can do around flagging and notifications and all sorts of bits and pieces out of that system. But that has been put to Phase 2.

Q149. Mrs Corlett: Great.

I just think I have one last question. You said that tuition fees, deadlines for payment are met 100%. Is that similarly 100% for maintenance grants or bursaries? Are the payment deadlines met for those?

Ms Roberts: So in terms of if I take maintenance grants, we pay three times a year. So we pay September/October. We then pay in the first week in January and we then pay in the first week after the Easter. So we do not put a date on that because of obviously the changes to Easter year on year.

If all the information is in, we will endeavour to meet them dates. Now, if 100% if I have not got all the information, especially September/October, then, I cannot say 100% that we have paid a maintenance grant because it depends on what information we are waiting for.

Q150. Mrs Corlett: Does that happen often that there is a delay, or is it a less often thing to happen?

Ms Roberts: The majority are paid.

Mrs Corlett: Good.

Q151. The Chair: So just something more, if you have got some statistics, that would again be quite helpful. I think, again, just to be clear on that, if you miss the September run of payments, are we saying then that is there a way of paying people in between times? If the information arrives the day that the BACs run goes out, there is a chance of getting your grant before January, isn't there?

Ms Roberts: Oh, we will not make them wait until January. *(Laughter)*

The Chair: That is reassuring.

Mrs Corlett: I am done. Thank you.

Q152. Miss August-Hanson: Thank you. Does the Department do a bit of benchmarking work with student experiences in neighbouring jurisdictions?

Ms Roberts: We understand what other jurisdictions do in terms of whether they provide similar to us in terms of grants etc. So we know in terms of the UK or England, there is a loan-based system. We know in terms of Jersey and Guernsey, they have very similar systems to us in terms of a grant-based for tuition fee and maintenance. And we know we are ballpark with Jersey and Guernsey in terms of what we would offer.

Q153. Miss August-Hanson: Do any of those jurisdictions give you an idea for things that perhaps need to be looked into policy-wise changes? The ways that, perhaps engagement, participation with students and the way that those conversations flow, improvements to the system in any way?

Mr Kinrade: I do not, personally. Jo can comment if she has a different view.

Whilst our funding is broadly the same – I say broadly – the processes and the regulations and the criteria around that are vastly different, particularly in the case of one of those Islands. So a comparator at that level really is not possible.

It is a completely different set of regulations and a completely different approach taken to how that funding is provided. It is interesting that it comes out with similar money, but the processes are very different.

Q154. Miss August-Hanson: In terms of bursaries for teaching and nursing, how do they compare to the UK and other neighbouring jurisdictions?

Ms Roberts: In terms of bursaries?

Miss August-Hanson: Yes.

Ms Roberts: So we just provide it through the grant system. So we provide it through the Student Award system. So if someone wanted to go into teaching, they would go through the Student Award system. They would have the tuition fee grant if they are applicable due to their income. And they would have the maintenance grant if applicable, if eligible, through their income.

Q155. The Chair: And in terms of comparing, do you compare these to places like England and Wales where, if you were a physiotherapist, if you are a teacher, if you are a nurse, a graduate, there is actually far more support, it would appear, available than just through our system?

There are, perhaps, enhancements to the way that that system works in the UK and potentially we are missing out on teachers and nurses and physiotherapists as a result. But is that work that is done in the Department? *(Interjection from Mr Kinrade)*

I mean not just the grants, it is the loans system, but also the bursaries and other top-ups that are available through NHS trusts or local education authorities and things like that?

Mr Kinrade: So I am not aware of losing out to staff because of bursaries in the Education space. Clearly I could not speak about bursaries in the NHS space. It is an NHS.

1305 **Q156. The Chair:** That would be something that you would expect the Department of Health and Social Care to monitor?

Mr Kinrade: Correct.

1310 **The Chair:** Okay, sorry.

Q157. Miss August-Hanson: So have those conversations perhaps taken place between yourselves and any other siloed Department in relation to what we may or may not need, or we are lacking in the Island and may need support for?

1315 **Mr Kinrade:** We have not. And clearly, we could have systems in place that would enable payment of bursaries. But what needs to be understood is that has a cost implication to it. So if we wanted bursaries for other Departments, then other Departments would need to understand how those are going to be funded.

We can put the mechanism in place, but we do not have the funding to support all of that.

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Q158. Miss August-Hanson: So have those conversations not taken place, then, thus far?

Mr Kinrade: There are conversations taking place.

1325 **Q159. Miss August-Hanson:** Okay. Is it clear from the beginning of the application process how much funding one might receive so that people can properly budget for it?

1330 **Mr Kinrade:** All of the regulations are broken down on a website so that you can see if you earn this much and your contribution is that then you can expect to take this. Clearly that is not hard and fast. It just gives you an idea. These are basically the regulations that we are working to. So you can get a rough idea as to where you are going to come out at the end of it.

1335 **Q160. The Chair:** The regulations, though, are not always very user friendly. And I think you referred earlier to a table that you referred to in terms of this is your income and therefore you would probably expect to be at this point, as opposed to the regulations, which probably ...

We talk in a delightful way about a withdrawal of £1 in every £2.50 or something along those lines, which –

1340 **Mr Kinrade:** They do exactly that. Yes. No, we do not point people to the regulations, but the table that is driven out of the back of the regulations, we have a booklet for students and we also have this information on our website where you can ...

We will start to publicise this as we open for June to say, come here, these are the tables. But we do not point them direct to the regulations. No.

1345 **Q161. Mrs Corlett:** You have just said that there is a publication for students. But is there relative information for parents too? Because they have to budget, too?

1350 **Mr Kinrade:** Yes. The website has all the information that both students and parents would need to see. So contribution levels, how the means testing works. It is all laid out.

Mrs Corlett: Thank you.

1355 **Q162. Miss August-Hanson:** In relation to the website and also now the hub, what strategies are likely to be employed by the Department to ensure that students fully utilise the available support and take advantage of opportunities that are provided?

Ms Roberts: Are you talking in terms of marketing so that people know what they are entitled to?

Q163. Miss August-Hanson: Less marketing, more just communications. But, yes.

Ms Roberts: So obviously, we have gone into the schools now, so I think over the recent years publicising the awards has become more prominent. As Graham has said, we went into four out of the five secondary schools this year. And in some instances, spoke to students; and in other instances, spoke to students and parents, so that they could understand it. I think that has been hugely beneficial and that will continue year on year now, I think, and grow.

So again, that allows people to understand what they are entitled to. And when the system went live, we pushed that out on social media. So again, people could see that it is live, it has got all the details. There is a link on there for the details so you can have a look at what you are entitled to. And then we have just put our press release out, I think it was today.

Mr Kinrade: It was today. It has gone today.

Ms Roberts: To again talk about the Student Awards system. *(Interjection by Mr Kinrade)*

Q164. Miss August-Hanson: How integrated is Student Awards with career support? The pre-application post qualification. How does that work?

Ms Roberts: Career support within schools? Is that what you are talking about, as a career adviser in a school?

Q165. Miss August-Hanson: Yes, but maybe more broadly than that as well.

Ms Roberts: So if we are talking from a school perspective, we have got careers advisers in school who will discuss with students, routes that they can take. So I think we provide that support from a school perspective. And the route is not just to university.

There are different pathways. *(Interjection by Mr Kinrade)* And we talk about, I suppose, the spectrum of pathways that a student can take.

Q166. The Chair: So when young people are filling in their UCAS forms they are talking, not just about the career choices, the course choices, but also the funding and the system of funding at that point? Also the higher education fair?

Are we making sure that we are making the most of the opportunities really to make sure that pupils and parents are as briefed as they possibly can be at these key points, I suppose?

Ms Roberts: We do go to education fairs, again, to try and brief. I think the key here is what has been the most success is going into the secondary schools and going in before we need the applications to come in. I think that is the key to actually getting the students to understand and speaking to them on that smaller group perspective and take them through a system, taking them through what it means. And again, bringing the parents into that has been hugely successful.

Q167. The Chair: Given that you now have a system whereby people can create an account and can start feeding that account with information, is there a reason why we would not allow them to start that process when they have filled in their UCAS form? Because they will know by that point what they need, what course they are headed for?

At least they would be able to start populating that, as opposed to only opening it the April before they potentially start. Are we making artificial deadlines here that are not helpful for

students, especially if it makes no difference now in terms of the postbag at the Department of Education?

1410 **Mr Kinrade:** So if I may, Chair, I think we will have to review that as we go forward. The artificial deadlines at the moment are: okay, we need to stop programming and building it now and we need to actually put it online and make it available. So that is why those dates are working.

I anticipate coming out of the back end of this particular process, there will be a list of enhancements that we want to look at. To do that, will likely require closing the system for a while
1415 whilst we do those enhancements and then reopening it again.

So those are the only reasons at the moment that it is opening and closing. One would hope we get to a more stable situation where maybe smaller enhancements can be made whilst the system is live. But at this moment in time, that is why it goes and comes.

1420 **Q168. The Chair:** In terms of that list of enhancements, I think that would be something that would be really useful to us to save us making recommendations to you for things you have already got in mind! So if you would not mind sending us that?

Mr Kinrade: Absolutely, Chair. But that may be getting into September/October before we see
1425 that, because some of that will be feedback from students as well.

Q169. The Chair: I am conscious that it will be a living document right the way until you prioritise it. But I appreciate that. It sounds like it is one that is already well on the go.

So capturing it at this point, I think – because as you say, you have had to say ‘stop’ at a point
1430 and say, right, this is the functionality we are going to roll with. These are the things that will wait.

But knowing you already know where it is going to go would be really useful to us, I think, as well.

Q170. Mrs Corlett: I would just like to ask: is there enough support there for those who do not
1435 wish to take A-levels, but do wish to go on to further or higher education? What level of support is there for young people who do not wish to go on to sixth form?

Mr Kinrade: Through this system or more generally?

1440 **Ms Roberts:** So from a UCM perspective, there is the level of the non-degree. So we offer funding obviously for the undergraduate postgraduate, but there is also the non-degree level and the funding is lower. But it is £2,750 as it currently stands.

Q171. Mrs Corlett: And is that linked to parents’ income, how much support is available?
1445

Ms Roberts: I think it is. I think I would have to check that.

Mr Kinrade: I would have to check that. I am not sure, now you ask the question.

1450 **Q172. Miss August-Hanson:** Just sticking with UCM. Obviously, courses are changing, modernising all the time in the UK. How are we monitoring how those courses that may correlate to what is going on at UCM?

How are we making sure that UCM have the best quality, most fit for purpose, modern courses that they can?
1455

Ms Roberts: That is our Principal at UCM who is highly qualified to do that and would always be environmentally scanning what is happening; what is needed on the Isle of Man; what is the next thing coming through? And UCM determine what courses they will put on.

1460 **Q173. Miss August-Hanson:** Does the Department support in any way in that arena? Or do you just leave it to the Principal?

Mr Kinrade: No, we work ... I think there is also an element to bring into this conversation.

1465 There is a newly formed – we are not quite sure what the name will end up being, at the moment it is being referred to as a ‘Workforce and Skills Board’ which is UCM, Treasury, DfE and this Department, all working together to say, ‘Okay, what are the requirements of the Isle of Man?’ ‘What are the skill sets?’

1470 So that any money that is being channelled, say, through VTAS or through apprenticeships, are we channelling it into the right areas to support the right skillset that the industry says it requires on the Island? And rather than just setting that in stone and leaving it, we should be revisiting that all the time. Because as you say, things change and it may be what we think is a priority this year may not be a priority in two years’ time.

But that should not just sit on this Department. That should sit among the Departments.

1475 **Q174. Miss August-Hanson:** I congratulate you for doing that, but it would have been perhaps a little bit easier if you would have said that earlier on when I called you a siloed Department, because clearly you are not!

Mr Kinrade: I am sorry. I did not pick up the ‘siloed Department’ comment.

1480 **Miss August-Hanson:** Okay.

Mr Kinrade: I did not notice it.

1485 **Miss August-Hanson:** Well, I retract it, nonetheless.

Mr Kinrade: Thank you.

1490 **Q175. The Chair:** Could I then just say. So in terms of that course, knowing how many people are off on particular types of course and knowing what to provide here on the Island, whether there is a viable critical mass for partnering with another institution to deliver that sort of course here?

1495 I went away to the UK, for example, to do a Management course and then I think somehow the Department worked out that there were enough people who were interested in doing a course like that and then provided a course on the Island where you did not have to go off in order to do a Management degree. How does that work in terms of the Department monitoring that, having that conversation with UCM?

1500 Is that an annual exercise that is done in terms of looking at, we have got this many people going off doing courses in Law or whatever? So a Law degree on the Island might be ...? How does that sound?

Mr Kinrade: Thank you, Chair.

I think my first comment there would be that UCM *is* the Department. So that is an ongoing conversation. We meet all the time.

1505 I have a member of SLT who sits up at UCM for a good portion of time, very focused on skills, focused into that Workforce and Skills Board to ensure that all of those conversations, not just between ourselves and UCM, but much wider across the Island ...

We need to get a focus on to what are the requirements of the Isle of Man? Can we deliver that resource in the Isle of Man? Is that worth us doing? Is it cost effective to do it here? Is it the correct step to take? Or is that something that we should be commissioning elsewhere?

1510 **Q176. The Chair:** So that data is routinely shared and those decisions are ...?

Mr Kinrade: It is just part of the business.

1515 **Q177. The Chair:** Yes. Can I also just go back to a question that Mrs Corlett raised earlier about those who, perhaps, do not go through traditional A-level routes but seek to access higher education. We have a UCAS points threshold there. And for those who do not do a Level 3 qualification, but that might be qualified by experience, you might say. How does the Department judge that?

1520 **Mr Kinrade:** Currently, the threshold would be UCAS points. So if there are qualifications in there that do not carry those, there is the other route that Jo mentioned into UCM, where there is ... But there are no other.

1525 **Q178. The Chair:** So if I left school after my GCSEs, I go into a firm. I start doing bookkeeping and I go into the accounts department of that firm. And I have, maybe, done 10 years working in the accounts department of a firm in the Isle of Man. But because I do not have A-levels, I do not have a CAT qualification or ACCA, I cannot go off and do a degree in accountancy and finance – with the Department’s support, anyway! *(Laughter)*

I can do it, but not with the Department’s support.

1530

Mr Kinrade: Currently, no.

The Chair: Right. Okay.

1535 **Q179. Mrs Caine:** Can I come in on that? Back to the basic principles of the Student Awards scheme.

You said the first policy principle was that no student is denied access due to affordability. And I wonder if you think that that is the case? Do you have any experience when you are going into schools that students are not applying because of being risk averse in terms of getting into debt?

1540

Mr Kinrade: I am not sure I could comment on that. I am unaware of that. Nobody has brought that to me. But that does not mean that is not the case.

1545 **Q180. Mrs Caine:** I am the generation where there were student grants for fees and maintenance. *(Interjection by Mr Kinrade)* So probably, not that I took it up, but it was universal.

Obviously, there does not seem any possibility we are going back to that. But you did mention, with the new scheme up and running, you were going to look at the thresholds.

When will that happen?

1550 **Ms Roberts:** Yes. So the thresholds, actually, we are now on the register for business for amendments to the regulations. So one of the things we are looking at is to up the maintenance grant from £7500 to £8100.

And we are also looking at those thresholds. So, upping the lower threshold from £17,534 to £21,547.

1555 And then the upper, maximum threshold from £62,444 and that will go up to £70,147. So that would be on the Register of Business for June Tynwald.

Q181. Mrs Caine: If approved, when will that come in?

1560 **Ms Roberts:** For the applications for September 2023.

Q182. Mrs Caine: And you said the budget is £10 million for Student Awards. Do you anticipate a need to increase that? How long has it been £10 million for; and is there a need to increase it?

1565 **Mr Kinrade:** Well, as long as I can remember. But I have only been here two and a half years. So I could not comment before that, but I could find out.

Q183. Mrs Caine: And is that budget going to increase, too?

1570 **Ms Roberts:** For this piece, we are doing it within the current cost envelope of Student Awards. We have been budgeting this to take us up to the current cost envelope within Student Awards.

Q184. The Chair: So basically, you flex the income thresholds for parents based on your budget?

1575 **Ms Roberts:** Yes, we have not asked ... It is based on what we have currently got.

Q185. The Chair: That would be the overall budget, but are you also then keeping it the same overall split between maintenance and tuition fee budgets? Because I presume that even though it is done as a loan, there is still a budget element in that? Or is that absolutely open?

1580 If you had a sudden surge, because it is a loan, that does not come under your budget provision for that?

1585 **Ms Roberts:** We are not proposing to change anything for the tuition fee or the loan element, for these current regulations or the amendments to the regulations. The only thing we would be changing would be the maintenance element, which is the minimum/maximum thresholds and the maintenance payment.

The Chair: Okay, that is fine.

1590 **Mr Kinrade:** Chair, if I may?

I think, as a Department, we will know how many students we have in Year 13. So we could predict the worst case scenario if everybody walked through the door and wanted.

1595 I can see what you are saying is, if you suddenly end up with 100 more students coming through the door, can you contain that within the current budget? We have to predict for the worst case scenario.

1600 **Q186. The Chair:** And have you found that the take-up of students going into higher education has remained pretty consistent since the rules changed? Because I think there was a big dip when they were introduced. But has it maintained relatively flat?

Mr Kinrade: I would have to go back. The data I have in front of me does not go back right to the beginning. But the data I have in front of me is reasonably consistent.

1605 **Q187. The Chair:** Is it as a proportion of A-level students? I think it used to be about two-thirds of students would go on to a degree. Is that still about the ...?

1610 **Mr Kinrade:** Again, I have not got this exact data in front of me, but we have seen an increase in students either using UCM or going straight into work. But we are in the 20%-ish area. Please do not quote me on that.

Q188. The Chair: But it is still following off into higher education, whether that is done here or in the UK.

Mr Kinrade: Correct.

1615 **The Chair:** Okay, wonderful.
Anyone else?

Q189. Miss August-Hanson: Just a quick one, if that is all right. We were talking about children in care earlier on. I am just going to broaden that out a little bit more on under-represented groups, generally.

What initiatives are in place to try and support those groups, such as students from low-income backgrounds, minority communities? How is the Department ensuring that those groups have equal access to information, to Student Awards and that they are not disproportionately affected?

1625 **Mr Kinrade:** I think it is important to say the system is an open system already. The regulations apply equally to everybody who comes forward.

With regard to language barriers, websites would all be dealt with, within ... Again, there is a multitude of answers really, to this one.

1630 So, is the website presented in multiple languages? No, it is not. The website is presented in English, so there could be an issue there. But that probably applies more widely.

Within schools, schools will clearly help any student that is trying to access any services from Government. Schools will sit like we did with the Student Awards team going out. We also have services within schools that can help students with language barriers to access the information that they require. So I think those services that would help children access those resources, or students access those resources, sit within the school environment.

Q190. Miss August-Hanson: Do you think that, perhaps, it is worth having more targeted contact with those individuals from the Department? Or ensuring that there is additional support to address any unique needs or challenges that might be faced by them?

1640 **Mr Kinrade:** I think there is probably very targeted ideas ...

When we say the Department – forgive me for getting on a small soapbox – schools, UCM, the team at the centre, *that* is the Department. So our communication, direct to students, is not from me or my team at the centre. It is from schools. (**Miss August-Hanson:** Yes.)

1645 And those conversations are taking place all the time with students. What their needs are; what their wishes are.

We have careers advisors who will talk about, where do you want to go? Oh you are thinking of going away?

1650 You need to get into the new online system? I cannot access that because of language. So they will find somebody. It is not a case of the Department sitting at the middle, throwing out communications to students all the time. That communication is an ongoing conversation within every school. That is broadly how education functions.

Q191. Mrs Corlett: Just a quick one, really, going back to affordability.

1655 Increasing the maintenance grants was initially to enable more students from lower-income families to be able to attend university. Is the data showing any evidence of that actually happening?

1660 **Mr Kinrade:** I would have to go and get that data for you. I do not have that in front of me right now, but it is a good question.

Q192. The Chair: So you are talking about the proportion of people going to higher education who receive a maintenance grant?

1665 **Mrs Corlett:** Yes, there was an increase in maintenance grants several years ago, wasn't there, specifically to help people on lower incomes and to address that affordability issue. And I was just wondering whether that had actually had the effect that was intended or whether there was no evidence to suggest it had.

1670 **Ms Roberts:** In terms of data that we have in front of us, I think there is probably more data that we can get for you. If you take, for instance, the 2018-19 academic year, then we had 1,370 approved students. And of that, 572 requested a maintenance grant.

If we compare that with 2023 with the 1,354, actually we were up to maintenance grants of 836 were requested. So that *has* increased and it has stayed in the 800s from 2020-21. It has lifted and stayed in around the 800.

1675

Mrs Corlett: Okay. Thank you.

1680 **Q193. Miss August-Hanson:** Just one more quick question. What data do you gather around Student Awards and assessment? What specific elements? What do you monitor and evaluate? What pieces of data do you collect?

Q194. The Chair: I think this might return to the earlier question about, how you measure the success of the system.

1685 **Miss August-Hanson:** Yes.

1690 **Mr Kinrade:** Yes. And I think the success of the system is challenging to monitor when you cannot get the data out of the system that is holding all of that. So in designing a new one, that is very much the information that we wish to seek, is very much at the top of our mind when you design the system. Can I extract that information?

So, for example, the table Jo has in front of her there to talk about, 'Are maintenance grants being used to a greater or lesser extent?' Is an important piece of information for us.

Our next step is to look at how much of the data from the old system we bring forward into the new, which will bring us some analytical pieces around data that we currently cannot analyse.

1695

Q195. Miss August-Hanson: And that is something that you can then use to evaluate the system and whether or not it is working in the right areas for the right people at the right time?

1700 **Mr Kinrade:** Absolutely. And I think it is looking at the policy statements that are in place and understanding ... So that policy statement, for example, saying we are going to increase this to bring more students from that background. You can then produce the evidence to say, 'Great, it worked.' Or, 'Oh dear, it didn't. So what do we need to do next?'

1705 **Miss August-Hanson:** Yes. Thank you.

Q196. The Chair: I suppose what you are – I do not want to put words in your mouth, but it sounds like that that is not something you have been able to do until now.

1710 **Mr Kinrade:** It is not something we have been able to do easily until now.

Q197. The Chair: So you do have some form of assessment as to whether you are meeting policy objectives under the old system? Again, I appreciate how the Department looks at that in terms of what you are reporting up to your political masters, in terms of making sure that they know that that system is working and how they know that system is working.

1715 **Mr Kinrade:** And delivering against the current policy statements. And therefore, if future policy statements are coming forward, then we need to be able to inform what those policy statements may be, based on the evidence and the data that is there.

Q198. The Chair: Exactly. Okay.

1720 In which case, before I release you to go and do work in the Department, is there anything else you want to tell us? Your opportunity – anything.

I know we have covered an awful lot this afternoon, but is there anything else that you wanted to perhaps mention that we have not given you the chance to by virtue of the questions?

1725 **Mr Kinrade:** Not really, no.

I think that my final statement would just be to say thanks to the team, because I do not think that Student Awards team have an easy ride. They have had a challenging system to deliver a very important piece of work and that can become incredibly pressured in that environment. And I think they handle it really well.

1730 I know there have been wrinkles over the last few years, but I think everybody is focused on moving beyond that. And equally, I would call out to GTS and say I think the implementation of – I am doing it again, aren't I, I will just touch the wood.

The implementation of this piece of technology is incredibly complex, an incredibly difficult piece of work. But the Student Awards team working directly with GTS and the technicians there, using a piece of technology that the Government have been able to make available to us, has resulted in what right now looks like a really good first implementation.

1735 I think we have all got ambition for it to go further, but with an individual with a history of IT implementations, they do not always go as you want them to go. And actually, this has gone really well. So I would give my thanks to the team and I would give my thanks to GTS for our support in delivering that.

The Chair: Well, we hope it turns out to be everything you hoped it would be!

Mr Kinrade: So do I – otherwise ... *(Laughter)*

1745 **The Chair:** So with that, thank you very much to you who have come in today and answered our questions. And thanks to those who sit behind that and have been able to support you in your attendance today as well and who support 1,354 families out there in their Student Awards journey as well.

1750 So with that, the Committee will sit in private. Thank you.

Mr Kinrade: Thank you, Chair.

The Committee sat in private at 4 p.m.

WRITTEN EVIDENCE

**Appendix 1: June 2023 - The Treasury Audit Advisory Division:
Department of Infrastructure Internal Audit Report – Waste
Management**

The Treasury

Audit Advisory Division

Department of Infrastructure

INTERNAL AUDIT REPORT

Waste Management

June 2023



Internal audit reports provide internal opinion, advice, consultation and recommendations to Departments, Boards and Offices of the Isle of Man Government.

Communications between Departments, Boards and Offices may properly be considered confidential where they are part of a deliberative process or relate to an action plan or recommendations whose premature disclosure might impair effectiveness. Also, to ensure that audit matters can be discussed in a candid and frank manner there should be a reasonable expectation that the confidentiality of information will be preserved.

As a consequence the information provided in this report is protectively marked as "Official - Sensitive" and must not be disclosed to any third party without the prior written consent of Treasury, Audit Advisory Division.

Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, it is based upon the documentation reviewed, the information provided to us during the course of our work, the relevant personnel or third parties interviewed, and the previously agreed scope and objectives.

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1. EXECUTIVE SUMMARY

1.1 Introduction

As part of the Audit Advisory programme for 2022-23, a review of Waste Management has been undertaken.

The review aims to provide independent assurance on the adequacy of the controls in place to ensure waste is managed in line with the Department of Infrastructure (the Department) Waste Strategy and relevant regulations.

A review of waste management was initially commenced in 2019 however due to the impact of Covid-19, that audit was suspended. As such initial findings and fieldwork undertaken at that time have been retested to ensure the recommendations which had been identified remain relevant.

1.2 Background

Waste management on the Isle of Man involves a diverse range of activities, which include the collection, storage, disposal and recycling of waste material. The Department has responsibilities, to varying degrees, in all of these areas.

The majority of the responsibilities for waste management in the Department are within the Waste Management Unit (WMU) and our review has primarily focused on this area. It is noted that some waste management responsibilities are outside of this unit, including marine waste. The Auditor spoke separately on this matter with the Senior Project Manager particularly in respect of the storage of Peel silt. Long term options for dredging the silt at Peel Marina and stopping the heavy lead metals moving downstream from the Source (Cross Vein Mine) were discussed. In order not to repeat here, this has been expanded on in control 3.1.

In addition to their direct waste management responsibilities, the WMU also manage the contract with the contractor at the Energy from Waste (EFW) plant on Richmond Hill as part of their holistic approach to ensuring adequate waste facilities are in place to meet the needs of the Isle of Man.

From a review of historical archives from the 20th century we noted instances of waste being disposed of directly over cliffs, in quarries, and in public and private unlined landfills located across the island. Many of these locations had minimal controls in place to prevent environmental damage occurring. Some of these historic waste sites contain pollutants that continue to cause an adverse impact on the environment. The Head of Waste management provided audit with a map that detailed the approximate location of many of these historic waste sites and a copy of this map has been included within this report for information. It should be noted that some of the locations on this map are based on anecdotal information and have not been verified by the Department. Please see appendix B for a copy of this map.

Whilst the DOI continues to monitor some of these historic landfill sites, mostly being those landfills that were established by the Isle of Man Government, it is noted that many of these historic landfills are on private land and the DOI have stated they hold no responsibility for monitoring those sites.

Effective waste management is essential to maintaining the environment on the Isle of Man.

1.3 Scope

This review has focused on responsibilities in waste management held primarily by the Waste Management Unit, however have been expanded to the Department as a whole.

The Animal Waste Processing Plant (AWPP) at Richmond Hill has been excluded from scope for the purpose of this audit.

Our review considered the adequacy of the control design and operation for the following control objectives for this area:

Standards, objectives and related risks are properly defined, communicated and managed.
Operational controls are adequate, effective and reliable
Managerial and supervisory controls provide effective monitoring.
Management information and reporting mechanisms are adequate, effective and reliable.

The results of this audit are reported in the main body by **exception**. That is details of testing, the results and implications are only included where a weakness in either the control framework or application of the control is identified and rectifying action is required.

1.4 Overall Conclusion

Taking account of the issues identified in paragraphs 1.5 to 1.8 below, in our opinion the controls for the area under review, as currently laid down and operated, provide **unacceptable assurance** that risks material to the achievement of the organisation's objectives for this area are adequately managed and controlled.

We have made 25 recommendations in total.

We also acknowledge that the Department has had to take a pragmatic approach to some legacy issues as the financial cost to correct the matters would be very difficult to justify.

1.5 Conclusion on the design of the framework of controls

Based on the evidence obtained, we have concluded that the design of the system of control, if complied with, is **unacceptable** to provide assurance that the activities and procedures in place will achieve the objectives for the system.

We have made the 4 Fundamental and 2 significant recommendations which relate to failures in the design of the control framework. To summarise, this relates to out of date waste and landfill legislation, the burning of clinical waste, a sound contingency plan at the EfW Plant and a long term solution for Peel silt.

1.5 Conclusion on the application of controls

Based on the evidence obtained from our testing, we have concluded that the application of established controls is **unacceptable**.

We have made a total of 5 significant recommendations which relate to failures in the application of controls. To summarise, issues identified relate to out of date contracts, planning permissions and waste disposal licences. A review should be conducted over fixed charges for Local Authorities and consideration should be given to monitoring legacy landfill sites across the island.

*We have also made 14 recommendations categorised as Merits Attention. These are detailed in the Action Plan below.

1.6 Risk / Control Overview

Control Reviewed	Control Status RAYG	Recommendations Made		
- Red: Any Fundamental Rec's / >1 Significant Rec - Amber: 1 Significant Recommendation - Yellow: 1 or more Merits Attention Rec's Green: No Recommendations		F	S	M/A
Risk 1: Regulations related to waste management are breached.				
1.1 The Department has responsibility for adhering to sections 57-59 of the Public Health Act. A waste strategy was published in 2018 along with 'Our Island Plan' in January 2022.	A		1	2
Risk 2: Locations for the disposal of waste do not have the required capacity to meet demand.				
2.1 Inspections facilities are in place at each location to ensure waste dumped is in line with facility capacity, penalty charges are applied where necessary.	R		2	1
2.2 Environmental protection controls are in place at each location. The type and adequacy of these controls is dependent upon the age of the site and the type of material processed at the site.	A		1	6
2.3 The Department monitor waste sites to ensure capacity can meet demand.	R	2	1	
Risk 3: Secure storage facilities are not in place to hold waste that cannot currently be disposed of.				
3.1 The Department utilises several sites to store waste that it cannot immediately dispose of.	R	2	1	1
Risk 4: Waste is disposed of incorrectly resulting in inaccurate billing or environmental damage.				
4.1 A system of licencing is in place for dumping of different types of waste and fines/action is taken if these licences are breached. Planning orders are also in place.	A		1	2
Risk 5: Strategic oversight of waste is not maintained				
5.1 Detailed reports are produced that include the current situation, future plans, environmental issues and green responsibilities.	Y			2

1.7 Additional Comments

In addition to the findings summarised in Section 1 and described in detail in Section 3, we also note the following:

Waste management is a complex field and there are several knowledgeable and experienced professionals working in the Waste Management Unit, other areas of the Department and DEFA who have assisted us with this review. We would stress that despite the assurance level awarded in this review, staff have demonstrated high levels of competency and commitment, to their roles and responsibilities.

2. ACTION PLAN

The priority of the findings and recommendations are as follows:

- **Fundamental** – action is imperative to ensure that the organisational objectives are met and to ensure that the organisation is not exposed to material risks;
- **Significant** – requires action to avoid exposure to significant risks in achieving the objectives for the area under review;
- **Merits Attention** – action encouraged to enhance control or improve operational efficiency.

KEY RISKS – Fundamental & Significant Recommendations					
Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
1.1b DEFA should review waste management legislation in respect of contaminated land and landfills to ensure it is fit for purpose.	Significant	Y	Drafting instructions have been forwarded to the AGC for new Waste Regulations. These will include legislation to regulate landfill in accordance with UK best practice environmental protection standards given the Isle of Man situation, see online Waste Regulation Landfill Policy. https://www.gov.im/media/1379024/waste-regulation-landfill-policy.pdf Some aspects of regulation of contaminated land are proposed by introducing end of life criteria where certain wastes can be considered as products for appropriate uses, usually with some form of treatment. The regulation of redevelopment of Port St Mary Gas Works is being enabled through a Waste Disposal Licence which may be sufficient from IoM regulatory purposes given the very small number of contaminated land remediation projects on Island.	December 2024	Simon Renton

2.1a The Department should consider the use of stronger penalties if operators are found to be attempting to dispose of waste at the EFW that is non-confirming.	Significant	Y	The DOI has recently been advised that it has the vires to set gate fees for use of, and penalties for the mis-use of, its waste disposal facilities. These charges will be developed over the next 12m, including policies and penalties for, delivery of non-confirming waste.	April 2024	WMU
2.1b The Department should review the agreements with the Local Authorities and Civic Amenity sites to ensure that commercial waste is accurately billed and the use of fixed tonnages is reconsidered.	Significant	Y	There are no formal agreements with LA's or CA sites for either use of DOI facilities or for the submission information for the purpose of charging. This need for an agreement or contract, including auditing of information provided, will be considered as part of the review of DOI gate fees for use of DOI waste facilities, and the standardisation of gate fees.	April 2024	WMU
2.2g The Department should liaise with DEFA to determine who is responsible for the legacy landfill sites on Island to enable accountability and ensure that they are consistently and appropriately monitored.	Significant	Y	Legacy landfill sites present a risk to the environment and human health. In this regard it is an issue for DEFA to address. WMU will liaise with DEFA.	June 2023	WMU
2.3a The Department should ensure that appropriate planning and waste disposal agreements are in place at Wright's Pitt North if it wishes to continue to operate.	Fundamental	Y	The DOI submitted two PAs for the operation of WPN. These were called-in by COMIN and an inquiry date set for July 2022. The DEFA EPU then requested a delay in the Inquiry to allow it further time to consider the PA's. This delay continued throughout 2022 and early 2023. The DOI has now instructed Cabinet Office to progress with Inquiry and a date is being set for late May 2023. Subject to the PA being approved, and this will have to be ratified by COMIN, the DOI will apply for	December 2023	WMU

			Waste Direction. Estimated timescale for a final decision on the PA is October 23		
2.3b The Department should ensure that clinical waste is incinerated in adherence to licence and at an appropriate temperature.	Fundamental	Y	Primary and Secondary waste incinerators are operated in accordance with conditions prescribed in the Waste Direction. The temperature of incineration of waste is monitored continually and any variance reported to DEFA. There is no evidence clinical waste is being introduced to the grate at temperatures that are below the mandatory levels. We will review operations to confirm adherence to contingency wording in licence.	Sept 2023	WMU
2.3c The Department should ensure that planning permission is in place for the storage containers holding clinical sharps waste.	Significant	Y	As this is a temporary operation for the temporary storage of sharps waste the need to apply for planning permission will have to be confirmed by DEFA planning.	Sep 2023	WMU
3.1a The Department should ensure that Rockmount is licenced correctly, and appropriate planning permission is sought for the site.	Fundamental	Y	Planning application PA 22/00287/B 'Restoration of existing silt store to create and maintain a permanent facility for storage and monitoring of dredged material from Peel Marina' was submitted in March 2022 and is "Pending Consideration" by DEFA Planning	Sep 2023	WMU
3.1c The Department and DEFA to construct and implement a long term strategic plan for disposal of silt dredging's.	Fundamental	Y	DOI has agreed a long term strategy for the River Neb Catchment & Peel Marina with DEFA (Signed Jan 23). This seeks to reduce the production of contaminated silt requiring dredging. It is not a Strategy for disposal. A request for Project Development Funding has been submitted to Treasury. The Department will continue to review the situation and consider long term plans for the disposal of silt.	Sep 2023	WMU

3.1d The Department should implement a contingency plan for the EFW Plant to store domestic, commercial and clinical waste.	Significant	Y	In the event of a Plant shutdown when waste cannot be processed and pit capacity is at maximum then waste will either need to be: held on site (mainly skip operators); bailed within the EfW with bales stored off site; or, worse case unbaled waste will need to be delivered to an off-site facility for shredding/storage. There is an acknowledged need to secure a permitted site for baled waste storage/waste delivery. The former Ballakinnish Nursery site has been identified as a temporary location for storage of baled waste, subject to regulatory approvals. A planning application needs to be submitted. Target date April 24.	April 2024	WMU
4.1a The Department should consider if further action is required regarding the classification and incineration of special waste, as defined in the planning order for the Energy from Waste plant.	Significant	Y	DEFA, Cab Office, and DOI acknowledge the PSO needs amending and this has been discussed. There is a need to: confirm with DEFA/CO the mechanism for progressing this; allocated specific resources to progress this work, identify a timetable for its progression. Target date for initial consideration April 2024	April 2024	WMU

House Keeping Issues – Merits Attention Recommendations					
Recommendation	Categorisation	Accepted Y/N	Management comment	Implementation date	Manager responsible
1.1a The Department should review and disseminate the latest Waste Strategy Policy with relevant parties to ensure that it is followed.	Merits Attention	Y	The Waste Strategy 2018 consists of high level core policies. Policies are in place to deliver a strategy. They indicate the intended direction of travel but they are not legislation or prescriptive. There are no powers to 'ensure it is followed' The DOI is aware of the need to publicise the 2018WS and specifically the Implementation Plan laid before Tynwald in 2022. This will be undertaken through delivery of individual work streams liaising with key stakeholders, and provision of updates to the Department. The timing for this is subject to the availability of officer and financial resources, and priority of other WMU work streams.	April 2024	WMU
1.1c A Job Description for the Head of Waste Management is required.	Merits Attention	Y	The Job Role and description is subject to any review of the structure of DOI following the appointment of the new CO.	October 2023	EC
2.1c The Department should review the certificate of lawfulness for the storage and processing of inert waste for Stoney Mountain and ensure that the permitted weight of waste to be processed annually is accurately stated.	Merits Attention				
2.2a The DOI should review the inert bottom ash maturation process to determine if rain washing is occurring adequately prior to disposal into Turkeylands New Quarry.	Merits Attention	N	Unless this is a regulatory requirement I do not intend to progress this action		

2.2b The DOI should implement IBA monitoring at Turkeylands New Quarry in respect of pollution risk.	Merits Attention	Y	IBA monitoring is included in the site operational plan which is part of the current WDL. We will follow this up to ensure it is being adhered to.	Sept 2023	WMU
2.2c The DOI should perform sampling at the Raggatt to check for harmful PCBs particularly around the tanker area.	Merits Attention	Y	The presence of PCBs in the Raggatt leachate is known, albeit at very low concentrations. The SSOW and RA for the Raggatt tanker are designed to minimise spillage when leachate is being transferred. The area is likely to have been affected by leachate migration off site and/or minor spillage over the past 30 years. The need to expend resources for sampling will need to be justified through an indication of risk/potential harm. The area is not a public open space, and the public has limited risk of contact with the road surface. If PCBs and HMs PAHs are detected they will be at very low concentrations. We will liaise with H&S for further advice.	May 2023	WMU
2.2d The Department should remind the operator of Wright's Pit North that plastics should not be being dumped at the site (except for when it is to wrap asbestos or plasterboard).	Merits Attention	Y	The WPN is operated by DOI through a contractor. This point has been discussed with company. The contractor is obligated to ensure that only conforming waste is accepted on site and this includes: asbestos, a known carcinogen, which has to be wrapped in plastic for safe collection, consignment and handling on site; and, plasterboard delivered mainly from CA sites and again bagged for the purpose of safe handling, and transfer. The DEFA site inspection 17 10 22 did not identify the presence of plastic as an issue.	Completed	WMU

2.2e The Department should undertake repairs to the fencing at Wright's Pit East in order to maintain its structural integrity.	Merits Attention	Y	Fence repaired	Completed	WMU
2.2f DEFA should liaise with DOI to determine the most effective course of action for environmental monitoring of the Ayres.	Merits Attention	Y	The DOI commenced in 2018 a full suite of systematic groundwater monitoring and modelling at the POA, following the installation of an enhanced infrastructure of monitoring boreholes. It consulted DEFA in advance on the suite of determinands to be sampled, mindful DEFA has set no EQSs for groundwater or legislation covering its protection monitoring. If DEFA has queries about this monitoring these can be discussed as part of the review, if PA is permitted, of WPN WDL/Direction. However it is important to note this is modelling of groundwater under mainly historic landfill sites, impacted by landfills that have not been developed by DOI. Apart from WPN there are no statutory obligation for DOI to undertake this monitoring	October 2023	WMU
3.1b The Department should ensure that the silt store at Ballaterson is available for use by the Department at the end of the current lease, if required.	Merits Attention	Y	The land lease has been extended to January 2025, pending identification by the DOI of a method for recovering the deposited material for use eg soil stabilisation. This will inform the decision about the future need for Ballaterson.	Completed	WMU
4.1b The Department should liaise with DEFA to review alternative routes for recyclable material and avoid the last resort of landfill. Specifically looking at options which permit recycling of plasterboard.	Merits Attention	Y	(1) The DOI is legally responsible for providing facilities for the disposal of household waste. It is not responsible for identifying routes for materials recycling. There are currently no mandatory targets for waste management on island.	June 2023	WMU

			(2) Plasterboard can be, and is being, exported for recycling off island. However this route is only suitable for sheet plasterboard. Mixed in with other waste types eg wood, it cannot be exported. If processed at a waste transfer facility it becomes so mixed it is impossible to separate. Key is the need for waste operators to improve segregation of waste types at source and operator improved site waste management plans which require materials containing plasterboard to be segregated on site. Regulating the operation of licenced waste sites is the remit of DEFA. Improving waste management on sites is the responsibility of DEFA and industry bodies to communicate.		
4.1c The Department should reduce the amount of glass disposed of at Turkeylands New Quarry, and communicate the benefits of recycling this material.	Merits Attention	Y	This is sheet/laminated window glass which is more difficult to recycle than plain sheet glass. WMU has confirmed there is currently a recycling route on island and as such the Contractor has now been instructed not to accept recyclable glass for disposal	Completed	WMU
5.1a The WMU and Department should meet regularly to discuss issues and create adequate reporting where necessary.	Merits Attention	Y	Pending confirmation of Departmental structure and line management responsibilities.	October 2023	WMU
5.1b The Department should implement waste management targets in accordance with the Waste Strategy policy and 'Our Island Plan'.	Merits Attention	Y	The implementation of waste management targets will be considered	December 2023	WMU

3. ACKNOWLEDGEMENT

The following staff gave their time and co-operation during the review and we would like to record our thanks:

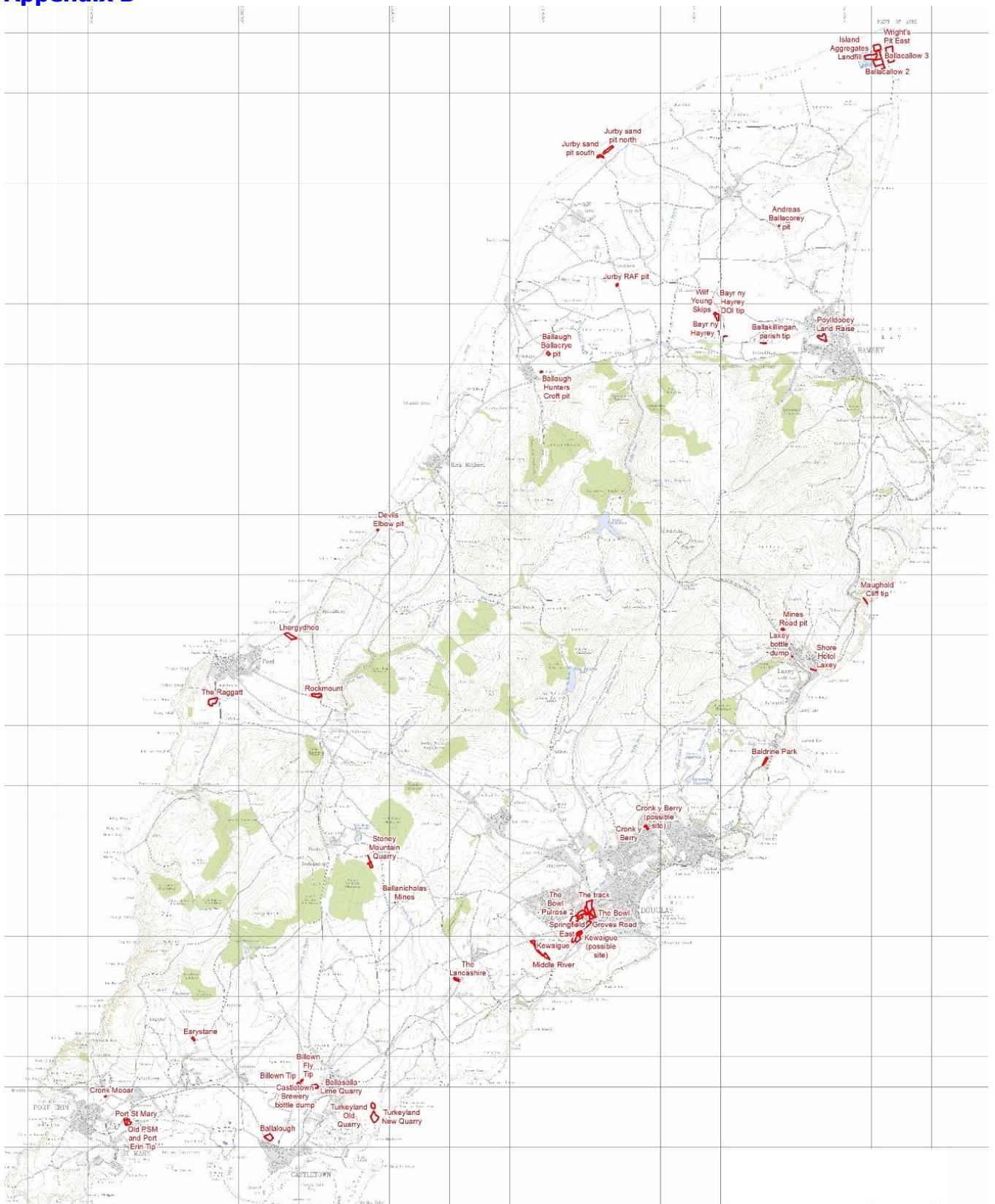
Name	Position
Stephanie Gray	Head of Waste Management
John Quayle	Business & Contracts Manager
Jeremy Reece	Senior Project Manager
Emma Goosey	Environmental Protection Officer
Rita Greenwood	Environmental Protection Officer

Appendix A - Definition of Opinions

The range of opinions that we provide on the adequacy of the control framework in the area that we have reviewed are as shown below. The first two are positive opinions, whereas Limited Assurance is a negative opinion. The opinions are to assist management in assessing the degree of reliance that can be placed on the controls in place.

	Overall Opinion Level	System Adequacy	Control Application
Positive Opinions	Substantial Assurance	Robust framework of controls ensures objectives are likely to be achieved.	Controls are applied continuously or with minor lapses.
	Adequate Assurance	Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger.	Controls are applied but with some lapses.
Negative Opinions	Limited Assurance	Risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.
	Unacceptable Assurance	Fundamental weakness in the framework of controls resulting in a demonstrable failure to achieve objectives.	Fundamental breakdown in the application of controls indicating ineffective management.

Appendix B



**Appendix 2: 12th July 2023 – Email From Assistant Clerk to the Public
Accounts Committee to the Environment and Infrastructure Policy
Review Committee**

Archived: 29 August 2023 11:35:00

From: [Sam Bowers]

Sent: 12 July 2023 17:27:52

To: [Rob Mercer] [David Ashford] [Diane Kelsey]

Cc: [Jonathan King]

Subject: ENVI | Audit referral by PAC

Importance: Normal

Attachments:

[Attachment Redacted]

Dear ENVI,

I write to you on behalf of the Public Accounts Committee which would like to make you aware of the following audit report by the Audit Advisory Division (attached):

Department of Infrastructure - INTERNAL AUDIT REPORT - Waste Management - June 2023

The Committee understands that ENVI currently has waste management under inquiry and thought that this audit, particularly its conclusions and recommendations, would be of interest.

Best wishes,

Sam

Assistant Clerk to the PAC

**Appendix 3: January 2023 – The Treasury Audit Advisory Division
Internal Audit Charter**

Audit Advisory Division

Internal Audit Charter

The Treasury

January 2023



Contents

The Audit Advisory key contacts in connection with this document are:

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1. Mission and Purpose

- 1.1 In accordance with the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) the purpose, authority and responsibility of the Internal Audit (IA) activity must be formally defined in an IA Charter, consistent with the [Mission of Internal Audit](#) and the mandatory elements of the International Professional Practices Framework (the [Core Principles for the Professional Practice of Internal Auditing](#), the [Code of Ethics](#), the [Standards](#) and the [Definition of Internal Auditing](#)).
- 1.2 The Director of Audit Advisory is responsible for applying this IA Charter and ensuring it is maintained, up to date and, in line with the Isle of Man [Government Internal Audit Standards](#) (GIAS). This Charter will be reviewed every 3 years or sooner if significant changes have been made by the Chief Financial Officer and/or the Chief Officer's Group (COG) to ensure that it remains relevant to the needs of the Government.
- 1.3 The role of IA, which is part of the Isle of Man Government's Audit Advisory Division (AAD) in Treasury, *"is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively."*
- 1.4 AAD's primary objective is the provision of assurance on the adequacy and effectiveness of control, risk management and governance processes in managing the Isle of Man Government's risk exposures to acceptable levels. AAD acknowledges and aspires to achieving the mission of Internal Auditing as provided by the IIA:
"To enhance and protect organisational value by providing stakeholders with risk based and objective assurance, advice and insight."
- 1.5 AAD is not responsible for control systems and managing risks other than its own. Responsibility for effective internal control and management of risks rests with the management of the Department, Statutory Board and Office.
- 1.6 At its core, an effective IA service will be seen as a catalyst for improvement who become recognised across the Isle of Man Government as a value added, trusted advisor and assurance provider.

2. Authority

- 2.1 The requirement for a system of Internal Audit is mandated in the Audit Act 2006, associated Accounts and Audit Regulations 2018 and the Treasury Act 1985. The Isle of Man Government Financial Regulations require all Government Departments, Statutory Boards, Offices and Local Authorities to have their system of IA approved by the Director of Audit Advisory.
- 2.2 For every Government Department, Statutory Board, Office and Local Authority the Audit Advisory Division will have free and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information. This does not apply to information which is statutorily confidential, such as the Council of Ministers' papers, whose access would need the approval of the Chief Minister. Nor does it apply to any information which attracts Parliamentary Privilege.

- 2.3 The Director of Audit Advisory is entitled to require the provision of information and explanations from all Government employees who are involved with the review. Detailed information obtained to produce reports by AAD will not ordinarily be disclosed to any other parties.
- 2.4 The Director of Audit Advisory and AAD staff are not authorised to:
- Perform any operational duties for the Government unless officially seconded or in an emergency situation. The Director of Audit Advisory will then agree that sufficient arrangements are in place to ensure objectivity for future reviews;
 - Initiate or approve accounting transactions external to AAD; and
 - Direct the activities of any Government employee not employed by Audit Advisory Division, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.
- 2.5 The standards to which AAD should operate are set out in the Isle of Man GIAS and should be read in conjunction with this Charter.

3. Scope

- 3.1 The scope of work of the AAD is to determine whether the Government's framework of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:
- Risks are appropriately identified and managed;
 - Significant financial, managerial and operating information is accurate, reliable, and timely;
 - Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
 - Resources are acquired economically, used efficiently and protected adequately;
 - Programs, plans and objectives are achieved;
 - Quality and continuous improvement are fostered in the control process; and
 - Significant legislative or regulatory issues impacting the Government are recognised and addressed appropriately.
- 3.2 The Audit Advisory Division is also responsible for:
- Maintaining and monitoring the Government's Counter Fraud Strategy;
 - Facilitating the Government's Risk Management process; and
 - Undertaking independent investigations in relation to Financial Irregularities, Tender Appeals and any Whistleblowing reports made to the Division.
- 3.3 AAD also has the responsibility to provide consulting and advisory services to management relating to risk management, control and governance as appropriate. AAD may evaluate specific operations at the request of Chief Officers or senior management, as appropriate.
- 3.4 Before any consultancy work is agreed, the Director of Audit Advisory will ensure that IA has the appropriate skills, resources and approval to undertake the review. The Director of Audit Advisory will also ensure that appropriate safeguards are in place to preserve objectivity in areas subject to future IA activity.

Counter Fraud, Bribery and Corruption

- 3.5 The Chartered Institute of Internal Auditors defines IA's role in counter fraud, bribery and corruption practices as:
- "Internal audit has an important role to play in ensuring that management has effective systems in place to detect and prevent corrupt practices within an organisation. This is part of its normal role of supporting the Board's and Audit Committee's oversight of risk management.*
- But it is not the job of internal audit directly to detect or prevent corrupt practices. This is for executive management. Internal audit's role includes promoting anti-fraud and anti-bribery best practice, testing and monitoring systems and advising on change where it is needed."*
- 3.6 Managing the risk of fraud, corruption, and bribery is the responsibility of all officers, management, Ministers and Members. AAD can assist management in the effective discharge of this responsibility, including the investigation of suspected fraud and financial irregularities.
- 3.7 The AAD Team also commits resources to proactive fraud work, which includes raising awareness of fraud issues.
- 3.8 Internal Auditors will have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation. In addition, AAD may support, as needed, in the identification and investigation of suspected fraudulent activities within the organisation and notify management and Audit and Risk Committees of the results (where appropriate).

4. Appointment and Accountability

- 4.1 The Director of Audit Advisory will be appointed on the approval of the Chief Financial Officer, all other officers within the Division will be appointed on the approval of the Director or a senior officer within the Division.
- 4.2 In discharging their duties the Director of Audit Advisory is accountable to the Chief Financial Officer, Treasury; and the Audit and Risk Committees of the Isle of Man Post Office, the Manx Utilities Authority and Manx Care (in relation to their entities) to:
- Provide an annual assessment on the adequacy and effectiveness of the Government's processes for controlling its activities and managing its risks within the scope of its work;
 - Report 'Fundamental' and 'Significant' issues related to the processes and activities of the Government and its affiliates, including potential improvements to those processes, and to provide information concerning such issues through to resolution (the latter is not applicable to the Isle of Man Post Office); and
 - Provide information periodically on the status and results of the audit plan and the sufficiency of AAD's resources.
- 4.3 The Director of Audit Advisory also has a responsibility to all other Accountable Officers within Government. This is to provide advice on the adequacy and effectiveness of individual systems and processes for controlling activities and managing of risks within that Department, Statutory Board or Office. The extent of this advice is based on the Internal Audit Plan.

Tynwald Auditor General

- 4.4 The role and responsibilities of AAD is independent of the Tynwald Auditor General (TAG). There is a clear distinction between the work performed by IA and the duties of the TAG. As discussed earlier in section 1 of this Charter, IA is charged with providing independent and objective assurance over the Government's control, risk management and governance processes.
- 4.5 The TAG, in accordance with the [Tynwald Auditor General Act 2011](#), is independent of both government and the Public Services Commission and reports annually to Tynwald. The TAG will be responsible for improving government accountability for public spending, supporting value for money and financial efficiency.

5. Independence

- 5.1 AAD will be independent of all activities that it audits to enable Internal Auditors to perform their duties in a way that allows them to make professional and impartial judgements and recommendations.
- 5.2 To carry out Internal Audit's responsibilities effectively, it is imperative that independence and objectivity are maintained at the highest standard. *"The internal audit activity must be independent, and internal auditors must be objective in performing their work."* AAD staff must declare any activities that may impair their judgement and activity. AAD staff will not participate in any work/area where a declaration of interest or conflict may occur.
- 5.3 IA will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

6. Ethics

- 6.1 All Officers of the Division are required to meet and uphold the highest ethical standards as outlined within the Isle of Man Corporate Governance Principles, the Financial Regulations and Internal Audit Code of Ethics in relation to:
- Integrity;
 - Objectivity;
 - Confidentiality; and
 - Competency.
- 6.2 Internal Auditors will also abide by the Committee on Standards of Public Life's Seven Principles of Public Life (also known as the Nolan Principles): *1) Selfishness, 2) Integrity, 3) Objectivity, 4) Accountability, 5) Openness, 6) Honesty and 7) Leadership.*
- 6.3 The AAD will maintain and regularly review a register of declarations of business and personal interests. If there are occasions where Internal Auditors undertake non-Internal Audit activities including the development, design or implementation of systems, then that individual will not subsequently perform an Internal Audit review of those systems.

7. Reporting

Chief Financial Officer and Chief Officer's Group

- 7.1 AAD is based within the Treasury and Audit Advisory's Strategy, the selection of reviews is not hindered or restricted in any way by either the Treasury Minister, the Treasury Member(s), the Chief Financial Officer or any other officer of the Treasury. The Treasury's operations are subject to review like those of any other Government Department.
- 7.2 The Internal Audit programmes for the Isle of Man Post Office, the Manx Utilities Authority and Manx Care will also be agreed with their respective Audit and Risk Committees.
- 7.3 The Council of Ministers, Ministers/Members and managers are free to request reviews and investigations because they are either aware of areas of concerns which warrant investigation or are interested in specific operations within their Department being reviewed. However, these latter reviews must fall within the remit of AAD, that is, the work undertaken has to be risk-based and in accordance with its objectives. Managers should not request reviews that should be encompassed within the day-to-day duties of their own Department.
- 7.4 The Director of Audit Advisory has final responsibility for the content of all AAD-related work and prioritisation of such work will be risk assessed through the audit planning process. The timing of these reviews, unless because of their nature they warrant immediate action (irregularities etc.), will need to be determined with consideration of the relative priority of all other AAD planned assignments.
- 7.5 The Director of Audit Advisory and/or any officer from AAD are not responsible for the satisfactory operation of systems of control as this is a responsibility borne by the Accountable Officer of each Department.

Public Accounts, Council of Ministers and Audit and Risk Committees

- 7.6 AAD may perform consulting and advisory services related to governance, risk management and controls as appropriate for the Isle of Man Government, Statutory Boards and Offices. AAD may also evaluate specific operations at the request of the Public Accounts Committee (PAC)/Audit and Risk Committee (ARC) as appropriate or Treasury. Based on its activity, AAD is responsible for reporting significant risk exposures and control issues identified to the PAC, ARC and/or Treasury.
- 7.7 AAD will prepare a quarterly report to the Council of Ministers detailing all 'Fundamental' (High risk) and 'Significant' (Medium risk) audit recommendations and the actions taken to mitigate the risk.

Director of Audit Advisory's Annual Report and Opinion

- 7.8 The Director of Audit Advisory will produce an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual IA report and opinion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The annual report will incorporate as a minimum: the opinion; a summary of the work that supports the opinion and a statement on conformance with the GIAS and the results of the Quality Assurance and Improvement Programme.

8. Responsibility

Risk-Based IA Strategy and IA Plan

- 8.1 The IA plan is a crucial component of the annual opinion statement provided by the Director of Audit Advisory to those charged with governance. In order to deliver this assurance it is vital to have a comprehensive risk-based IA plan to determine the priorities of the IA activity, consistent with the organisation's goals.
- 8.2 The overarching IA plan is presented to the Accountable Officer and the Audit and Risk Committees for approval. Any significant deviation from the approved IA plan will be communicated to senior management and the Audit and Risk Committees. The IA Plan is available to the appropriate body for their review and information, all requests for the IA Plan must be made to the Director of Audit Advisory for consideration.
- 8.3 The annual IA plan is undertaken based on a risk assessment, enabling the Director of Audit Advisory to ensure that the most effective IA coverage is achieved, which focuses on each Department's key risks. Accountable Officers are required to ensure that key staff are available to IA during the agreed period of a review and for ensuring that information requested is accurate, timely and reliable.

Managing Audit Engagements

- 8.4 For each engagement, IA officers will meet with the relevant managers to discuss the scope, objectives and risks of the area being audited. Each IA engagement will be sponsored by an Accountable Officer (or Executive Director for the Isle of Man Post Office, the Manx Utilities Authority and Manx Care) and engagements intended to provide an IA assurance opinion will be undertaken using a risk-based approach. IA will promptly communicate its findings and conclusions to management, proposing recommendations to address any identified weaknesses, risks or issues.
- 8.5 AAD will have systems in place to ensure that Internal Auditors obtain and record sufficient evidence to support their conclusions and engagement results to demonstrate the adequacy of evidence obtained to support professional judgements made. This includes management supervision to ensure objectives are achieved, quality assured and staff developed.
- 8.6 To try to generate action which will lead to an enhancement of internal control arrangements, when testing has concluded we will prepare a draft report to the relevant responsible officer. The aim of the report is to:
- Provide assurance over the adequacy of the control environment under review;
 - Prompt management action to implement recommendations for change leading to improvement in performance and control; and
 - Provide a formal record of matters arising from the audit and agreements reached with management.
- 8.7 After proper consideration has been given to the report, each responsible officer should formally respond, that is, provide written management comments to the recommendations contained within the report. The response should indicate what actions are to be taken or have been taken in regards to the recommendations. If the former, then a timetable for the anticipated completion of the action, should also form part of the response.

- 8.8 Copies of the final assurance reports may encompass the response to the recommendations. Reports will be provided to the relevant Accountable Officer and Minister/Members, Chief Financial Officer, the Central Government Public Auditors and the Standing Committee on Public Accounts, as appropriate.

Follow-up

- 8.9 IA will follow-up all 'Fundamental' (High) and 'Significant' (Medium) risk-rated recommendations to establish if management has taken appropriate action to address any weaknesses, risks or issues identified.

Management Responsibilities

- 8.10 In order to be effective, the AAD requires full co-operation from senior management. AAD is not responsible for internal control systems or managing risks other than its own. Responsibility for effective internal control and management of risks rests with management.
- 8.11 Senior management must also keep the AAD abreast of significant proposed changes in processes, systems, newly identified significant risks and all suspected or detected fraud or corruption. Senior management will ensure that IA has access to sufficient resources in order to deliver the IA plan. Responsibility for the deployment of resources in delivery of the IA plan rests with the Director of Audit Advisory.

Staff Training and Development

- 8.12 IA will be appropriately staffed in terms of numbers, professional qualifications and experience, having regard to AAD's objectives and to the standards set out in the GIAS. The staffing of IA will be kept under review by the Director of Audit Advisory.
- 8.13 The Director of Audit Advisory must hold a relevant professional qualification (for e.g. CMIIA, CIA or equivalent professional membership (PIIA for Statutory Boards)) and will be suitably experienced. All AAD staff will be properly trained to fulfil their roles and responsibilities and they will each maintain their professional competence through an appropriate on-going professional development programme. When necessary, in-house IA resources will be supplemented by external resources.

9. Quality Assurance

Professional Standards

- 9.1 The IA activity will govern itself by adherence to The Chartered Institute of Internal Auditors' mandatory guidance including the Definition of Internal Auditing, the Code of Ethics and the International Professional Practices Framework (IPPF), incorporating the Mandatory Standards.
- 9.2 This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activities performance to ensure that engagements are performed with proficiency and due professional care. In addition, IA will adhere to the Government's relevant policies and procedures and the Internal Audit activity's standard operating procedures manual.

Quality Assurance and Improvement Programme

- 9.3 The Director of Audit Advisory will develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the Internal Audit activity including its evaluation of conformance to IIA Standards.
- 9.4 The work of AAD will be controlled at each level to ensure that a continuously effective level of performance is being maintained. The Director of Audit Advisory will seek feedback from audit sponsors and Committee Members over the work and conduct of the Audit Advisory Division to ensure a high level of professionalism and value added work is being consistently delivered. If improvements are identified these will be actioned as soon as practicable.
- 9.5 The results of the QAIP and progress against any improvement plans will be reported to the Chief Officer's Group and the Audit and Risk Committees within the Annual IA Report.
- 9.6 To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance.

External Reviews

- 9.7 The Director of Audit Advisory should make provision for external quality reviews to be sponsored by the Chief Financial Officer at a minimum every five years. Progress against any consequent improvement plans should be reported upon in the annual report of the service.

10. Other Internal Audit Work

Statutory Boards and Offices

- 10.1 IA may carry out assurance work for third parties (i.e. organisations outside of the Isle of Man Government). Currently, AAD provides Internal Audit services to the Isle of Man Post Office, the Manx Utilities Authority and Manx Care. AAD's role, responsibilities and outputs are outlined in a Service Level Agreement with each respective 'client'.

Consulting Services

- 10.2 IA may perform consulting services related to governance, risk management and controls as appropriate for the organisation. IA may also evaluate specific operations at the request of Accounting Officer, Chief Officers or Ministers, as appropriate. Based on its activity, IA is responsible for reporting significant risk exposures and control issues identified to senior management or the Audit and Risk Committees (for Boards and Offices).
- 10.3 For most consultancy work, no assurance opinion will be provided but the outcome of this work will be reported to the Accountable Officer and/or the Audit and Risk Committees (for the Isle of Man Post Office, the Manx Utilities Authority and Manx Care) in so far as it impacts on the organisations governance, risk and control environment.

Major Projects

- 10.4 The IA service will be informed of major projects and their progress through continued discussion with management and attendance at project working groups, where invited to attend. Where a project team seeks advice or further support from the IA service, we will treat the request as one for consultancy support and make appropriate arrangements to ensure future objectivity is not impaired.

Risk Management

- 10.5 AAD will be guided by the IIAs position paper on [Risk Management and internal audit](#) and therefore AAD will not undertake any roles defined as inappropriate by that guidance. Inappropriate roles include setting the Government's risk appetite, imposing a risk management process and taking on full accountability for risk management.
- 10.6 Further, the IIA position paper contains a list of legitimate roles (with safeguards) that the IA function can provide in relation to risk management:
- Co-ordination of risk management activities;
 - Consolidating risk reporting;
 - Developing a risk approach for approval and its subsequent maintenance;
 - Facilitating identification and evaluation of risks; and
 - Coaching management in responding to risks.
- 10.7 The Isle of Man Government's [Risk Management Policy](#) (approved by the Council of Ministers in May 2006 and currently being reviewed in 2022) defines its role in relation to risk management, including safeguards put in place, which include:
- The responsibility for the application of the structured approach and delivery of the effective management of strategic and operational risk lies with the Chief Executive Officers of all Departments of Government, both individually and collectively;
 - Risk management is an integral part of the management process and needs to be embedded in the culture of every Government organisation, integrated into job descriptions, performance objectives, and all aspects of strategic and operational activities. It is essential that all members of staff are aware of their role in the management of risk to an acceptable level;
 - The reporting mechanism will require Departments to produce, on an annual basis, a Statement of Internal Control; and collectively those statements will provide an assurance or otherwise to the Chief Financial Officer who will report corporately, providing a Statement on behalf of Government. Risk Management must be included as an integral component of the Business Planning and Performance Management process; and
 - The Department's Senior Management Team will deliver and maintain a Risk Management System within its Department. This will include coordination of the risk management processes described in this policy, for example, maintaining risk registers, and assessing progress with Risk Owners. This should provide the Chief Executive with risk updates and assess whether any decisions made could impact the existing processes.

11. Approval

11.1 The Audit Advisory Division Internal Audit Charter is the responsibility of the Director of Audit Advisory and must be subject to review at a minimum of every three years.

11.2 The Chief Financial Officer shall formally approve the Internal Audit Charter.

SIGNED

[signed David Catlow]

[signed Sarah Hydrie]

Interim Chief Financial Officer

David Catlow

31st January 2023

Director of Audit Advisory

Sarah Hydrie

31st January 2023

**Appendix 4: 1st March 2023 – Letter from the Public Accounts
Committee to Hon. Alex Allinson MHK, Minister for the Treasury**

Legislative Buildings
Douglas
Isle of Man
IM1 3PW
British Isles



Oikyn Slattyssagh
Doolish
Ellan Vannin
IM1 3PW
Ny Ellanyn Goaldagh

Telephone: 01624 651501

Public Accounts Committee

Chellvane: 01624 651501

01 March 2023

Hon. Dr Alex Allinson MHK
Government Offices
Bucks Road
Douglas
Isle of Man

Dear Minister,

I write, as Chair of the Public Accounts Committee, to express our concerns regarding the availability of published detailed financial information.

As you will be aware, we have traditionally benefitted from such titles as the 'Light Blue Book' and the 'Orange Book' which provided some information which does not now seem to be publicly available.

The 'Orange Book' had two main purposes:

- (i) To provide additional information that is not included in the published Annual Accounts of the Isle of Man Government. This includes financial statements which add details to the published Accounts or information which was not available at the time of their publication. These statements are presented without having been subject to audit; and
- (ii) To present the audited Annual Accounts of the Amenity Funds, Gifts and Donations Accounts, Endowment Accounts, Trust Funds and other deposited funds which are held by Government Departments on behalf of third parties.

It appears that this information has not been published since 31 March 2017 (GD2018/0057).

The 'Light Blue Book' presented a variety of information and represented the 'first cut' of Government's outturn for the previous financial year. It was traditionally laid before Tynwald in July, and I recall from painful experience the pressure for initial audit sign off of this publication by the end of TT week.

The Committee's concern is that there is no financial information available to information until the publication of the new 'annual report', which is anticipated to be October and sadly took even longer this year. I am sure you will share the desire for transparency in Government finances, and we therefore wish to highlight the need for a timely post year end summary of financial information with sufficient granularity to be useful to PAC, Government and the public.

The Committee note the recent production of management accounts which have the potential to improve this situation ahead of what has gone in the past. It includes some of the valued elements of the Light Blue Book in terms of analysis, headline figures across income, expenditure, staff costs, and approvals from the contingency fund. We welcome your email of the 18 February advising that these management accounts will be published quarterly, presumably to a regular publication schedule giving sufficient time if necessary for Treasury and Council to have early sight of them. We would be pleased to see the quarterly publication, 2 months in arrears. This would mean the outturn for the first quarter of the financial year, ending 30 June would be published by 31 August, and so on.

Whilst the management accounts provide some level of financial detail, they do not match the granularity of the former light blue book. The Light Blue Book also provided movements on reserves, unaudited market value of investments, divisional income and expenditure analysis. This information was very useful, although it is appreciated that a significant amount of work will have gone into producing it in the format of the Light Blue Book.

Our recommendation is that instead of resurrecting the Light Blue Book, the raw data be produced each year ahead of the July sitting of Tynwald in raw form. This could be the publication of a spreadsheet on the accounts section of the Government website. This would fill the gap of timely available information for Members and the general public. As this would be produced on a near cash basis, rather than in accordance with accounting standards, we would hope that to a large extent this would be easy to produce and in any event necessary data from which to start building the financial statements.

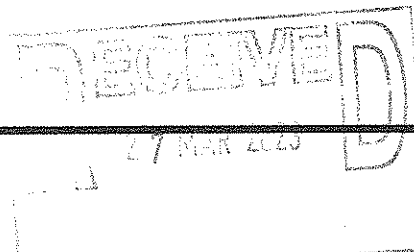
It is generally hoped that creating this publication scheme will prevent many requests to Departments or parliamentary questions, as well as improving transparency of public finances and we welcome your thoughts.

Yours sincerely,

[signed Juan Watterson]

The Hon Juan Watterson SHK
Chairman

**Appendix 5: 27th March 2023 – Letter from Hon. Alex Allinson MHK,
Minister for the Treasury to the Public Accounts Committee**



Hon. Juan Watterson, SHK
Chair, Public Accounts Committee
Legislative Buildings
Finch Road
Douglas
IM1 3PW

Minister for the Treasury
Government Office, Douglas
Isle of Man, British Isles
IM1 3PU
Telephone (01624) 685136
E-mail treasury.minister@gov.im
Website www.gov.im

27 March 2023

Dear Mr Watterson,

Thank you for your letter dated 1st March 2023 regarding the publication of detailed financial information.

As you point out, previously the preparation of the Light Blue Book took up a significant amount of officer resource for what was unaudited information. I agree with you that it is better that time is spent to produce audited information, and would like to apologise again for the unfortunate delays that have occurred this year.

I do believe in transparency and, as you have noted, already agreed to publish management accounts on a regular basis to assist in the understanding of the public finances as they evolve throughout the year.

I will ask the Chief Financial Officer to consider how further information may be published, without resurrecting the Light Blue Book, on a regular basis and ensure this is available to the PAC.

With regard to the production of the Orange Book, please accept my apologies for the late publication. This has been a result of a combination of the challenges faced during the pandemic period and a lack of resource available to produce and review the individual trust accounts, given the competing resource demands placed on Treasury officers and the external auditors over the course of the past two to three years. I have raised this matter with the Chief Financial Officer and he has confirmed that a review of all outstanding accounts is currently underway and completed books will be laid before Tynwald as soon as possible this calendar year.

I would like to thank you for your letter and commit to publishing as much openly accessible financial data as possible to allow for greater transparency and scrutiny of Government finances.

Yours sincerely,
[signed: Alex Allinson]

Dr Alex Allinson MHK
Minister for the Treasury

**Appendix 6: 27th June 2023 - Letter from the Public Accounts
Committee to Hon. Alex Allinson MHK, Minister for the Treasury**

Legislative Buildings
Douglas
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IM1 3PW
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Telephone: 01624 651501

Public Accounts Committee

Chellvane: 01624 651501

27 June 2023

Hon. Dr Alex Allinson MHK
Government Offices
Bucks Road
Douglas
Isle of Man

Dear Minister,

Further to our correspondence of 1st and 27th March, the Committee were encouraged by your offer to work with the Chief Financial Officer to find a low cost way of making more granular financial detail available. The Committee were sympathetic to the resource requirements required in producing the Light Blue Book, but feel there is a significant gap in available information between that which was produced and what is currently available by the high level management accounts and published Dark Blue Book.

The Committee feel it is useful to determine this matter quickly, as it is now two financial years since the last light blue book was published, and there will be no published granular data from which trends can be drawn. One option would be to make available the AX ledger at the year end, with a note as to where and how this data was combined to produce the Light Blue Book totals. The Committee note that like the Light Blue Book, there would be no assurance over the totals and would be susceptible to change between this document and the dark blue book, noting that significant journal changes are noted in the management letter.

We are therefore writing to request an update on your considerations, to ensure we plug this gap in financial knowledge in a timely way.

Yours sincerely,

[signed Juan Watterson]

The Hon Juan Watterson SHK
Chair

**Appendix 7: 10th July 2023 - Email from Hon. Alex Allinson MHK,
Minister for the Treasury to the Public Accounts Committee**



**Isle of Man
Government**

Reilrys Ellan Vannin

The Treasury

Yn Tashtey

FROM THE OFFICE OF THE TREASURY MINISTER

Via email to:-

Juan.watterson@gov.im
committees@tyrwald.org.im

Minister for the Treasury

Government Office, Douglas
Isle of Man, British Isles

IM1 3PU

Telephone (01624) 685136

E-mail treasuryadmin@gov.im

Website www.gov.im

10 July 2023

Dear Mr Speaker,

Further to your letter of 27 June 2023, I have asked Treasury Officers to consider the points that you have raised.

It would be possible to provide the AX trial balance however, the process to produce the Light Blue Book information is complex and involves levels of aggregation and disaggregation of general ledgers balances in various areas. It is felt that the AX trial balance would lead to many queries and would not provide useful information to the Committee.

Instead, Treasury Officers have produced some of the Light Blue Book tables that provide the performance information for departments and also the external reserves and internal funds.

I have attached the tables within this letter. Tables regarding capital projects are being redesigned as a result of the changes to the capital approval process for the 2022/23 budget and have therefore not been included at this time.

Please note that the financial information has not been subject to audit and is still subject to change prior to the Audited Annual Report being signed.

Yours sincerely

[signed: Alex Allinson]

**Hon. Dr Alex Allinson, MHK
Minister for the Treasury**

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SUMMARY OF INTERNAL FUNDS						
	INCOME			EXPENDITURE		
	Brought Forward 1 April 2023	Transfers to/from Operating Account	Contributions Salaries & Other	Investment Income	Transfers to Internal Accounts	Carried Forward 31 March 2023
£000						Measure
Internal Revenue Fund or Reserve						
Academic Business Planning Fund	1,043	-	-	8	464	585
Agriculture and Forestry Fund	2,579	3,000	-	20	2,600	2,998
Brewery Fund	2,494	-	-	18	37	2,475
Contingency Fund	9,390	12,500	-	100	35,173	12,658
Capital Financing Reserve	57,481	59,594	0	292	85,173	32,193
Climate Change Fund	-	25,000	-	88	410	24,679
Digital Strategy Fund	5,399	500	-	40	78	5,861
Economic Development Fund	4,728	2,000	-	43	50	6,739
Environmental Protection Fund	9,462	3,000	-	75	1,293	12,344
Economic Recovery Fund	30,595	10,000	-	243	6,090	34,750
Healthcare Transformation Fund	9,348	7,000	299	74	5,581	11,180
Housing and Communities Fund	-	2,000	-	7	59	1,948
Housing Reserve Fund	7,159	1,383	2,797	60	496	8,075
Invest to Save Fund	1,805	500	-	8	2,332	260
Land & Property Acquisition Reserve	6,928	-	-	50	-	6,978
Legal Costs Reserve	2,720	750	-	18	1,698	1,788
Marketing Initiatives Fund	5,594	-	-	28	545	5,022
Medical Indemnity Fund	4,890	1,000	-	42	1,366	6,774
Project Development Fund	-	2,000	-	7	-	2,007
Saved Assets Fund	10,558	-	3,115	83	1,308	12,548
Town & Village Centre Regen. Fund	3,460	-	-	11	-	3,471
Total Internal Funds	171,305	154,462	6,161	1,399	344,100	180,304

DRAWDOWN FROM INTERNAL FUNDS BY DEPARTMENT																				
£000	Fund	ACTUAL 2022-23																		
		ABPP	APF	BF	CF	CCF	CFR	DSF	EDF	EPF	ERF	HTF	HCF	HMF	ITSF	LPAR	LCR	MPF	MEDF	SAP
		79010165	79010145	79010167	79010161	79010171	79010163	79010163	79010105	79010110	79010140	79010159	79010169	79010143	79010157	0	79010136	79010144	79010131	79010134
Department																				
Enterprise		-	-	-	268	-	3,853	-	50	891	3,028	-	-	-	90	-	-	545	-	-
Education, Sport & Culture	464	-	-	221	-	-	814	-	-	-	-	-	-	-	-	-	-	-	11	-
Environment, Food & Agriculture	-	2,600	37	19	410	880	-	-	300	-	-	-	-	-	-	-	-	-	-	-
Health & Social Care	-	-	-	-	21,327	-	-	-	-	-	1,003	59	-	-	-	-	613	-	1,123	-
Home Affairs	-	-	-	-	1,866	-	590	-	-	-	-	-	-	-	-	-	576	-	717	-
Infrastructure	-	-	-	-	4,763	-	59,436	-	-	-	-	-	-	-	199	-	-	-	-	-
Treasury	-	-	-	-	6,910	-	2,238	-	-	-	3,062	-	-	496	-	-	-	-	-	-
Cabinet Office	-	-	-	598	-	923	78	-	-	-	4,578	-	-	1,843	-	402	-	-	381	-
Executive Government																				
Industrial Relations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Veterans' Welfare Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information Commissioner	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Registry	-	-	-	-	-	92	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attorney General's Chambers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93	43	28	-
Statutory Boards																				
Communications Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Services Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gambling Supervision Commission	-	-	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office of Fair Trading	-	-	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Pensions Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Intelligence Unit	-	-	-	-	-	27	-	-	-	-	-	-	-	-	-	-	-	-	71	-
Main Museum and National Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road Transport Licensing Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Main Care	-	-	-	-	-	11,339	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legislature	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET TRANSFERS TO REVENUE	464	2,600	37	35,173	410	80,131	78	50	1,191	6,090	5,581	59	496	2,132	-	1,098	545	1,166	1,208	-
TRANSFERS TO CAPITAL						5,051	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANSFERS TO MAIN DEVELOPMENT CORPORATION																				-
TOTAL TRANSFERS TO INTERNAL ACCOUNTS	464	2,600	37	35,173	410	85,173	78	50	1,191	6,090	5,581	59	496	2,132	-	1,098	545	1,166	1,208	-

BALANCE SHEET			
£000	Actual 2022-23	Actual 2021-22	Movement
ASSETS			
Loan Schemes	1,527	1,692	(165)
Capital Advances	642,734	548,058	94,676
External Investments	1,660,461	1,733,075	(72,613)
Investment in subsidiaries	0	0	-
Cash and Bank Balances	197,428	227,839	(30,410)
Debtors	41,480	44,782	(3,302)
Stock	5,901	6,219	(318)
Amounts Due From UK HMRC	0	0	-
Total Assets	2,549,531	2,561,664	(12,133)
LIABILITIES			
Loans in respect of bond issue	652,534	652,534	-
Creditors	56,105	53,911	(2,194)
Other Creditors	31,091	20,720	(10,371)
Third Party Funds	18,602	15,361	(3,241)
NI Operating Account	52,990	36,449	(16,542)
Amounts Due To UK HMRC	50,532	53,094	2,562
Currency in Circulation	100,391	101,112	720
Total Liabilities	962,245	933,180	(29,065)
Total Net Assets/Liabilities	1,587,286	1,628,484	(41,198)
RESERVES			
Restricted			
Internal Funds	189,304	171,533	17,771
Capital Fund	24,216	26,674	(2,458)
External Investment Reserves	890,002	814,959	75,043
Total Restricted Reserves	1,103,522	1,013,166	90,356
Unrestricted			
External Investment Reserves - Reserve Fund	641,982	727,740	(85,758)
Net General Revenue Account	(158,218)	(112,422)	(45,796)
Total Unrestricted Reserves	483,764	615,318	(131,554)
Total Reserves	1,587,286	1,628,484	(41,198)

GOVERNMENT REVENUE SUMMARY					
£000	Actual 2022-23	Budget 2022-23	Variance to Budget	Actual 2021-22	Variance to 2021-22
Income	(1,263,088)	(1,185,630)	77,458	(1,175,306)	87,782
Expenditure	1,204,509	1,173,508	(31,001)	1,143,486	(61,023)
(Surplus)/Deficit	(58,579)	(12,122)	46,457	(31,820)	26,759
Transfers (From)/to Reserve Fund	(44,497)	-	44,497	197,508	242,005
Transfers to Other Reserves	148,872	55,250	(93,622)	(60,351)	(209,223)
Balance brought forward	112,422	(85,086)	(197,508)	7,084	(105,337)
Balance carried forward	158,218	(41,957)	(200,175)	112,422	(45,796)

GOVERNMENT SPEND SUMMARY BY DEPARTMENT					
£000	Actual 2022-23	Budget 2022-23	Variance to Budget	Actual 2021-22	Variance to 2021-22
Treasury Income					
Customs and Excise	(451,929)	(430,726)	21,203	(423,417)	28,512
Income and Other Taxes	(274,968)	(250,429)	24,539	(241,372)	33,596
Other Treasury Income	(11,576)	(69)	11,507	(8,574)	3,002
Social Security	(255,100)	(235,885)	19,215	(265,225)	(10,125)
Sub-total -Treasury Income	(993,573)	(917,109)	76,465	(938,588)	54,985
Government Departments					
Cabinet Office	34,661	34,661	-	34,849	188
Economic Development	1,618	1,618	0	(776)	(2,393)
Education & Children	112,143	112,143	0	108,537	(3,606)
Environment, Food & Agriculture	16,730	16,730	(0)	16,963	233
Health & Social Care	247,898	247,898	0	242,175	(5,723)
Home Affairs	36,438	36,439	1	35,080	(1,358)
Infrastructure	43,228	43,228	0	48,654	5,426
Treasury (Gross Expenditure)	397,095	366,373	(30,722)	406,254	9,159
	889,812	859,091	(30,721)	891,738	1,926
Other Bodies					
Executive Government	41,229	41,747	518	11,468	(29,761)
Manx Museum and National Trust	-	-	-	-	-
Statutory Boards (Revenue Funded)	(799)	(603)	196	(964)	(165)
Legislature (Parliament)	4,752	4,752	0	4,527	(225)
Sub-total - Voted Services	934,995	904,987	(30,007)	906,769	(28,226)
(Surplus)/Deficit	(58,579)	(12,122)	46,457	(31,820)	26,759

GOVERNMENT SPEND BY DEPARTMENT											
£000	Actual 2022-23			Revised Budget 2022-23			Variance to Budget			Actual 2021-22	Variance to Net
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Net Spend	Net Spend
Treasury Income											
Customs and Excise	-	(451,929)	(451,929)	-	(430,726)	(430,726)	-	21,203	21,203	(423,417)	28,512
Income and Other Taxes	-	(274,968)	(274,968)	-	(250,429)	(250,429)	-	24,539	24,539	(241,372)	33,596
Other Treasury Income	-	(11,576)	(11,576)	-	(69)	(69)	-	11,507	11,507	(8,574)	3,002
Social Security	-	(255,100)	(255,100)	-	(235,885)	(235,885)	-	19,215	19,215	(265,225)	(10,125)
Sub-total - Treasury Income	-	(993,573)	(993,573)	-	(917,109)	(917,109)	-	76,465	76,465	(938,588)	54,985
Government Departments											
Cabinet Office	36,836	(2,175)	34,661	36,063	(1,402)	34,661	(773)	773	-	34,849	188
For Enterprise	29,407	(27,790)	1,618	28,762	(27,144)	1,618	(646)	646	0	(776)	(2,393)
Education & Children	121,771	(9,628)	112,143	122,612	(10,468)	112,143	840	(840)	0	108,537	(3,606)
Environment, Food & Agriculture	21,271	(4,540)	16,730	20,887	(4,156)	16,730	(384)	384	(0)	16,963	233
Health & Social Care	299,326	(51,427)	247,898	297,365	(49,467)	247,898	(1,961)	1,961	0	242,175	(5,723)
Home Affairs	37,840	(1,402)	36,438	37,809	(1,370)	36,439	(31)	31	1	35,080	(1,358)
Infrastructure	102,339	(59,111)	43,228	104,210	(60,982)	43,228	1,871	(1,871)	0	48,654	5,426
Treasury (Gross Expenditure)	397,095	-	397,095	366,373	-	366,373	(30,722)	-	(30,722)	406,254	9,159
Other Bodies	1,045,885	(156,073)	889,812	1,014,080	(154,989)	859,091	(31,805)	1,084	(30,721)	891,738	1,926
Executive Government	127,293	(86,064)	41,229	126,761	(85,015)	41,747	(532)	1,050	518	11,468	(29,761)
Manx Care	14,865	(14,865)	(0)	15,292	(15,292)	-	428	(428)	0	-	0
Manx Museum and National Trust			-			-	-	-	-	-	-
Statutory Boards (Revenue Funded)	11,665	(12,464)	(799)	12,612	(13,215)	(603)	(752)	196	(948)	(165)	(165)
Legislature (Parliament)	4,801	(49)	4,752	4,762	(10)	4,752	(39)	39	0	4,527	(225)
Sub-total - Voted Services	1,204,509	(269,514)	934,995	1,173,508	(268,521)	904,987	(31,001)	994	(30,007)	906,769	(28,226)
(Surplus)/Deficit	1,204,509	(1,263,088)	(58,579)	1,173,508	(1,185,630)	(12,122)	(31,001)	77,458	46,457	(31,820)	26,759

BREAKDOWN OF INCOME BY TYPE					
£000	Actual 2022-23	Budget 2022-23	Variance to Budget	Actual 2021-22	Variance to 2021-22
TAXATION INCOME					
Income Tax	(274,969)	(250,429)	24,541	(241,372)	33,598
Social Security	(245,149)	(243,855)	1,294	(234,966)	10,183
Duties in Common With The UK	(32,466)	(72,266)	(39,800)	(32,380)	86
Consumer Taxes	(98,009)	(354,250)	(256,240)	(79,810)	18,199
Customs Receipts From UK	(311,511)	3,500	315,011	(303,396)	8,115
Isle Of Man Duties	(9,145)	(7,200)	1,945	(7,115)	2,030
Other Taxation Income	(72,634)	(71,821)	813	(60,611)	12,023
Pensions	(83,241)	(82,074)	1,167	(75,777)	7,463
	(1,127,125)	(1,078,395)	48,730	(1,035,428)	91,697
THIRD PARTY CONTRIBUTIONS					
Reimbursements	(4,660)	(5,877)	(1,217)	(4,459)	202
	(4,660)	(5,877)	(1,217)	(4,459)	202
OPERATING INCOME					
Sale Of Goods	(4,812)	(3,704)	1,108	(3,033)	1,779
Sales Of Services	(44,326)	(38,534)	5,792	(36,907)	7,419
Rental Income	(18,929)	(18,124)	805	(15,625)	3,304
Fees Levies And Charges	(32,699)	(32,392)	307	(32,263)	436
	(100,766)	(92,754)	8,013	(87,828)	12,938
GRANT INCOME					
Grant Income	(3,850)	(3,758)	92	(3,631)	219
	(3,850)	(3,758)	92	(3,631)	219
OTHER NON TRADING INCOME					
Other Non Trading Income	(26,686)	(4,845)	21,841	(43,960)	(17,273)
	(26,686)	(4,845)	21,841	(43,960)	(17,273)
TOTAL INCOME	(1,263,088)	(1,185,630)	77,458	(1,175,306)	87,782

BREAKDOWN OF SPEND BY CATEGORY					
	Actual 2022-23	Budget 2022-23	Variance to Budget	Actual 2021-22	Variance to 2021-22
£000					
EMPLOYEE COSTS					
Wages And Salaries	444,151	431,444	(12,707)	416,740	(27,411)
Employee Transport And Subsistence	1,616	1,609	(7)	1,004	(612)
Training	2,790	3,247	457	2,379	(411)
Other Staff Costs	111	66	(45)	91	(19)
Recruitment Costs	1,256	774	(483)	1,379	123
Severance Payments	-	-	-	-	-
Expenses	3	-	(3)	0	(3)
Agency Staff	15,677	1,058	(14,618)	14,408	(1,268)
	465,605	438,198	(27,407)	436,002	(29,602)
INFRASTRUCTURE EXPENSES					
Structures	10,845	11,208	363	12,624	1,779
Grounds	1,321	1,060	(261)	1,402	81
Road Runways And Landscaping	(1,230)	(1,888)	(657)	(717)	514
Energy Costs	13,303	8,417	(4,886)	9,209	(4,094)
Rent Rates And Water Charges	6,545	6,948	403	6,426	(119)
Fixtures And Fittings	231	323	91	267	36
Cleaning And Waste Disposal	15,818	13,803	(2,015)	15,335	(483)
Property Insurance	-	-	-	-	-
Other Premises Expenses	3,660	3,751	90	2,189	(1,471)
	50,493	43,621	(6,872)	46,736	(3,758)
TRANSPORT EXPENSES					
Vehicle Purchase	33	12	(21)	(111)	(144)
Vehicle Repairs And Maintenance	2,500	2,224	(276)	2,348	(152)
Vehicle Running Costs	4,133	3,069	(1,064)	3,053	(1,080)
Contract Hire And Operating Leases	269	182	(87)	85	(183)
Public Transport Costs	7,607	4,819	(2,789)	4,590	(3,017)
Transport - Insurance	-	-	-	-	-
Transport - Carriage	450	309	(141)	585	135
	14,991	10,614	(4,378)	10,550	(4,441)
SUPPLIES AND SERVICES					
Equipment	10,096	10,336	240	10,298	202
Furniture	298	212	(86)	313	14
Materials	31,630	26,991	(4,639)	39,247	7,617
Printing Stationery And General Office Expenses	3,011	3,405	394	2,833	(178)
Advertising Publicity Marketing	5,841	3,493	(2,348)	3,922	(1,918)
Services	37,534	24,615	(12,920)	28,314	(9,220)
Communications And Computing	20,249	16,332	(3,917)	19,375	(874)
Expenses	13,526	13,453	(73)	29,362	15,836
Exchange Rate & Other Differences	(2,987)	(2,200)	787	(3,694)	(707)
	119,199	96,636	(22,563)	129,970	10,772
AGENCY AND CONTRACTED SERVICES					
Contribution To Uk Government	3,300	3,210	(91)	3,305	5
Contribution To Local Authorities	1,791	4,043	2,251	1,448	(344)
Contribution To Departments	374	344	(30)	563	189
Medical And Care Services	98,587	88,034	(10,553)	87,841	(10,746)
	104,053	95,631	(8,422)	93,156	(10,896)
TRANSFER PAYMENTS					
Grants And Subsidies	44,715	45,283	568	42,799	(1,915)
Compensation Payments	1,045	275	(770)	1,727	682
Social Security Clients	339,717	314,794	(24,923)	341,368	1,651
Loan Charges	3,413	3,500	87	910	(2,503)
Other Costs	6,600	1,387	(5,213)	8,238	1,638
Aid Payments	2,461	2,500	39	2,644	183
Legal Aid Schemes	3,457	2,853	(604)	3,204	(253)
Internal Recharges	(2,079)	9,785	11,864	(5,914)	(3,835)
Reimbursements From Internal Funds	(69,385)	(7,905)	61,480	(81,526)	(12,141)
	329,944	372,472	42,528	313,452	(16,492)
OTHER COSTS					
Pension	120,224	116,337	(3,888)	113,620	(6,605)
Total Expenditure	1,204,509	1,173,508	(31,001)	1,143,486	(61,023)

NET GENERAL REVENUE ACCOUNT					
£000	Actual 2022-23	Budget 2022-23	Variance To Budget	Actual 2021-22	Variance to 2021-22
(Surplus)/Deficit for the year	(58,579)	(12,122)	46,457	(31,820)	26,759
Transfers from:					
Consolidated Loans Fund	-	-	-	(216,755)	(216,755)
Reserve Fund	(44,497)	-	44,497	197,508	242,005
	(103,076)	(12,122)	90,954	(51,067)	52,009
Transfers to:					
Agricultural Development Fund	3,000	3,000	-	2,000	(1,000)
BREXIT Fund	-	(1,307)	(1,307)	-	-
Contingency Fund	37,500	37,500	-	30,000	(7,500)
Climate Change Fund	25,000	25,000	-	-	(25,000)
Digital Strategy Fund	500	500	-	500	-
Economic Development Fund	2,000	2,000	-	-	(2,000)
Economic Recovery Fund	10,000	10,000	-	30,000	20,000
Environmental Protection Fund	3,000	3,000	-	5,000	2,000
Healthcare Transformation Fund	7,000	7,000	-	3,000	(4,000)
Housing and Communities Fund	2,000	2,000	-	-	(2,000)
Housing Reserve Fund	-	-	-	-	-
Invest to Save Fund	500	500	-	-	(500)
Legal Costs Reserve	750	750	-	750	-
Marketing Initiatives Fund	-	-	-	1,000	1,000
Media Development Fund	-	-	-	(16,576)	(16,576)
Medical Indemnity Fund	3,000	3,000	-	3,000	-
Project Development Fund	2,000	2,000	-	-	(2,000)
Town & Village Regeneration Fund	-	-	-	-	-
Capital Financing Reserve	52,622	-	(52,622)	97,730	45,108
	148,872	94,943	(53,929)	156,404	7,532
Net Movement for Year	45,796	82,821	37,026	105,337	59,542
Balance at 1st April	112,422	(85,086)	(197,508)	7,084	(105,337)
Balance at 31 March	158,218	(2,264)	(160,482)	112,422	(45,796)

BALANCE ON NGRA REPRESENTED BY:			
£000	Actual 31 Mar 23	Actual 31 Mar 22	Movement
Imprest Advances	42	43	(1)
Monies at Call or Short Notice	183,469	216,340	(32,871)
Stock & Debtors	47,381	51,001	(3,620)
Amounts due from UK HMRC	-	-	-
Investment in Subsidiary	-	-	-
Balance due from Funds	53,752	53,752	-
IOMSPC Loan	-	-	-
	284,643	321,136	(36,493)
Balance due to Bankers	(67,751)	(86,623)	18,872
N.I. Operating Account	(52,990)	(36,449)	(16,542)
Reserve Funds	(196,881)	(188,120)	(8,761)
Creditors	(56,105)	(53,911)	(2,194)
Amounts due to UK HMRC	(50,532)	(53,094)	2,562
Third Party Funds	(18,602)	(15,361)	(3,241)
	(442,861)	(433,558)	(9,303)
Balance as at 31 March	(158,218)	(112,422)	(45,796)

RECONCILIATION OF BUDGET ADJUSTMENTS 2022-23						
	Original Budget (Pink Book)	Supp. Votes	Inter-Dept. Transfers	Transfer from Revenue Contingency	Other Adjts.	Revised Budget
£000						
Treasury Income						
Customs and Excise	(430,726)	-	-	-	-	(430,726)
Income and Other Taxes	(250,429)	-	-	-	-	(250,429)
Other Treasury Receipts	(277)	-	-	-	208	(69)
Social Security	(285,030)	-	-	-	49,145	(235,885)
Total Income	(966,462)	-	-	-	49,353	(917,109)
Government Departments						
Cabinet Office	35,451	-	(790)	-	-	34,661
Enterprise	1,617	-	-	-	1	1,618
Education, Sport & Culture	111,818	326	-	-	(1)	112,143
Environment, Food & Agriculture	15,941	-	790	-	-	16,731
Health & Social Care	239,514	8,000	-	384	1	247,899
Home Affairs	36,439	-	-	-	-	36,439
Infrastructure	43,228	-	-	-	-	43,228
Treasury (Gross Expenditure)	416,109	-	-	(384)	(49,353)	366,372
Other Bodies						
Executive Government	41,747	-	-	-	-	41,747
Manx Care	-	-	-	-	-	-
Manx National Heritage	-	-	-	-	-	-
Statutory Boards (Rev. Funded)	(603)	-	-	-	-	(603)
Expenses of the Legislature	4,752	-	-	-	-	4,752
Total Expenditure	946,013	8,326	-	-	(49,352)	904,987
Surplus/Deficit	20,449	(8,326)	-	-	(1)	12,122
Transfer from/(to) Reserves	-	-	-	-	-	-
Balance Brought Forward	-	-	-	-	-	-
(Surplus)/Deficit	(20,449)	8,326	-	-	1	(12,122)

RECONCILIATION OF 2022-23 BUDGETS BY CATEGORY								
	Original Pink Book Budget	Supp. Votes	Transfer from Contingency	Public Sector Pensions	NI NHS Contribution Adjustment	Employees Pension Contributions	Virements	Revised Budget
£000								
Income	(1,152,909)			(110,789)			78,068	(1,185,630)
Employee Costs	473,308			116,337			(35,110)	554,535
Infrastructure Costs	43,291						330	43,621
Transport Costs	10,146						468	10,614
Supplies & Services	98,824						(2,188)	96,636
Agency & Contracted Services	95,339						292	95,631
Loan Charges	-						-	-
Social Security Clients	339,370				-		(20,628)	318,742
Other	72,182	8,326		(5,548)			(21,229)	53,731
Total Budget	(20,449)	8,326	-	(0)	-	-	1	(12,122)

SUMMARY OF RESERVES								
£000	Book Value Balances B/Fwd At 1 Apr 22	INCOME			EXPENDITURE		TRANSFERS	Book Value Balances C/Fwd At 31 Mar 23
		Transfers From/(To) Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfers To Revenue /Capital Accounts	Other Expenses	Inter-fund Transfers Expense/ (Income)	
Invested Fund								
Managed External Invested Funds								
Hospital Estate Development Fund	-	-	-	-	-	-	-	-
Manx Currency Account - Notes	33,655	-	-	538	528	60	-	33,605
NI Fund - Investment A/c	846,813	-	-	43,042	16,271	2,059	-	871,525
Public Service Employees Pension Res.	16	-	-	6	-	5	17	-
Reserve Fund	591,792	-	-	21,045	52,783	1,331	-	558,722
Reserve Fund - Bond	135,948	(53,796)	-	3,498	2,106	284	-	83,260
MUA Bond Repayment Fund	70,200	-	-	6,091	20,000	158	-	56,133
Media Development Fund (Reserve Fund)	704	-	-	(114)	285	-	-	305
Enterprise Development Scheme	1,437	-	-	(199)	-	84	-	1,154
Total: External Funds	1,680,564	(53,796)	-	73,907	91,973	3,981	17	1,604,704
Internal Element of External Funds								
Manx Currency Account	72,070	-	-	(695)	-	510	295	70,570
Public Service Employees Pension Reserve	9,774	-	-	5	9,692	-	(17)	103
Media Development Fund (Reserve Fund)	112	-	-	-	-	-	(301)	413
Enterprise Development Scheme	6,701	-	-	310	-	-	(50)	7,061
Sinking Fund	5,913	-	-	143	(20,245)	-	-	26,302
Total: Internal Element of External Funds	94,570	-	-	(237)	(10,553)	510	(72)	104,448
Total: External Funds Incl Internal Element	1,775,134	(53,796)	-	73,670	81,420	4,490	(55)	1,709,152
Internal Funds								
Academic Business Planning Fund	1,043	-	-	6	464	-	-	585
Agriculture and Forestry Fund	2,579	3,000	-	20	2,600	-	-	2,998
Brexit Fund	2,494	-	-	18	37	-	-	2,475
Contingency Fund	9,230	37,500	-	100	35,173	-	-	11,658
Capital Financing Reserve	57,481	59,594	(0)	292	85,173	-	-	32,193
Climate Change Fund	-	25,000	-	88	410	-	-	24,679
Digital Strategy Fund	5,399	500	-	40	78	-	-	5,861
Economic Development Fund	4,728	2,000	-	41	50	-	-	6,719
Economic Recovery Fund	30,595	10,000	-	245	6,090	-	-	34,750
Environmental Protection Fund	9,461	3,000	-	75	1,191	-	-	11,344
Government Energy Initiatives Capital Fund	-	-	-	-	-	-	-	-
Healthcare Transformation Fund	9,388	7,000	299	74	5,581	-	-	11,180
Housing and Communities Fund	-	2,000	-	7	59	-	-	1,948
Housing Reserve Fund	7,153	(1,382)	2,737	63	496	-	-	8,075
Invest to Save Fund	1,885	500	-	8	2,132	-	-	260
Land & Property Acquisition Reserve	6,928	-	-	50	-	-	-	6,978
Legal Costs Reserve	2,720	750	-	16	1,698	-	-	1,788
Marketing Initiatives Fund	3,534	-	-	23	545	-	-	3,012
Medical Indemnity Fund	4,899	3,000	-	42	1,166	-	-	6,774
Project Development Fund	-	2,000	-	7	-	-	-	2,007
Seized Assets Fund	10,558	-	3,115	83	1,208	-	-	12,548
Town & Village Centre Regen. Fund	1,460	-	-	11	-	-	-	1,471
Total Internal Funds	171,533	154,462	6,151	1,309	144,150	-	-	189,304
TOTAL	1,946,667	100,665	6,151	74,979	225,570	4,490	(55)	1,898,457
Note - Total for the Funds which have an internal and an external element								
Manx Currency Account	105,725	-	-	(157)	528	570	295	104,175
Public Service Employees Pension Reserve	9,790	-	-	10	9,692	5	0	103
Media Development Fund (Reserve Fund)	816	-	-	(114)	285	-	(301)	717
Enterprise Development Scheme	8,138	-	-	111	-	84	(50)	8,214

SUMMARY OF EXTERNAL INVESTMENTS								
£000 Invested Fund	Balances Brought Forward 1 April 2022	INCOME				EXPENDITURE		Balances Carried Forward 31 March 2023
		Transfers (to)/from Operating Account	Contributions Seizures & Other	Investment Income	Net Profit on Sale of Investments	Transfers to Internal Accounts	Other Expenses	
Hospital Estate Development Fund	0	0	0	0	0	0	0	0
Manx Currency Account	105,725	0	0	(64,96)	(92,00)	823	570	104,175
NI Fund - Investment A/c	846,813	0	0	21,113.32	21,929.00	16,271	2,059	871,525
Public Service Employees Pension Res.	9,790	0	0	10.35	0.00	9,692	5	103
Reserve Fund	591,792	(41,947)	0	12,561.90	8,483.00	10,836	1,331	558,722
Reserve Fund - Bond	135,948	(53,796)	0	2,357.64	1,140.00	2,106	284	83,260
MUA Bond Repayment Fund	70,200	0	0	1,580.95	4,510.00	20,000	158	56,133
Sinking Fund	5,913	20,245	0	143.03	0.00	0	0	26,302
Sub-total	1,766,181	(75,498)	0	37,702.22	35,970.00	59,728	4,406	1,700,220
Media Development Fund	816	0	0	0.00	(113.72)	(15)	0	717
Enterprise Development Scheme	8,138	0	0	309.90	(198.79)	(50)	84	8,215
Sub-total	1,775,135	(75,498)	0	38,012.12	35,657.49	59,663	4,490	1,709,153
General Revenue A/C Temp Loans	199,047	0	(23,868)	0.00	0.00	0	0	175,179
Total Invested Funds	1,974,182	(75,498)	(23,868)	38,012.12	35,657.49	59,663	4,490	1,884,332
Equity Investment IOMSPG	53,752	0	0	0.00	0.00	0	0	53,752
Equity Investment MDC	1,169	0	750	0.00	0.00	0	0	1,919
Total Invested Funds	2,029,103	(75,498)	(23,118)	38,012.12	35,657.49	59,663	4,490	1,940,003

BOOK VALUE AND MARKET VALUE BY FUND						
£000 Invested Fund	As at 31 Mar 22		As at 31 Mar 23		Movement	
	Book Cost	Market Value	Book Cost	Market Value	Book Value	Market Value
Manx Currency Account	105,725	105,319	104,175	102,520	(1,549)	(2,799)
MUA Bond Repayment Fund	70,200	83,392	56,133	61,607	(14,066)	(21,786)
NI Fund - Investment A/c	846,813	995,162	871,525	937,189	24,712	(57,973)
Public Service Employees Pension Res.	9,790	9,796	103	103	(9,687)	(9,692)
Reserve Fund	591,792	639,492	558,722	565,496	(33,070)	(73,996)
Reserve Fund - Bond	135,948	147,128	83,260	84,296	(52,688)	(62,832)
Sinking Fund	5,913	5,913	26,302	26,302	20,388	20,388
Sub-total	1,766,181	1,986,202	1,700,221	1,777,513	(65,960)	(208,689)
Media Development Fund	816	816	717	717	(98)	(98)
Enterprise Development Fund	8,138	8,138	8,215	8,215	77	77
Sub-total	1,775,135	1,995,156	1,709,153	1,786,445	(65,982)	(208,711)
General Revenue A/C Temp. Loans	199,047	199,047	175,179	175,179	(23,868)	(23,868)
Total Invested Funds	1,974,182	2,194,204	1,884,332	1,961,625	(89,850)	(232,579)
Equity Investment IOMSPG	53,752	53,752	53,752	53,752	-	-
Manx Development Corporation	1,169	1,169	1,919	1,919	750	750
Total External Investments	2,029,103	2,249,125	1,940,003	2,017,296	(89,100)	(231,829)

BOOK VALUE AND MARKET VALUE BY ASSET TYPE						
£000 Asset Class	As at 31 Mar 22		As at 31 Mar 23		Movement	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000	Book Value £000	Market Value £000
Property	408	600	408	500	-	(100)
Investment in Films	380	380	(19)	(19)	(399)	(399)
Equity Investment in IOMSPG	53,752	53,752	53,752	53,752	-	-
Equity Investment in MDC	1,169	1,169	1,919	1,919	750	750
United Kingdom Fixed Interest	426,462	411,462	482,913	441,586	56,452	30,123
United Kingdom Equities	209,889	220,272	163,614	156,340	(46,275)	(63,932)
Overseas Fixed Interest	10,078	10,904	12,210	13,663	2,132	2,759
Overseas Equities	390,437	531,262	354,629	454,323	(35,808)	(76,939)
Other Investments	495,244	578,034	463,346	481,390	(31,898)	(96,645)
Sub-total Investments	1,587,819	1,807,836	1,532,773	1,603,454	(55,046)	(204,382)
Cash & Cash Instruments	145,256	145,753	127,689	134,301	(17,567)	(11,452)
Cash funds held by Treasury	296,028	295,536	279,541	279,541	(16,487)	(15,995)
Sub-total Cash	441,284	441,289	407,230	413,842	(34,054)	(27,447)
Total	2,029,103	2,249,124	1,940,003	2,017,295	(89,100)	(231,829)

**Appendix 8: 31st January 2023 – Email From the Chair of the Public
Accounts Committee to all Tynwald Members**

Archived: 06 September 2023 09:57:32

From: [Juan Watterson]

Sent: 31 January 2023 21:57:26

To: [All Tynwald Members and contacts]

Subject: Delayed PAC Report - Liverpool Landing Stage

Sensitivity: Normal

Dear Honourable Members

In December 2021 Tynwald resolved that:

“That the Public Accounts Committee should undertake a full and detailed inquiry into the Liverpool Landing Stage Project and publish a report to Tynwald no later than the last day of January 2023.”

Work on this complex inquiry continues to progress. A report is in the process of being drafted, however we are still receiving evidence. I would like to thank the staff at the DOI for their assistance in cooperation in sorting and sifting through thousands of pages of evidence for the committee to review. As recipients, we appreciate the size and difficulty of the task. There are a large number of records still to review and so I am sorry to advise that we will not be able to meet the Tynwald deadline. We obviously wish to report as soon as possible, but at this stage the committee is unable to provide a date to commit to. This is principally due to not knowing what will be in the evidence yet to be received, as well as the limited drafting resources available.

Yours sincerely

Juan
Chair, Public Accounts Committee

The Hon. Juan Watterson BA(Hons) BFP FCA CMgr FCMI FRSA SHK
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RAAUE: S'preevaadjagh yn çhaghteraght post-l shoh chammah's coadanyn erbee currit marish as ta shoh coadit ec y leigh. Cha nhegin diu coipal ny cur eh da peiagh erbee elley ny ymmydey yn chooid t'ayn er aght erbee dyn kied leayr veih'n choyrtagh. Mannagh nee shiu yn enmyssagh kiarit jeh'n phost-l shoh, doll-shiu magh eh, my sailliu, as cur-shiu fys da'n choyrtagh cha leah as oddys shiu.

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