



HOUSE OF KEYS OFFICIAL REPORT

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PROCEEDINGS

DAALTYN

HANSARD

Douglas, Tuesday, 8th March 2016

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Present:

The Speaker (Hon. S C Rodan) (Garff);
The Chief Minister (Hon. A R Bell) (Ramsey);
Mr G G Boot (Glenfaba); Mr L I Singer (Ramsey);
Hon. W E Teare (Ayre); Mr A L Cannan (Michael); Mr R K Harmer (Peel);
Mr P Karran, Mr Z Hall and Mr D J Quirk (Onchan);
Hon. R H Quayle (Middle); Mr G R Peake (Douglas North);
Mrs K J Beecroft and Mr W M Malarkey (Douglas South);
Mr C R Robertshaw and Mr J Joughin (Douglas East);
Hon. J P Shimmin and Mr C C Thomas (Douglas West);
Hon. R A Ronan (Castletown); Mr G D Cregeen (Malew and Santon);
Hon. J P Watterson, Hon. L D Skelly and Hon. P A Gawne (Rushen);
with Mr R I S Phillips, Clerk of Tynwald.

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House of Keys

The House met at 10.00 a.m.

[MR SPEAKER *in the Chair*]

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

Members: Good morning, Mr Speaker.

5

The Speaker: In the absence of the Chaplain, I will lead us in prayer.

PRAYERS

The Speaker of the House of Keys

Leave of absence granted

The Speaker: Hon. Members, the Chaplain continues to make a good recovery; as for this morning Mr Houghton has leave of absence for the morning's sitting.

1. Questions for Oral Answer

TREASURY

1.1. Dependability fitness assessments – Cost savings and claimants returning to work

The Hon. Member for Onchan (Mr Karran) to ask the Minister for the Treasury:

What savings the Treasury has identified since Dependability Limited started to assess claimants; and how many claimants have returned to work?

The Speaker: We turn to Item 1 on the Order Paper, Questions for Oral Answer.

10 I call on the Hon. Member for Onchan to ask Question 1, which was postponed from last week.

15 **Mr Karran:** Vainstyr Loayreyder, I ask the Shirveishagh Tashtee what savings the Treasury has identified since Dependability Limited started to assess claimants; how many claimants have been returned to work? I so ask.

The Speaker: I call on the Minister for Treasury, the Hon. Member for Ayre, Mr Teare.

The Minister for the Treasury (Mr Teare): Thank you, Mr Speaker.

20 In answer to the first part of the Hon. Member's Question, as I repeatedly said in this Hon. House two weeks ago, the primary driver for the introduction of the personal capability assessments was not a cost-saving exercise.

25 In answer to the second part of the Hon. Member's Question, I cannot be certain as to the number of claimants who have returned to work. This is because a claimant who has been found capable of work and who is no longer claiming any benefits is under no obligation to tell Social Security whether they have since taken up work.

Notwithstanding that, I am informed that at the end of January 2016: (a) 58 claimants were known to have taken up work since being referred for a personal capability assessment, and (b) I know that 75 claimants were no longer claiming any benefits.

30 Thank you, Mr Speaker.

The Speaker: Mr Karran, supplementary.

35 **Mr Karran:** Vainstyr Loayreyder, does the Shirveishagh Tashtee not agree that if a parliamentary Question is put down in this House, for the courtesy of this House they should have an answer to the fact of what savings the Treasury has identified since Dependability Limited started to assess claimants?

40 If he does not *have* that Answer, then please be honest about it and actually reply that you do not have that information, as far as that is concerned. Otherwise, I think that you should be asking questions whether we are a parliamentary democracy or not.

The Speaker: Hon. Members, of course, Members are entitled to answer the Question in the way they see fit. (**A Member:** Hear, hear.) And the Question has been answered.

45 It might not be to the satisfaction of the questioner which is why we allow supplementaries. Mr Teare.

The Minister: Thank you, sir.

50 I do not want to actually give the impression, because that would be wrong, that this is a cost-saving exercise. We have not, in effect, done this as a mechanical cost-saving exercise, we have done it in the interests of those who are on Incapacity Benefit.

Now, because of that we have not actually gone through and determined what savings, if any, have been made – because, as I said, that was not the object of the exercise.

55 **The Speaker:** Hon. Member, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

60 Transforming Government has been an important programme and the Treasury Minister is part of that. As £250,000 worth of work has been outsourced to Dependability, I am hoping that the Treasury Minister can assure me that there have been savings of £250,000 in other parts of the administration of the Social Security system, especially regarding Incapacity Benefit.

The Speaker: Mr Teare.

65 **The Minister:** I said before this is not a cost-savings exercise. We are acting in the best interests, as we see it – and that has been substantiated by academic research – of the interests of those who are on Incapacity Benefit.

The Speaker: The Hon. Member, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

70 While accepting that it may not have been the primary motivation to save money, but surely – and particularly in Treasury – any new area that is being looked at, or a new method is being found, surely it would have been monitored to see if *they* are carrying out what they have been tasked to do and to see what the effect on other areas is.

75 That is a basic function isn't it, to see whether there is a cost benefit, even if that is not the primary motivation?

The Speaker: Treasury Minister.

80 **The Minister:** The Hon. Member who has just resumed her seat is trying – and I apologise if I am putting the wrong slant on this – to give the impression that this is cost saving. It is not.

Mrs Beecroft: No, I am not!

85 **The Minister:** And as far as monitoring the whole exercise, yes it is monitored.

The Speaker: The Hon. Member, Mr Karran.

90 **Mr Karran:** Vainstyr Loayreyder, what hope can we have that if you cannot understand the figures that you are able to get to the Question on this Order Paper; what hope have we got that the figures are correct as far as the whole budgetary process?

Allowing for the fact that some of us were concerned with the Budget, and that it read one way as far as the words were concerned and spoke a different way for the Budget; what hope have we got as far as knowing that there is a true reflection as far as the financial situation of the Treasury is concerned if it cannot answer a simple question?

95 Could the Shirveishagh also possibly tell us, seeing as he wants to cover this up, what is the position as far as the people who have little or no hope of support that is offered to claimants to complete the forms required by Dependability Limited? How many innocent people are not getting what they are entitled to, allowing for this administration's so-called caring and prosperous society?

100

The Speaker: Mr Teare.

105 **The Minister:** I will be announcing later on at the Members' briefing that we have agreed a process in place with a third party to actually help people if they need help to complete the forms and to advise them on those forms. And I do resent the comment 'cover this up' (**Two Members:** Hear, hear.) that the Hon. Member has made – this is not a cover-up.

Mr Karran: Give us the figures then!

110

The Minister: This is open and transparent.
And as far as the figures in the Budget are concerned, I am comfortable with them.

The Speaker: The Hon. Member for Michael.

115

Mr Cannan: Thank you, Mr Speaker.

To me it is a very simple question: the Treasury Minister is being asked here how much was being paid in Incapacity Benefit before Dependability started their work and how much on Incapacity Benefit is now being paid.

Can I ask the Treasury Minister to answer that question, please?

120

The Speaker: The Treasury Minister.

The Minister: This process is not complete, as Hon. Members will be aware, but once it is complete we will be in a position to actually run the numbers again.

125

The Speaker: The Hon. Member, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

130

A very simple question then: £250,000 has been spent on outsourcing Dependability does the Treasury Minister have an estimate of how much is being saved on the administration of this system in-house?

The Speaker: Mr Teare.

135

The Minister: No, I do not.

The Speaker: Mr Karran.

140

Mr Karran: Vainstyr Loayreyder, how is the Treasury Minister able in the real world to talk about openness and transparency when you cannot get a basic question answered in this House?

Does he not agree that it just encourages people outside this House to think that this House has gone slowly, in ever-more decreasing circles into some sort of banana republic?

145

Would the Minister not agree that there are people concerned outside this House because of last week's Questions about the Disability Employment Service, and the fact that there has been no effective increase in the services to the activity? These people are just being left to hang out to dry.

What assurances can he give us in his administration that that is not the case, as far as this hitting the weak and the vulnerable, and for the incompetence of his administration?

150

A Member: This is just abuse!

155

The Speaker: Hon. Member, we are straying into the realms of debate. I have three more Members wishing to speak (*Interjection by Mr Karran*) and I will allow them to speak and then that is it.

Can I suggest to Members that if they are dissatisfied with the answers, there are other parliamentary remedies available. I am not going to protract Question Time at the expense of other Questions.

Mrs Beecroft.

160

Mrs Beecroft: Thank you, Mr Speaker.

The Minister referred to having the figures available when the process was complete. Is he talking about the end of the three-year term of the contract with Dependability? Because, if so, that is taking us into the next administration and that just simply is not acceptable.

165

Is that what he means?

The Speaker: Mr Teare.

170

The Minister: I would envisage that this will be done on an annual basis as part of the Budget process.

But what I would say, Mr Speaker, is that just because people are not deemed to be eligible for Incapacity Benefit they would then move on to Jobseekers' Allowance, and if they do not

175 have a full-time job they get Employed Person's Allowance or indeed Income Support. We are not taking the safety net away, there is just a different type of net – and *easing* them back into the workplace.

Also, some people who are on Incapacity Benefit already undertake some work in the form of permitted employment. So here again it does not mean that just because they are on Incapacity Benefit, they are not capable of doing any form of work.

180 **The Speaker:** The Hon. Member for Malew and Santon.

Mr Cregeen: Mr Speaker, is the Treasury Minister aware that 124 claimants moved from Incapacity onto Jobseekers' Allowance, so there is a basic line there where you could find out what the budget transfer was?

185

The Speaker: Mr Teare.

The Minister: As I said, there are costs involved with this, but at the moment I have not had the resources to enable me or the Department to undertake more research on it.

190

I feel really that this is working, it is working well; and I would like to thank everybody involved.

The Speaker: The Hon. Member for Michael.

195

Mr Cannan: Thank you.

Can I ask the Treasury Minister, did he run *any* sort of financial estimates or cost analysis before employing Dependability Limited?

The Speaker: The Treasury Minister.

200

The Minister: No, I did not, because basically this is done in the interests of the people and what we are trying to do is encourage them to get back to work, which is better for their overall health.

205

Also, the cost benefit analysis: there is a cost, certainly, but the benefit is in terms of people's health. There are numerous academic studies which draw a clear correlation between those in work and their health.

The Speaker: Final supplementary, Mr Karran.

210

Mr Karran: Vainstyr Loayreyder, could the Shirveishagh Tashtee explain to this House: allowing for the millions we spend on computers and on budgetary processes, that we cannot get a simple answer to a simple question. Does he not feel that that gives tremendous lack of confidence in him and the Treasury if he cannot actually give such a basic answer to such a basic question?

215

Can I also ask him ... allowing for the fact that we asked the Question the other week about the issue with the Disability Employment Service, and that there has been no reflection in the increase in that service as far as the extra workload. How does he justify that these people are going through a smooth pathway into the other benefits?

220

I had somebody on to me the other day who has got MS, could not turn up for a work job application as far as his officers were concerned, and has been offered £4.96 a week as benefit in replacement of what he was on, which was long-term Incapacity Benefit as an MS sufferer.

How does he justify the situation that it is not cost-cutting leading this, using the weak and the poor and the sick to attack?

225 **A Member:** Oh, dear!

The Speaker: Mr Teare.

230 **The Minister:** I think it is a variation of the same theme that the Hon. Member has used to ask the supplementary questions –

Mr Karran: Well, just answer the question!

235 **The Minister:** – give me half a chance and I will answer the question, sir.
Computers: yes, we just press a button and the information comes out, but then you have to tell the computer exactly what you want. (**A Member:** Hear, hear.)

Also, I did explain about five minutes ago that just because people are not deemed to be eligible for Incapacity Benefit does not mean that they are not suitable for other benefits. (**Mr Karran:** £4.95!) So we would have to identify them.

240 Sorry, sir, I have the floor, I think.

We would then move through into other benefits. So we would have to look at the effect on the other benefits as well. It is the overall picture that we would be looking at.

1.2. Vickers Report – Actions planned to address issues

The Hon. Member for Onchan (Mr Karran) to ask the Minister for the Treasury:

What action Treasury plans to take to address issues raised by the recent Vickers Report?

The Speaker: Question 2, Hon. Member for Onchan, Mr Karran.

245 **Mr Karran:** Vainstyr Loayreyder: what action Treasury plans to take to address the issues raised by the recent Vickers Report?

The Speaker: I call on the Treasury Minister, Mr Teare.

250 **The Minister for the Treasury (Mr Teare):** Thank you, sir.

The Independent Commission on Banking in the UK published a report in September 2011, commonly referred to as the Vickers Report, on proposals to make changes to the UK's banking sector. These changes in the UK affect only the largest banking groups, being those with core deposits, individuals and small businesses greater than £25 billion. Critically, some of these have a presence in the Isle of Man and the other Crown Dependencies, namely Barclays, Royal Bank of Scotland, Lloyds Bank, HSBC and Santander UK.

255 A ring-fenced UK bank – or a ring-fenced group – will not be permitted to operate a banking subsidiary or branch outside the EEA. Therefore, a UK ring-fenced bank is *not* permitted to have a branch or subsidiary in the Isle of Man, or indeed other Crown Dependencies. This means that local operations of the banking groups I have referred to above will be part of the non-ring-fenced divisions of those groups. The individual banking groups affected have continued to develop and refine their plans, and submitted near-final ones to the UK regulator at the end of January this year.

265 The Financial Services Authority is now receiving more detailed information on how the banking groups plan to structure their operations locally, and will be working with each group accordingly over the next two to three years. At this stage, the final structure is not known.

The Speaker: Mr Karran, supplementary.

270 **Mr Karran:** Thanking the Shirveishagh for a reply. It is a shame when it is not for the important people at the bottom of society.

Would he just explain, do these proposals expose banks on the Island to do more towards the Depositors' Compensation Scheme?

275 Could he also explain to this Hon. House, with the issues of splitting the low-risk retail banking and high-risk investment banking, how far have we got as far as possibly having new markets, as far as the Island is concerned in this sector, in order to help the economy and keep unemployment down?

The Speaker: Mr Teare.

280 **Mr Teare:** Thank you, sir.

The Depositors' Compensation Scheme: well, we cannot really work out exactly the way forward until we know the structure of the banks on the Island; also, the effect of any upstreaming that there might be from Isle of Man local subsidiaries or branches back into the UK.

285 As far as the final part of his question is concerned: what are we doing to actually facilitate restructuring of banking on the Isle of Man? The FSA has suggested that the existing Class 1 – which is deposit-taking category – should be split into three separate subclasses, with its licensing policy and regulatory requirements being adjusted accordingly, to reflect the different models and risks.

290 Class 1(1) will be for retail deposit takers. Those are banks that may provide services to the full spectrum of customers. This class is likely to cover all current Class 1 licence-holders.

Class 1(2) would be non-retail deposit takers, those that may only provide services to a very limited class of individuals and corporates. These may also be termed wholesale private merchant banks.

295 And in Class 1(3) there would be representative officers of foreign banks. This would be an office or a branch of a foreign bank that wishes to have a presence in the Isle of Man for marketing and business development purposes, but which must not undertake any transactions.

So this could well be a good opportunity to diversify the structure of banking on the Island and give us new opportunities, sir.

300

The Speaker: Supplementary, Mr Karran.

305 **Mr Karran:** Could the Shirveishagh Tashtee inform this House of what sort of timescale we are going to do, as far as trying to get some idea of the effects, so that we can be proactive instead of reactive as far as the Vickers Report?

Can he possibly, maybe, consider and come back to this House later with a breakdown of which of these types of banks are needed in order to be accessible and reliable, as far as the Manx Depositor's Compensation Scheme is concerned?

310 And will the Shirveishagh Tashtee, allowing for the concerns that some businesses have on the Island over getting financial services on the Island, find a way forward in order to get those businesses that need the services of a bank, the facilities on the Island, as a proactive way forward to try and help the economy to boom?

The Speaker: Mr Teare.

315

The Minister: The Hon. Member, who has just resumed his seat, has highlighted a concern. We feel, ourselves, that this new structure could have a negative impact on customer products and choice, and this is a key area of the FSA's focus as it works with the banks.

320 The timescale: I understand that the UK has put steps in place to have the new structure fully functional by the end of 2019. Firm proposals for the structure of banks and their offshore operations I would expect to be fully developed by the end of this year; and once we have that information we will be able to plan the way forward. But until then it is not possible, I am afraid.

CHIEF MINISTER

**1.3. Public service staff –
Zero hours contracts**

The Hon. Member for Onchan (Mr Karran) to ask the Chief Minister:

How many public service staff work on zero hours contracts, broken down by grade?

The Speaker: Question 3, the Hon. Member for Onchan.

325 **Mr Karran:** Vainstyr Loayreyder, I ask the Question of the Ard-Shirveishagh: how many public service staff work on zero hours contracts, and a breakdown, as far as grades are concerned?

The Speaker: Chief Minister to reply. Mr Bell.

330 **The Chief Minister (Mr Bell):** Mr Speaker, I regret that we will be unable to answer this Question in the time available.

We have provisionally looked at this Question and it is more complicated than first appears. There are a number of issues to consider and a need to conduct data verification.

We would, therefore, aim to have the Answer in writing by the end of March.

TREASURY

**1.4. Tax on large business corporate income –
Contribution to Manx society**

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for the Treasury:

Pursuant to his statement of 10th February 2015, whether the decision to tax the corporate income of large local and multinational retail businesses has ensured that they make a contribution to our society?

335 **The Speaker:** Question 4, Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

I beg leave to ask the Minister for the Treasury: pursuant to his statement of 10th February 2015, whether the decision to tax the corporate income of large local and multinational retail
340 businesses has ensured that they make a contribution to our society?

The Speaker: I call on the Minister for Treasury, Mr Teare.

The Minister for the Treasury (Mr Teare): Thank you, sir.

345 The Assessor of Income Tax has advised me that the total amount of tax assessed in respect of companies falling into this category with accounting periods ending in the tax year ended 5th April 2014, was £1.98 million, of which £1.65 million was received during the 2014-15 financial year.

350 In my opinion these figures clearly demonstrate the effectiveness of introducing this measure.

The Speaker: Supplementary, Mr Thomas.

355 **Mr Thomas:** Thank you very much, Mr Speaker, and to the Treasury Minister for that short but important piece of information.

Does the Treasury Minister believe that £2.2 million is sufficient support for the infrastructure that supports the operations of these operators?

And the second question is: on that basis, should other sectors be contributing according to their activity in the Isle of Man economy, and for society?

360

The Speaker: Treasury Minister.

The Minister: Does it reflect the cost of these companies' operations? I would not be able to comment on that because I do not have the information to hand.

365 Should other sectors contribute as well? What I would say is it is vitally important that we do not impugn the integrity of the Zero-10 tax regime – that is the cornerstone of our economy and any further extension of that would mean that we would have to report what we are proposing to do to the European Union Code of Conduct group.

370 If it was deemed to be harmful, then it could throw the whole of the Zero-10 regime into jeopardy – and I am not going down that route.

The Speaker: Supplementary, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

375 Back when I asked this Question in February 2015, the Treasury Minister clearly stated that it was not right that the taxpayer provided the infrastructure to support their operations but did not receive any direct compensatory benefit.

380 In the financial year that the Treasury Minister has just given me information about, the activity in this sector fell from £162 million to £129 million – it went down by 21%. Has the Treasury Minister, through his staff, investigated whether that was caused by the introduction of tax? And, if it was, what can the Treasury Minister do about it and what does he intend to do about it?

The Speaker: Treasury Minister.

385

The Minister: In common with all taxpayers, the retail operators are entitled to set capital expenditure against their tax liabilities, so they would get a capital allowance for whatever capital expenditure that they may undertake.

390 Also, too, you have to remember that the level is taxable profits of £500,000 or more, so if there is a slight downturn in trading for a marginal company which has profits of just over £500,000, then they fall underneath the £500,000 limit and in effect they fall outside that tax net.

The Speaker: Hon. Member, Mr Singer.

395

Mr Singer: Yes, thank you, Mr Speaker.

Can I ask the Treasury Minister, wasn't the original estimate of income from this tax by Treasury ... the estimate was £3 million, and so why is there this almost halving of that amount?

400 **The Speaker:** Treasury Minister.

The Minister: I thank the Hon. Member for his question.

Yes, we did anticipate that there would be a considerably higher figure, but I think I have explained in the answer to the previous supplementary. But just, at the danger of repeating myself, there has been a downturn in the retail sector – I think that is well known. Trading profits have come back and, as I say, some of the operators too have undertaken substantial capital expenditure for which they are entitled to claim tax relief.

410 **The Speaker:** Mr Karran, supplementary.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that whilst we recognise that we have ended in this Dutch auction as far as Zero-10, we must honour that position at the present time?

415 But would the Treasury Minister not agree that his whole strategy as far as this and the issue as far as retail, is slowly sinking? And would he not agree that it is not doing what it is supposed to do?

420 What ideas and initiatives has he got, or is willing to take from other Members, in order to find ways of creating the funding that we need for our Government, allowing for the fact that at the moment it seems to be the poor and the middle income earners who are simply paying dearly for these tax strategies?

The Speaker: The Minister.

425 **The Minister:** The whole tax strategy is slowly sinking? I do not think so because this income, if I could just remind the Hon. Member, gave us the means to in effect increase the personal allowance – and that has taken 2,000 people out of the tax net. And it has also meant that 19,000 taxpayers are paying less.

So that has been very focused and very targeted on the lower-earning sector of our population.

430 And it is quite interesting, in a way, he is talking about proposals for funding Government, but when we announced proposals for funding Government services by in effect expanding the economy, what do him and his colleague in the Liberal Vannin party do? They vote against it.

435 **The Speaker:** Supplementary, Mr Thomas

Mr Thomas: Thank you, Mr Speaker.

440 As figures provided to me on 20th October clearly show, retail distribution is vitally important. It puts more money in people's back pockets and more money in Government coffers – £69 million in the year in question – than e-gaming and ICT combined. Nearly as much as banking.

445 But, as we have seen, the retail distribution sector is under pressure, falling 21%, whereas some other sectors are growing 60%. Does the Treasury Minister agree with me that we have got to explore a small levy on the growing sectors so we do not put too much pressure on these local sectors like retail distribution?

The Speaker: Treasury Minister.

The Minister: I will just repeat a comment I made earlier – you cannot expand the tax net without running the risk of falling foul of the Zero-10; and that I am not doing.

**1.5. Manx Taxation Strategy 2013-16 –
Assessment and planning**

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for the Treasury:

What assessment of the Manx Taxation Strategy 2013-16 has taken place or is envisaged; how the successor strategy will be prepared; and who will be involved in planning the investigation and assessing the evidence?

450 **The Speaker:** Question 5, the Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

I beg leave to ask the Treasury Minister what assessment of the Manx Taxation Strategy 2013-16 has taken place or is envisaged; how the successor strategy will be prepared; and who
455 will be involved in planning the investigation and assessing the evidence?

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

The Minister for the Treasury (Mr Teare): Thank you, sir.

460 The aims and objectives of the Manx Taxation Strategy 2013-16 are considered both by Treasury as part of the annual Budget process, and the Assessor of Income Tax in annual planning of the operational work of the Income Tax Division. Both the Assessor and Treasury carry out reviews to ensure that the objectives are being achieved or advanced and I am pleased to report that this is evident in most of the areas covered.

465 As I recently stated in my Budget speech, the Assessor will work with the private sector on proposals for a new tax strategy. I can confirm that initial discussions are already underway with an external working group comprising of tax professionals and senior officers of the Income Tax Division.

Thank you, sir.

470

The Speaker: Supplementary question, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker, and to the Minister for the first reply.

475 In 2012 the public consultation about the tax strategy took place after the election. Does the Treasury Minister agree with me it would be better to involve people, as well as just working with the private sector, to actually work out that this tax strategy for the next administration is perceived to be fair, because it actually *is* fair, with a consultation and a review of tax before the election rather than after the election?

480 **The Speaker:** The Minister.

485 **The Minister:** The Hon. Member who has just resumed his seat has been somewhat contradictory there. He said, and I apologise if I misunderstood it, in the initial part of his supplementary question that it should be considered by the next administration; and then in the final part of his supplementary question he said it should be considered by *this* administration. My own view is that the facts and the information should be prepared and then it would be a matter for the next administration.

The Speaker: The Hon. Member for Michael, Mr Cannan.

490 **Mr Cannan:** Thank you, Mr Speaker.

We are talking about the assessment of the Manx Taxation Strategy and in the previous answer the Treasury Minister gave he said that he could not do anything that would impugn the integrity of the Zero-10 strategy. Can I ask him hasn't he already done that by introducing a 20% property investment tax that has significantly damaged the commercial property market?

495 **The Speaker:** The Treasury Minister.

The Minister: I thought it would not be long before the Hon. Members picked that one up. That is *not* a new tax, that is an acceleration of the date of payment.

500 **The Speaker:** The Hon. Member, Mr Karran.

Mr Karran: Vainstyr Loayreyder, could the Shirveishagh start living on this planet instead of some other planet, as far as the previous question is concerned. (*Interjections*)

505 **The Speaker:** Please a question –

Mr Karran: Would the Minister not agree that when he talks about the Manx Taxation Strategy and when we talk about the low paid, all we have done is created a situation where the middle earners are now having to pay for the low paid; and in this Manx Taxation Strategy we have got, the only people who do *not* pay tax now are the wealthy?

The Speaker: The Treasury Minister.

515 **The Minister:** It is quite interesting, the Hon. Member has said that the middle earners are taxed, but the changes to the personal taxation regime which was introduced and agreed by the vast majority of another place, actually meant that *nobody* paid any more tax. Not the middle earners and the poorer section of our community.

The Hon. Member is shaking his head, but there is none so deaf as those who will not listen – and he is a good illustration of that.

520 **The Speaker:** Carry on, sir.

The Minister: So I feel that the strategy *has* worked, it *is* working, and we are protecting the vulnerable, sir.

The Speaker: Supplementary, Mr Karran.

530 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh actually stop the spin and come clean and address the issue of the Manx Taxation Strategy?

He has got the situation where he has got that many lumps under the carpet for the next administration because of this –

535 **The Speaker:** Question?

Mr Karran: I have got a question.

Mr Robertshaw: Well, ask a question then!

540 **Mr Karran:** As I say, I would wish the Chair not to interrupt me – **(Several Members: Ooh!)**

The Speaker: Resume your seat, sir.

Mr Karran: The situation is –

545 **The Speaker:** Resume your seat, sir!

Mr Karran: Can the Minister –

550 **A Member:** Resume your seat!

The Speaker: Resume your seat, sir!

Mr Quirk: Respect the Chair.

555 **Mr Karran:** When it respects the parliamentary democracy in this House.

The Speaker: Resume your seat, sir.

I will not tolerate questioning the Chair **(Two Members: Hear, hear.) (Interjections)** in this manner.

560 Final supplementary, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

In this last administration there was a drip, drip, drip of increasing charges which doubled the amount taken from the people and others in charges over the course of the administration.

565

Mr Karran: We will have a tsunami soon!

Mr Thomas: That was not in the Taxation Strategy 2013-16.

570 **Member:** Question) and away from Government in this last administration. **(Two Members: Question!)** That was not in the Taxation Strategy.

Does the Treasury Minister have any secret tax strategies for the next administration that he is working up at the minute?

575 **The Speaker:** Treasury Minister.

The Minister: Basically, we are really at the early stages here and I have tasked the Assessor with taking that forward. If I could just repeat a comment from the Budget speech, which starts:

Any updated strategy needs to cover all taxes and charges and place more emphasis on the fairness of our system. I will say more on this shortly, but firstly I will cover the taxation of individuals ...

I am advised by the Assessor that she is now frequently seeing tax planning around our Zero-10 regime. I do not consider this to be acceptable and I have asked the Assessor, when working with the private sector on proposals for a new tax strategy, to include devising simple ways to tackle this and other unfair behaviour.

**1.6. Disability Living Allowance –
Reassessments**

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

How often claimants of the Disability Living Allowance are reassessed and who carries out such reassessments?

580 **The Speaker:** Question 6, the Hon. Member for Douglas South, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

Could I ask the Minister for the Treasury how often claimants of the Disability Living Allowance are reassessed and who carries out such reassessments?

585

The Speaker: The Minister for Treasury, Mr Teare.

The Minister for Treasury (Mr Teare): Thank you, sir.

590 In general, claims are usually awarded for a three-year term. After this they are reviewed to check whether there have been any changes in the claimant's needs or abilities, either for better or for worse. Some claims, however, are awarded for shorter periods. These are generally in instances where there is evidence to suggest that a claimant's condition may improve.

595 In cases where there is a definitive medical opinion that there is no scope for improvement, an indefinite award may be granted. The minimum period that DLA can be awarded is for six months.

600 With regard to carrying out the assessments, the Department uses information provided by the claimant, but can also contact anyone relevant to the claim provided the claimant has provided permission. The Department can also use independent medical examiners, usually a doctor, who will medically examine the claimant and provide a report based on the claimant's care needs and any issues with regard to mobility. The actual decision is made by an adjudication officer who will consider all of the facts presented. The medical examiners play no part in the adjudication process.

605 **The Speaker:** Supplementary question, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

I thank the Treasury Minister for his comprehensive response to that Question, but could he clarify the qualifications of the adjudication officer? And, secondly, could he just clarify whether or not Dependability ever undertake any of these assessments for the Department?

610

The Speaker: Treasury Minister.

615 **The Minister:** This is entirely separate from the incapacity reviews, incapacity support, so Dependability have no input in this at all. The review and the assessment is done by, in effect, a doctor, a medically-qualified individual.

The qualifications of the adjudication officer: the adjudication officer is there to actually determine that the legislation and the regulations are being adhered to; so they are not medically qualified.

620 **The Speaker:** Supplementary, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

Is the Treasury Minister in possession of any statistics about the ageing profile of DLA awards?

625 Is the Treasury Minister in possession of any statistics about the number of reassessments that have taken place in this year compared to previous years? And, if not, does the Treasury Minister still believe that this information is not relevant to understanding whether there has been a change in policy and reassessment?

630 **The Speaker:** Treasury Minister.

The Minister: With the onslaught, as it were, of questions that we are receiving from Hon. Members, it is very difficult to actually go back and get other information. So the short answer to the Hon. Member's question is 'no'.

635

The Speaker: Supplementary, Mr Quirk.

Mr Quirk: Thank you, Mr Speaker.

640 Can I ask the Treasury Minister, is the appeals panel still in existence? There is an appeals panel at the final decision which is usually balanced up by an advocate, somebody from a trade union side, or an employer's side.

Is that still in existence and used?

645 **The Minister:** I am pleased to confirm that there is an independent appeals process. If the adjudication officer makes a decision and that is challenged the claimant, or the file, would then be reviewed by another adjudication officer and then the claimant can make an appeal to the appeals panel. And there are medically-qualified individuals on that appeals panel, as well.

The Speaker: Supplementary, Mr Thomas.

650

Mr Thomas: Thank you, Mr Speaker.

655 Is the Treasury Minister feeling that it might be helpful to have somebody from this place to take responsibility for such a massive thing as Social Security, given that he is having to face questions about all of these issues from Treasury, and he does not seem to want to take leadership responsibility in that respect? (*Interjections*)

Mr Robertshaw: Dear, dear, dear.

The Speaker: I will allow you to respond but it is quite outwith the question.

660

The Minister: I am quite happy to deal with that, sir.

665 It is actually part of Treasury and I am the Treasury Minister, so I am responsible for it; but I have an Hon. Member of the Legislative Council, Mr Henderson, who is doing a first-class job. He has got the time to get into this in more depth, I have other pressures as well; but Mr Henderson, I have total confidence in.

The Speaker: Mrs Beecroft, supplementary.

Mrs Beecroft: Thank you, Mr Speaker.

670 With regard to the mobility section of the Disability Living Allowance, and particularly regarding the Motability element of that, are our citizens still disadvantaged compared to their UK counterparts as they have been for the last three years?

And, if they *are* still disadvantaged, are there any plans to bring them up to the same level as their UK counterparts on that element?

675 **The Speaker:** Mr Teare.

The Minister: That would involve a complete revision of the rates.

I am aware ... off the top of my head, I think it is about £12 a week less we pay in the Isle of Man, but if I have got the figure wrong I apologise. Part of the higher rate component can be used towards a Motability vehicle.

680 But in the UK the contribution that they get from the UK government is sufficient to provide for a Motability vehicle. In the Isle of Man, as I say, there is a fractional shortfall and I do acknowledge that.

685 **The Speaker:** Supplementary, Mr Singer.

Mr Singer: Thank you, Mr Speaker.

Has the Treasury Minister got any figures for the percentage of appeals which are allowed when people appeal against a refusal of the DLA?

690

The Speaker: Minister.

The Minister: No, I have not got that information, sir.

695 **The Speaker:** Final supplementary, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

Could the Treasury Minister – and I thank him for clarifying that he is aware that our citizens are definitely disadvantaged to their UK counterparts. But could he clarify whether he is actually going to do anything about it or not?

700

The Speaker: The Treasury Minister, please.

The Minister: At this stage, no.

ECONOMIC DEVELOPMENT

1.7. Accommodation market – Plans for entire review

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

Following the review of the hotel sector what plans the Minister has for a review of the entire accommodation market?

705 **The Speaker:** Question 7, the Hon. Member for Douglas South, Mrs Beecroft, again.

Mrs Beecroft: Thank you, Mr Speaker.

Could I ask the Minister for Economic Development: following the review of the hotel sector, what plans the Minister has for a review of the entire accommodation market?

710

The Speaker: I call on the Minister for Economic Development, Mr Skelly.

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

715 I thank the Hon. Member for her Question. The report on the review of the hotel sector has generally been well received, and has provided the Department with a robust evidence-based assessment of hotel accommodation and needs in the Island.

Following that review, it is intended that the review of the *non-serviced* accommodation sector – which includes self-catering, campsite, glamping and other alternative accommodation – will begin in June 2016.

720 I would like to emphasise that this work, along with the hotel study, will support the recently-launched Destination Management Plan which seeks to promote and develop the Isle of Man as a place to visit, live, work and invest. The review will provide further information to guide the Department in achieving the objectives laid out in that plan.

Gura mie eu.

725

The Speaker: Mrs Beecroft, supplementary question.

Mrs Beecroft: Yes, thank you, Mr Speaker. I thank the Minister for that response.

730 If he could just confirm that, when they are looking at the different sectors, given the positive trends in the paid-visitor accommodation as far as hotels go, will they be separating out the different types of accommodation that they look at, so we can see where the trends are and what could be improved on?

The Speaker: Mr Skelly.

735

Mr Skelly: Yes, gura mie eu.

Yes, I certainly would welcome that. We all, hopefully, recognise that we do have positive trends in tourism, which is extremely valuable particularly for our domestic economy. So having alternative accommodation offerings, I think, is very important.

740 The non-service sector, which is what we will be reviewing next, will be a very important document and we will separate those different sectors.

1.8. Enterprise Scheme – Progress report

The Hon. Member for Onchan (Mr Karran) to ask the Minister for Economic Development:

What progress he has made with preparing the Enterprise Scheme; when it will come into operation; and when he plans to report to Tynwald on the details of the Scheme?

The Speaker: Question 8, the Hon. Member for Onchan, Mr Karran.

745 **Mr Karran:** To the Minister of Economic Development: what progress has been made in preparing the Enterprise Scheme; when is it coming into operation; and when are his plans to report to Tynwald on the details of the Scheme?

The Speaker: The Minister for Economic Development to reply.

750 **The Minister for Economic Development (Mr Skelly):** Gura mie eu, Loayreyder.

Hon. Members will recall at the October sitting of Tynwald last year, the Enterprise Development Scheme 2015 was approved. Guidelines for the Scheme were also laid before Tynwald.

755 I explained in my Answer to a Question from Mr Thomas in February Tynwald that the Scheme Guidelines were subsequently revised. The current version of the guidelines can be obtained from the Department. In addition, the Scheme Manager's Investment and Operational Guidance, which sets out the operational framework for management of the Scheme has been agreed by the Department and it is planned that the relevant elements of this will be published on our website later this month.

760 The procurement exercise to identify the Scheme Manager has now been completed and we are in the final stages of contract negotiations with the successful bidder. It is expected that the contract will be signed later this month. Once the contract is signed, the Scheme will come into operation.

765 With regard to reporting to Tynwald, it is a requirement of the Scheme that the Department provides information on payments made to businesses under the Scheme together with other information as part of the annual report on the Enterprise Act 2008. The next annual report for year 2015-16 will be laid before Tynwald before the end of the 2016-17 financial year and will contain all the requisite information.

770 Gura mie eu.

The Speaker: Supplementary question, Mr Karran.

775 **Mr Karran:** Vainstyr Loayreyder, allowing for the fact that the information was changed on the *day* of the approval by Tynwald Members, what assurances can we have that the process that we have got will end up with a situation where this £50 million-worth of commitment will be ring fenced, to make sure that it does not end up like so many others of this and the previous Brown administration, where the taxpayers are the sorry losers?

780 **The Speaker:** Mr Skelly.

The Minister: Gura mie eu.

785 I think we all recall that debate; and one of the reasons that we had the delay in bringing this forward was that we wanted to ensure that we took in all Members' concerns, so we could actually have an operational guideline that would be satisfactory to Members.

790 The changes that have been made to date in terms of the Guidelines are fairly minor and not material, but just to clarify that they are: the provision for the requirement to disclose the names of co-investors in equity investments made by the Scheme, to ensure reputational issues are considered; clarification that the restrictions contained within elements of the Scheme are for indication-only purposes; the insertion of a section which deals with the distinction between the referral procedure and the review procedure, as provided by the statutory document; and confirmation of the legal standing of the guidance as not binding on the Government when considering an application. Also, various changes to the format and language to aid the users of the document.

795 What we wanted to do there – to clarify that particular point – is ensure that we have a robust system and guidelines so that when this does come into operation, they will be able to conduct obviously, hopefully, successful applications.

800 This is all about investment, not just in business but in real jobs here in the Isle of Man. And £50 million is a huge amount, but it is only going to be a part-investment; and I would just clarify, 20% to 25% interest.

The Speaker: Final supplementary, Mr Karran.

805 **Mr Karran:** Vainstyr Loayreyder, would the Shirveishagh just give us some clarity, allowing for the fact that his Chief Minister some time ago, when we were talking about the presentation towards this, was talking about a 50% loss as far as any investment that goes?

What sort of criteria is being allowed within this fund as to what loss factor is acceptable, as far as the investment portfolio and the Scheme Manager is concerned?

810 Would he also assure this House that the issue of this fund will be used for actual business acumen as far as creating real jobs in the real economy, and not as some sort of poacher's pocket, (**A Member:** For goodness' sake!) that maybe Government should be doing, as far as investment is concerned?

The Speaker: Mr Skelly.

815 **The Minister:** Gura mie eu.

The highlight figure really is that this is an investment, first and foremost, and that figure is there to be a 5% return on the equity or loan that Government will be investing. This is entirely about risk and reward.

820 If you are in the private sector you probably might look for a bigger return; however, we are not. We are a Government and our interest is all about those jobs; and whether they be organic or whether they actually be imported to the Isle of Man, that will be part of Scheme Manager's role to actually identify what is the best purpose for this investment.

So there are guidelines set there. We believe they are robust; we believe that we do have a good Scheme Manager that will bring deal-flow.

825 And, just to remind Members once more, this is not just about *Government* investment, this is actually about *private sector* investment. I believe that we do have a very strong system in place and this will hopefully be in operation very shortly and we will start to see some results.

EDUCATION AND CHILDREN

1.9. Walking to school – DEC Policy

The Hon. Member for Onchan (Mr Quirk) to ask a Member for Education and Children:

What his policy is on children walking to and from schools?

The Speaker: Question number 9.

830 **Mr Quirk:** Thank you, Mr Speaker.

Can I ask the Question for the Member for Education, what his policy is on children walking to and from schools?

835 **The Speaker:** I call on the Minister for Education and Children's Representative, Mr Malarkey.

A Member for Education and Children (Mr Malarkey): Thank you, Mr Speaker.

840 Mr Speaker, the simple Answer to the Hon. Member is that the Department does not have a formal policy on walking to or from school. The Department obviously has a vested interest in pupils getting to and from school, but it is the responsibility of parents and carers to achieve that – although the Department always encourages pupils to walk for health reasons, as it is a far healthier way of getting to and from school, Mr Speaker.

The Speaker: Supplementary, Mr Quirk.

845 **Mr Quirk:** Thank you, Mr Speaker.

Can I ask the Member for Education, when new schools are planned and are to be built, are walking routes assessed as part of the criteria for the Department – or other Government Departments – as part of the planning application?

850 **The Speaker:** Mr Malarkey to reply.

Mr Malarkey: Thank you, Mr Speaker.

Obviously in any planning of any future schools, all considerations will be made with regard to walking and easy access to the school. Safety has always been number one priority within the Department.

855

It might be helpful for the Member asking the Question, with regard to the Go Cards: Go Cards are issued to any pupil who lives within one mile of a school. So all pupils living within one mile of the school are expected either to walk to school or be transported by their parents or guardians.

860

Mr Quirk: Final supplementary?

The Speaker: Final supplementary, Mr Quirk.

865 **Mr Quirk:** Thank you, Mr Speaker.

Can I ask the Member giving the answers for the Department: how does the Department itself and each school promote this activity?

The Speaker: Mr Malarkey.

870

Mr Malarkey: Mr Speaker, that would be up to each individual school. As I answered originally, the Department does not have a policy. It is up to the parents, the carers, the guardians to get their pupils to school.

Obviously the Department would encourage each and every school to do as much walking and exercise for pupils as possible – and I am sure the Health Minister would agree with me with that.

875

A Member: Hear, hear.

HEALTH AND SOCIAL CARE

1.10 Shortfall in medical recruitment – Training local people

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

What plans he has to train local people to take up medical jobs in order to remove the shortfall in recruitment?

The Speaker: Question 10, Hon. Member for Onchan, Mr Karran.

880

Mr Karran: Vainstyr Loayreyder, what plans the Shirveishagh Slaynt, Social Care, has to train local people to take up medical jobs, in order to remove the shortfall in recruitment?

I so ask.

885 **The Speaker:** I call on the Minister for Health and Social Care, the Hon. Member for Middle,
Mr Quayle.

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

890 For the information of the House and by sheer coincidence, we have nine members of our
Clinical Leadership Programme at Noble's Hospital here in the listening gallery today and one of
their modules is political awareness. *(Laughter and interjections)*

It is my sincere hope that as a result of this sitting we do not have a further nine vacancies!
(Laughter)

895 Mr Speaker, since being appointed to the role of Minister for Health and Social Care two
years ago, my colleagues and I have been working with the Department and others to address
the significant challenges we face regarding staffing levels and recruitment. Let me remind Hon.
Members that this is not a challenge that is unique to the Isle of Man, and that we face the same
challenge as the rest of the developed world in being able to secure appropriately-qualified
health and care professionals, to ensure that the services we provide are resourced properly and
900 safely.

In the past two years we have worked to secure a number of changes to help achieve this.
For example, in October 2014 we have secured an additional 28.73 full-time equivalent nursing
posts for Noble's Hospital. We have worked to lift the headcount restrictions in Health and
Social Care to enable more targeted recruitment to fill vacant posts that have in the past been
905 filled by locums and agency staff. The Department was a key contributor in the work carried out
by the Department of Economic Development to lift the work permit requirement for nurses.

However, we have to be realistic and accept that a small Island demographic of 85,000
cannot provide the training requirements locally for the variety of health and care staff that we
need in practice. We know that at this present time doctors, midwives and children's nurses all
910 have to train off Island.

Locally, we provide general nurse training through Noble's Hospital in Keyll Darree; and again
I have been proactive in working with Keyll Darree to increase the numbers of general nurses
being trained each year. This has risen from 16 in 2014 to 19 in 2015; and this year, 2016, we will
have an intake of 20 starting training with us. This shows 100% increase in locally-trained nurses
915 compared with the numbers in 2013, prior to my move to the Department.

We are very proud of the investments we have made in our training facilities here on-Island,
Mr Speaker, and the amount of investment we put into not only existing staff. This year we have
seen 32 healthcare professionals undertake a BSc in Health and Social Care, and 53 undertaking
their Master's Degree in Nursing and Research. We also have 12 F1 and 12 F2 junior doctors
920 training with us on-Island, together with five GP registrars as part of the Island's GP training
scheme.

At this point I would highlight the recent announcement that the Annual National Training
Survey for junior doctors, commissioned by the General Medical Council, has seen Noble's
Hospital ranked among the top 25% of hospitals in Britain for a key component of doctors'
925 medical education. **(A Member: Hear, hear.)**

Mr Speaker, we are working with the Department of Education to look at ways we can
increase the number of opportunities for young people to train locally in health and care
subjects through courses at the Isle of Man College of Further Education. There are currently
40 students undertaking a BTEC Level 2 or 3 Extended Diploma in Health and Social Care at the
930 Isle of Man College; the Level 3 being equivalent to three A-levels.

Finally, last month we held a public roadshow at the Isle of Man College where students on
the BTEC course were able to talk about careers with staff from Noble's Hospital and student
nurses from the current year group.

935 **The Speaker:** Supplementary question, Mr Karran.

Mr Karran: Vainstyr Loayreyder, would the Shirveishagh not agree that – obviously this issue has been raised because of the concerns in the adjacent island – with the fact that we reintroduced the nurse training back on the Island so that mums, etc. could train on the Island?

940 What level of numbers would be required to actually make it sustainable, as far as the numbers of nurses required in providing for the Island’s Health Services?

945 Could he also inform me what moves have happened as far as our request in the last month’s Budget, and the previous three or four years, about the issue of trying to get a Health Services’ bursary scheme going in order to get OTs, physios and other professionals that we need, to get the Health Services back to where it should be?

The Speaker: Minster to reply.

950 **The Minister:** Thank you, Mr Speaker. I thank the Hon. Member for Onchan for raising some very valid points.

The number of training nurses at the moment: we are at our absolute *maximum*. I think in 2013 there were seven nurses trained. I do not know why the mental health nurses had not been completed that year. We are now up to 20 and that is a significant improvement, but we are restricted by the number of beds that we have and the size of our Health Service. I think to go over 20 could lead to levels of unsafe ... with too many training nurses there. So I think we are at our absolute maximum.

955 Regarding bursaries, it is something we have got to constantly look at and obviously it costs money. Now the UK government, sadly, I am told are going to stop their bursary payments in 2017. We have 73 Isle of Man students currently studying to be healthcare professionals at UK universities: five in dentistry; four in diagnostic radiography; 25 in medicine; seven in midwifery; 23 in nursing; three in occupational therapy; one in orthoptics; and five in physiotherapy.

960 Anything that we can do to encourage our students to come back to the Island, to bring those skills that they have learned, we will obviously do our very best. And as I said in my initial answer, members of the Department are working with the Department of Education and Children to see if there are ways of working together where we can encourage more people to train, but also to encourage our Manx students to come back to the Island with the skills they have learned.

970 **The Speaker:** Hon. Member for Malew and Santon, Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

975 I think the Minister has part-answered my question. Is the linking of assistance with tuition fees as a tie-in for the students to come back? I think that is an area that the Department *should* look at, because it is something that ... I know it is very costly for doctors, and for families to send their children off to university; and having a prospect of a job to come back to, I think would be a good move for the Department.

The Speaker: Minister – more of a comment than a question.

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

Yes, *legally* it is not enforceable. If we say to a student, ‘We have paid for your education and therefore you *must* come back to the Island’, that is legally not enforceable, sadly.

985 But there are other ways around it that we are currently looking at to help further encourage people to come back.

The Speaker: Hon. Member for Douglas South, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

990 I am just wondering if the Minister could clarify whether it is actually possible for areas such
as midwifery, for our people to be trained here rather than them having to go across?
What are the bars to that happening here?

The Speaker: Minister to reply.

995 **The Minister:** Thank you, Mr Speaker, and I thank the Hon. Member for Douglas South for
her comments.

I am led to believe, Mr Speaker – and I apologise if I have got it wrong – it is all to do with the
number of babies that we have on the Island. If you are going to have a training facility you have
got to have a certain volume for the expertise to be kept up. I know my own mother had to go
1000 away and train in Liverpool for this.

So this is something that has happened since time immemorial, we have not trained on the
Island. But if it is any different I will let the Hon. Member know.

The Speaker: Final supplementary, Mr Karran.

1005

Mr Karran: Can the Shirveishagh, if he has not got the information circulate the information
to Members, of what is required as far as replacement in the different health services
professions at a later date, so that we have some idea of what we are looking for as far as
recruitment is concerned?

1010 Can the Shirveishagh also consider that for the long-term past, as far as nurse training was
concerned, it was mental health and general nursing that was always covered on the Island?

Will he revisit the issue of whether there is a way forward as far as the 20-number can be
increased, allowing for the times that are coming up in the near future, in order that we can be
proactive instead of reactive about this most important issue, as far as our Health Services are
1015 concerned?

The Speaker: Minister to reply.

The Minister: Thank you, Mr Speaker.

1020 As I said, we are training 20 additional nurses this year: six in the mental health speciality and
14 in general nursing, which covers an awful lot of specialities too. I have been led to believe
that that is the absolute maximum. I have pushed the boat, as I say, from seven up to 20.

If there is any way of doing it safely and increasing the number, then I will of course look to
do that, but the advice given to me by my qualified professional officers is that 20 is the limit.
1025 But as I say, Mr Speaker, if there is anything I can do to improve that number, of course we will.

But we have a number of other options from our recruitment trying to make things more
acceptable to attract people to the Isle of Man, regarding future recruitments and making sure
that we have got enough staff for all the professional skills that we need. I am not saying it is
mission impossible, but a very big cheque would help.

1030 I am not being facetious. There is a lot of cost involved here and we have got to live within
our means of the budget set.

The Speaker: Hon. Members, that brings us to the end of Questions for –
Mr Quirk.

**Standing Order 3.5.1(2) suspended to take remaining Oral Questions –
Motion carried**

1035 **Mr Quirk:** Mr Speaker, can I beg to move that Standing Order 3.5.1(2) be suspended to enable the remaining only two Questions, for oral Answers to be taken at this sitting?

The Speaker: Mr Cregeen.

1040 **Mr Cregeen:** I beg to second.

The Speaker: I put the question. Those in favour, say aye; against, no. The ayes have it.

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

FOR

Mrs Beecroft
Mr Boot
Mr Cannan
Mr Cregeen
Mr Gawne
Mr Hall
Mr Harmer
Mr Joughin
Mr Karran
Mr Malarkey
Mr Peake
Mr Quirk
Mr Robertshaw
Mr Ronan
Mr Shimmin
Mr Singer
The Speaker
Mr Thomas

AGAINST

Mr Bell
Mr Quayle
Mr Skelly
Mr Teare
Mr Watterson

The Speaker: There are 18 –

1045 **The Secretary:** There are 18 for, 5 against.

The Speaker: Yes, 18 for, 5 against. *(Laughter and interjections)*

1050 **Mr Ronan:** ... Specsavers! *(Laughter and interjections)*

A Member: You should have gone to Specsavers!

Mr Quirk: ... Specsavers!

1055 **The Speaker:** My glasses need adjusting! Motion carries.

HOME AFFAIRS

1.11. Police stations –
Plans for Douglas and Port Erin

The Hon. Member for Onchan (Mr Karran) to ask the Minister for Home Affairs:

What plans he has for Douglas Police Station and Port Erin Police Station?

The Speaker: Question 11, Hon. Member for Onchan, Mr Karran.

Mr Karran: Vainstyr Loayreyder, I ask the Question of the Shirveishagh Cooishyn Sthie what plans he has for Douglas Police Station and Port Erin Police Station. I so ask.

1060

The Speaker: I call on the Minister for Home Affairs, Hon. Member for Rushen, Mr Watterson.

The Minister for Home Affairs (Mr Watterson): Mr Speaker, in relation to Lower Douglas Police Station, following the relocation of officers from that site, it is intended to release that property to the Strategic Asset Management Unit for the benefit of Government.

1065

In relation to Port Erin Police Station, that will also be released for the benefit of Government. In both communities, the Constabulary is looking for alternative premises to provide a Police counter service.

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The Speaker: Mr Karran, supplementary.

Mr Karran: Vainstyr Loayreyder, can the Shirveishagh Cooishyn Sthie inform this House how much money was involved as far as both these police stations and when they were constructed – allowing for the fact that the Hon. Member was not in this House when this happened? And how does he feel the taxpayer is going to get their money back, allowing for the fact they have spent a million pounds converting it from an office development to a police station when there was not even a brick on the site?

1075

The Speaker: Minister to reply.

1080

The Minister: I am afraid all I can advise in terms of the properties is there are still £2.2 million worth of loan charges outstanding on the Lower Douglas site and £184,000 of loan charges outstanding on the Port Erin site.

1085

I do not intend to revisit history. The remark has been made, Mr Speaker.

The Speaker: Supplementary, Mr Karran.

Mr Karran: Vainstyr Loayreyder, doesn't one of the youngest Members in this House ... if you do not learn from the mistakes of history, you will keep on repeating them?

1090

Does he feel that the issue as far as his own budget is concerned must have an effect as far as the capital costs that are liable on these two buildings that were antiquated and were not needed in the first place when they were originally developed at something in the region of about £6 million to £7 million?

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The Speaker: Minister to reply, Mr Watterson.

1100 **The Minister:** Certainly, I am a student of history, Mr Speaker, and I am determined not to make the same mistakes. But, needless to say, that is no excuse for holding onto things that were no longer needed and were no longer a priority for the Department's spending. Given the choice between police officers and buildings, I have taken the decision consistently that police officers are a more valuable asset.

1105 **A Member:** Hear, hear.

The Speaker: Supplementary, Mr Cregeen.

1110 **Mr Cregeen:** Thank you, Mr Speaker.
Can the Minister confirm who will be making the loan repayments? Will it be his Department or does it go back centrally?

The Speaker: Minister.

1115 **The Minister:** Needless to say, in both cases we are expecting that should they be ultimately sold, there would be capital receipts that will be coming into Treasury for that.

The Speaker: Mr Cregeen.

1120 **Mr Cregeen:** Unfortunately, the Minister did not answer the question. I asked who is going to make the loan repayments ... not the sale of the property.

The Minister: I would have to check that, Mr Speaker. Sorry.

POLICY AND REFORM

1.12. Independent Planning Inspector – Recommendations ref 15/00594/B

The Hon. Member for Onchan (Mr Quirk) to ask the Minister for Policy and Reform:

What recommendations the Independent Planning Inspector made to the Council of Ministers in connection with planning application ref 15/00594/B?

The Speaker: Question 12, Hon. Member for Onchan, Mr Quirk.

1125 **Mr Quirk:** Thank you, Mr Speaker.
Can I ask the Minister for Policy and Reform, Mr Shimmin: what recommendations the Independent Planning Inspector made to the Council of Ministers in connection with planning application ref 15/00594/B?

The Speaker: I call on the Minister for Policy and Reform, Mr Shimmin.

1130 **The Minister for Policy and Reform (Mr Shimmin):** Thank you, Mr Speaker.
I have to inform the House that no decision as yet has been made in respect of this planning application. I hope Members will understand that to release the recommendations in advance of a decision being made would prejudice the proper consideration and, importantly, the integrity of the planning application process.

The Speaker: Mr Quirk – bearing in mind that definitive Answer.

1135

Mr Quirk: Thank you, Mr Speaker.

I accept the warning from the Minister, but can I ask the Minister then what date did the Council of Ministers or the Cabinet Office receive the report from the inspector?

1140

The Speaker: Minister.

The Minister: Mr Speaker, I am refusing to answer any of these questions. It will become clear in the light of time.

TREASURY

1.13. Proposed extension to Broadcasting House – Treasury agreement

The Hon. Member for Douglas North (Mr Peake) to ask the Minister for the Treasury:

Whether the cost of the proposed extension to Broadcasting House has been agreed with his Department?

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The Speaker: We move on, sir, Question 13, the Hon. Member for Douglas North, Mr Peake.

Mr Peake: Thank you very much, Mr Speaker.

I would like to ask the Treasury Minister: whether the cost of the proposed extension to Broadcasting House has been agreed with his Department?

1150

The Speaker: I call on the Minister for the Treasury, Mr Teare.

The Minister for the Treasury (Mr Teare): Thank you, sir.

1155

As the Hon. Member will be aware, a planning application has been submitted for a proposed extension to Broadcasting House. The cost of the proposed works has not yet been submitted to Treasury for its approval, as to do so will be pre-empting both the planning and tender processes.

Only once these processes have been completed to the satisfaction of key stakeholders, will a business case, with costs, be submitted to Treasury for the approval to undertake the proposed scheme works.

1160

Thank you, sir.

The Speaker: Mr Peake, supplementary.

Mr Peake: Thank you very much, Mr Speaker, and thank you very much.

1165

The Treasury is the key stakeholder in this, as Treasury is the shareholder and it is also the provider of funds, the subvention, and it is now responsible as it is in his Department.

Over the years, the amount of capital programme maintenance money has been: this year, £250,000; last year it was £670,000; £450,000 the year before; £250,000 and £200,000 – so substantial fees.

1170

Should the Treasury decide if annual capital programme maintenance is for building maintenance or for capital improvements?

The Speaker: Treasury Minister.

1175 **The Minister:** I must admit I am concerned with the proposed level of expenditure, and the level of expenditure that has been incurred on Broadcasting House; and suffice it to say that we will be expecting a very robust business case.

The Speaker: Supplementary, Mr Peake.

1180

Mr Peake: Thank you very much, Mr Speaker.

Yes, it was agreed actually in Tynwald March 2014, recommendation 11, that discussion should take place with *Manx Radio* and *BBC*; and it was then reported back that those discussions had, unfortunately ... the proposals were not acceptable to the *BBC*.

1185

So have the Treasury now got an opportunity really, as it is a major stakeholder in this, to really find new solutions for working? Would the Treasury Minister agree with me that now is the time to find ways of working with Government bodies so we can have outcome-based as well as a sustainable future for our Government bodies?

1190

The Speaker: Mr Teare.

The Minister: I think really the Hon. Member has hit the nail on the head. *Manx Radio* is the only part of our expenditure which is ring-fenced as a result of that Government report.

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I am sure that this is probably not the case, but it does encourage a bit of comfort, I would say, in some areas when you know that your budget is ring-fenced, when other budgets are coming under severe pressure. I feel, myself, now that we will need a very convincing business case.

The Speaker: Hon. Member, Mr Malarkey.

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Mr Malarkey: Thank you, Mr Speaker.

I hope the Treasury Minister can clarify, as I have had communications with *Manx Radio* with regard to this. My understanding is there was a select committee that looked into the whole situation prior to my time coming back into this Hon. House. I am led to believe that already money by Tynwald has been set aside for future improvements. A clarification again, Mr Speaker: is this not the case? Would any future moneys then have to come to Tynwald for approval if this latest planning was to come forward?

1205

This is not the information that has been handed to me by *Manx Radio* during my enquiries, so I will be quite interested to hear what the Treasury Minister has to say on this subject.

1210

The Speaker: Mr Teare.

The Minister: There has been an ongoing provision in the Pink Book of £250,000 a year for repairs and remedial works to the *Manx Radio* building. In fairness to *Manx Radio*, that has not been spent every year. So, as I understand it, what they are looking for is to, in effect, claim back that unspent portion to fund what they are proposing now.

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The Speaker: Hon. Member, Mrs Beecroft.

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Mrs Beecroft: Thank you, Mr Speaker.

Would the Minister not agree with me that it would have been sensible of *Manx Radio* to actually approach the Treasury to see if they were in agreement with this in principle, before they spent a considerable amount of money, one would assume, on actually going for planning?

1225 **The Speaker:** Treasury Minister.

Mr Quirk: If you get an answer!

The Minister: I could not agree with the Hon. Member more.

1230

The Speaker: Hon. Member, Mr Cregeen.

Mr Cregeen: Thank you, Mr Speaker.

1235 As the Treasury is a key stakeholder in *Manx Radio*, what input does the Treasury have in the future planning of projects? Also would he not remember that there was a million pounds that the *BBC* actually should be putting into the Isle of Man, (**Mr Quirk and Mr Ronan:** Hear, hear!) and there has been very little movement on that, and we should be actually putting more pressure onto the *BBC* (**Mr Quirk:** Hear, hear.) to fulfil their commitment?

1240 **The Speaker:** Yes, we are straying now beyond the Question on the Paper which is to do with the physical building –

Mr Cregeen: It might pay for the –

1245 **The Speaker:** – not the programming.
Mr Teare.

The Minister: The stakeholder – yes, Treasury has recently assumed responsibility for *Manx Radio* so, as I have said before, we have taken a close interest in what is going on. But it is important though that *Manx Radio*, from an editorial point of view, is completely separate from Government, (**A Member:** Hear, hear.) because there is an Hon. Member for Onchan who is quite quick to complain that the *Radio* is a mouthpiece – (**Mr Quirk:** Which one?) Sorry, Mr Karran. I beg your pardon. (*Interjection*) ... *Manx Radio* is a mouthpiece for Government and they do, from an editorial point of view, have to be separate from Government. But I think that Hon. Members would expect us to, in effect, be critical friends when those proposals come forward and to review them in a robust way, as Hon. Members would expect us to review all business cases which come forward.

As far as *BBC* input is concerned, that was taken back to the *BBC* and it was a firm ‘no’.

1260 **The Speaker:** I am getting concerned at the number of people who wish to make supplementary questions. This is not a debate about *Manx Radio*.
Mr Peake.

Mr Peake: Thank you very much, Mr Speaker.

1265 Yes, it is quite interesting to hear then that *Manx Radio* seem to be rolling up a fund and really I feel as though the Treasury would have input in that. So I would like to ask the Treasury Minister: what changes will we see now that the Treasury is in control? As it now is the major stakeholder in this, what changes will we see and when?

1270 **The Speaker:** Mr Teare.

The Minister: I think the main watershed really is going to be when we get the business case for the extensions to Broadcasting House and when we get that we will then review the whole business case and then decide what steps, what changes, need to be taken at that time.

1275 I do not think it would be fair on anybody involved to take unilateral action now, but let's have a look and see what the business case is.

The Speaker: Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

1280 Given that the Treasury Minister has agreed with me that it would have been sensible for *Manx Radio* to approach Treasury to see if they were, in principle, in agreement with this, could he confirm whether or not there were any discussions?

The Speaker: Minister.

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The Minister: I understand that there have been initial discussions between the Department and *Manx Radio*, but there has been nothing firmed up or indeed come to the Treasury board.

The Speaker: Mr Karran.

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Mr Karran: Vainstyr Loayreyder, can the Shirveishagh inform us, allowing for the fact we are in hard economic times and this must be one of the most prestigious sites in Douglas, in the business plan were there any proposals as far as its relocation somewhere else into more suitable premises which would have been a great cost saving as far as the taxpayer is concerned, allowing for ... that site alone must be worth a phenomenal amount of money?

1295

The Speaker: Treasury Minister.

The Minister: If my memory serves me correctly, Mr Speaker, the subject of relocation was addressed about four years ago and at that time it was decided that there was too much 'sink cost', as it were, in Broadcasting House so they would stay there.

1300

Business plan – I cannot comment on it for the simple reason I have not seen it yet.

The Speaker: Mr Malarkey.

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Mr Malarkey: Thank you, Mr Speaker.

I just want clarification again from the Treasury Minister that as this is a fund that has been building up, of £250,000 a year, is this decision purely and simply going to come from Treasury or will the funding have to come for Tynwald approval?

1310

The Speaker: Minister.

The Minister: It depends on the amount involved and whether it can be accommodated, in effect, within the savings; because those savings were in column 2 of the Budget so, in effect, they have already been voted by ... Sorry, the expenditure of £250,000 each year has already been voted for as part of column 2 in the Budget, but it depends on the overall sum. As I say, I am waiting for the business plan and I am sure that *Manx Radio* will take notice of Hon. Members' comments this morning.

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The Speaker: Final supplementary, Mr Cregeen.

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Mr Cregeen: Thank you, Mr Speaker.

Is the Treasury Minister not concerned that *Manx Radio* is trying to actually claw back many years' worth of programmed expenditure? And how will that affect every other Department? Because we were told some time ago we were trying to stop this mad March spend of people trying to get their money spent as quickly as possible, and there are other priorities across Government rather than an extension to *Manx Radio*?

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The Speaker: Treasury Minister.

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The Minister: I think what this has illustrated, Mr Speaker ... it has highlighted issues which need to be investigated.

The Speaker: Hon. Members, that brings us to the end of Questions for Oral Answer. There are six for Written Answer and the replies will be distributed.

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2. Questions for Written Answer

TREASURY

2.1. Personal Income Tax – Individual and jointly assessed taxpayer profiles

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for the Treasury:

What the profiles were (broken down by total income, number of taxpayers, effective tax rate, tax raised, percentage of total individual tax raised) of the most recent annual returns for individual and jointly assessed taxpayers for which information is available further broken down into four income quartiles:

(a) below personal allowance threshold;

(b) above personal allowance threshold and within 10% band only;

(c) above personal allowance threshold and within both 10% and 20% bands; and

(d) tax cap cases?

The Minister for the Treasury (Mr Teare): For the purposes of this Answer, the data provided is drawn from the tax year ended 5th April 2014 (2013-14 tax year) being the most complete set of information available to the Assessor of Income Tax.

Details for the previous tax year as published in January 2015 are shown in italics/brackets.

Single/Independently Assessed					
	Total Income	Number of Taxpayers	Tax Assessed	Effective Tax Rate (%)	Percentage of Total Tax Assessed
Below Personal Allowances	88,878,667 <i>(87,301,182)</i>	13,606 <i>(13,666)</i>	0	0.00	0.00
10% Band	184,616,950 <i>(187,084,229)</i>	11,778 <i>(11,946)</i>	6,013,875 <i>(6,087,393)</i>	3.26 <i>(3.25)</i>	3.56 <i>(3.65)</i>
10/20% Band	620,661,010 <i>(604,544,585)</i>	15,533 <i>(15,178)</i>	70,612,106 <i>(69,326,745)</i>	11.38 <i>(11.47)</i>	41.80 <i>(41.55)</i>
	894,156,627 <i>(878,929,996)</i>	40,917 <i>(40,790)</i>	76,625,981 <i>(75,414,138)</i>		

Jointly Assessed Couples					
	Total Income	Number of Taxpayers	Tax Assessed	Effective Tax Rate (%)	Percentage of Total Tax Assessed
Below Personal Allowances	35,530,038 <i>(35,931,555)</i>	3,804 <i>(3,842)</i>	0	0.00	0.00
10% Band	156,872,488 <i>(157,389,171)</i>	9,696 <i>(9,816)</i>	5,013,102 <i>(5,036,574)</i>	3.20 <i>(3.20)</i>	2.97 <i>(3.02)</i>
10/20% Band	671,609,942 <i>(670,582,022)</i>	16,748 <i>(16,802)</i>	76,737,350 <i>(76,802,870)</i>	11.43 <i>(11.45)</i>	45.42 <i>(46.03)</i>
	864,012,468 <i>(863,902,748)</i>	30,248 <i>(30,460)</i>	81,750,452 <i>(81,839,444)</i>		

Tax Cap				
Total Income	Number of Taxpayers	Tax Assessed	Effective Tax Rate (%)	Percentage of Total Tax Assessed
521,525,539 ¹ (253,959,770)	88 (80)	10,560,000 (9,600,000)	2.02 (3.78)	6.25 (5.75)

¹There has been a distorting factor which has resulted in a significant increase in this figure. It is anticipated that, in future years, the amount will return to a similar level to that stated for the 2012/13 tax year.

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The average effective tax rate for all resident taxpayers in the 2013-14 tax year was 7.41% (2012-13 tax year: 8.38%).

Whilst the above directly answers the Hon. Member's Question it is important to note the following:

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- The level of personal allowances and therefore the point at which tax becomes payable can vary dependant on the circumstances of an individual as they may be entitled to additional allowances such as Age, Blind or Additional Personal allowance for single parents. These allowances have been taken into account in the 'Below Personal Allowances' data.
- The 'Total Income' figure does not take into account any deductions or reliefs such as pension scheme contributions or mortgage interest paid. However, in the case of self-employed individuals and recipients of rental income any expenses directly incurred in acquiring such income have already been deducted in arriving at this figure.
- Non-taxable income sources such as various Social Security benefits including Employed Person's Allowance and Attendance Allowance are not included.
- All resident individuals are required to declare their total worldwide income to the Assessor of Income Tax. However, in certain circumstances, a credit is given if tax has already been paid in another jurisdiction. Where such a credit has been given it is excluded from the 'Tax Assessed' figure in the table above.
- No data is included in respect of those individuals who are not required to submit an annual tax return on the grounds that the Assessor is satisfied their income is consistently below the personal allowance thresholds. In the 2013-14 tax year, 1,643 people (1,207 individuals and 218 jointly assessed couples) were not required to submit a tax return for this reason.
- The effective rate of tax for Tax Caps cannot reflect the significant contribution that those individuals make to our economy which extends much wider than the amount of income tax that they actually pay.

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I would like to take this opportunity to draw to the attention of the Hon. Member that in order to analyse data and prepare this response this has required the allocation of scarce resources and considerable time and effort by officers of the Income Tax Division.

2.2. Corporate Income Tax 2014-15 – Details of paying entities

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for the Treasury :

How many entities had to pay Corporate Income Tax in 2014-15 on (a) banking business income (b) land and property income from Isle of Man sources and (c) retail business profits above £500,000; and how many entities elected to pay tax at the 10% rate?

1375 **The Minister for the Treasury (Mr Teare):** In accordance with records held by the Assessor of Income Tax, the total number of entities assessed in respect of accounting periods ending in the 2013-14 tax year with a tax liability due and payable in the 2014-15 tax year is as follows:

	No. of Companies ³
Banking business income and retail business profits above £500,000 ¹	28
Land and property income ²	749
10% tax rate electors	38

¹ In view of the small number of companies involved these categories have been combined.

² Includes income derived from the following:

- Mining and Quarrying
- Landfill
- Property Development
- Commercial Property Letting
- Rental income

³ The number of companies shown in the table excludes those who are in receipt of income from the sources stated but have no tax liability for the year in question.

1380 Companies with banking business income or retail business profits over £500,000 with incidental land and property income are only included in the category in which their primary source of income arises.

Companies who have elected to pay tax at the 10% rate but their income arises from land and property which is statutorily subject to the 10% rate are included in the land and property category only.

2.3. Corporate Income Tax 2014-15– Amount paid and estimates

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for the Treasury:

What the Corporate Income Tax paid in 2014-15 was, and what the estimates in respect of accounting periods ending in the 2014-15 tax year with tax due and payable in the 2014-15 tax year are, on (i) banking business income (ii) land and property income from Isle of Man sources (iii) retail business profits above £500,000 and (iv) companies who have elected to pay tax at the 10% rate?

1385 **The Minister for the Treasury (Mr Teare):** In accordance with the records of the Assessor of Income Tax, the total amounts of income tax assessed in respect of accounting periods ending in the 2013-14 tax year which was due and payable in the 2014-15 tax year is as follows:

	Total
Banking business income	£17.10m
Land and property income ¹	£4.35m
Retail business - profits over £500,000	£1.98m
10% tax rate electors	£0.38m

¹ Includes income derived from the following:

Mining and Quarrying
Landfill
Property Development
Commercial Property Letting
Rental income

1390 Based on the latest data available to the Assessor of Income Tax the current estimate in respect of accounting periods ending in the 2014-15 tax year which are due and payable in the 2015-16 tax year are as follows:

	Total
Banking business income	£15.20m
Land and property income	£4.50m
Retail business - profits over £500,000	£2.10m

1395 It should be noted that estimate projections for Pink Book purposes are based on the anticipated receipts for the financial year as tax is not necessarily received in the year in which it is due to be paid.

Due and payable dates for many corporate taxpayers are clustered around the financial year and the timing of receipts can have a significant bearing as into which financial year payments fall.

2.4. Government staff – Attendance at conferences

The Hon. Member for Onchan (Mr Karran) to ask the Minister for the Treasury:

How many departmental Government staff attended conferences in each of the last three years, broken down by grade of those attending and cost?

1400 **The Minister for the Treasury (Mr Teare):** The information requested is proving difficult to collect within the normal timescales.

Treasury anticipates being in a position to provide the information for the week commencing 21st March 2016.

ENVIRONMENT, FOOD AND AGRICULTURE

2.5. Plant Varieties and Seeds Act 1964 and Plant Varieties Act 1997 (UK Parliament) – Extension to Isle of Man

The Hon. Member for Douglas West (Mr Thomas) to ask the Minister for Environment, Food and Agriculture:

Pursuant to information provided on 24th November 2015, whether the provisions of Parts II and III of the Plant Varieties and Seeds Act 1964 and the Plant Varieties Act 1997 (Acts of the United Kingdom Parliament) were extended to the Isle of Man in February 2016; and if not, why not?

The Minister for Environment, Food and Agriculture (Mr Ronan): The provisions of the abovementioned Acts were not extended to the Isle of Man in February as previously advised.

1405 In hindsight, the February target was ambitious, but the Department recognised the value of getting this legislation extended to the Isle of Man prior to the 2016 growing season and was making every effort to do so, with February acknowledged as the last possible month for this to happen.

1410 There are a number of dependencies upon which the Department rely that are outside its control and unfortunately due to competing priorities delaying progress, including other higher legislative priorities precluding the drafter from completing the drafting of the Order in Council, this date was not achievable.

1415 Acknowledging that implementing the Act in time for the 2016 growing season cannot now be achieved, the following action plan has been implemented to ensure the Act is implemented for the 2017 growing season:

The current goal is for the Order to be considered by the Privy Council at its meeting on 4th May. The preliminary clearance and scrutiny processes mean that, partly because of recesses in the UK, it is not now possible to submit the draft for consideration at the meeting of the Privy Council in April.

1420 To achieve this, the draft Order will be completed within the next few weeks. Once the drafting is complete it will be submitted to Council of Ministers for approval, and will need to be ready for submission to UK Ministers on 13th April. This will also require clearance by the Legal Adviser's Division in the Ministry of Justice in the preceding week.

1425 The Department has, however prepared the necessary secondary legislation in the form of Regulations to be put to Tynwald once the relevant provisions of the Act of Parliament have been extended to the Island. Relevant sectors of the agricultural industry will be invited to meet with the Department to review the draft Regulations to ensure the industry can take full advantage of this economic opportunity in ample time for the 2017 season.

OFFICE OF FAIR TRADING

2.6. Gas prices – Comparison for Isle of Man/UK and other fuels

The Hon. Member for Douglas West (Mr Thomas) to ask the Chairman of the Office of Fair Trading:

Whether Isle of Man natural gas prices are twice those in the UK; and how any price premium for gas compares to that for (a) electricity (b) LPG (c) heating oil (d) solid fuel and (e) wood?

1430 **The Chairman of the Office of Fair Trading (Mr Quirk):** In responding to this Question, I would, at the outset, point out that for most energy sources, there is no simple way of determining the 'UK price'. The UK markets are themselves complex with multiple suppliers each offering multiple tariff options (and often combined fuel tariffs e.g. gas and electricity on a combined tariff) and there are significant regional variations. Add to that the complexities of standing charges and differential prices based on consumption and it is difficult to state an exact price in the U.K. In addition, of course, energy prices do fluctuate.

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HOUSE OF KEYS, TUESDAY, 8th MARCH 2016

1440 The United Kingdom Department of Energy and Climate Change (DECC) has, however, grappled with this problem and has published some very useful average data for the UK, which the Office of Fair Trading itself uses for comparison purposes. This published data does not cover all of the fuel types listed in the question. It does not cover some of the gas products, notably mains Liquid Petroleum Gas (LPG), bulk tank LPG and bottled LPG which are important in the Island and are covered by the all-Island Gas Tariff.

1445 In terms of the products included in the data currently published by the DECC, the following table shows a comparison of the average price paid by consumers during 2015 both in the Isle of Man and the UK. The data in the table is converted to the same units and:

- includes the average cost of standing charges where appropriate
- includes taxes and duties as applicable
- includes delivery charges where appropriate
- excludes any discounts offered for payment method or prompt payment
- 1450 • excludes connection charges (assumes that the consumer is already connected)
- uses average Isle of Man consumption figures (as appropriate) converting the UK figures as necessary

PRODUCT	DESCRIPTION	UK AVERAGE PRICE AS PUBLISHED BY DECC	ISLE OF MAN PRICE	ISLE OF MAN PREMIUM (%)
Mains Natural Gas	Price per kWh	5.01p (see note)	8.82p	76.0%
Electricity – Standard	Price per kWh	15.96p	18.36p	15.0%
Electricity – On-Peak for storage heaters	Price per kWh	18.4p	18.39p	-0.1%
Electricity – Off-Peak for storage heaters	Price per kWh	9.85p	10.55p	7.1%
Domestic Heating Oil	Price per litre	34.07p	46.65p	36.9%
Coal	Price per 50Kg bag delivered	£17.23	£22.80	32.3%

Note: The average gas price published by DECC is for Great Britain only (i.e. excluding Northern Ireland)

1455 In order to answer the rest of the Question, where there is no data published by the DECC, the OFT has conducted research using several credible websites to compare a ‘snapshot’ of comparative prices as at 2nd March 2016. Whilst this is clearly not as statistically sound, it does nonetheless give a broad indication of the price differentials. The following table sets out the snapshot comparisons, as far as possible, using the same criteria as the first table:

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PRODUCT	DESCRIPTION	TYPICAL UK PRICE (including VAT)	ISLE OF MAN PRICE (including VAT)	ISLE OF MAN PREMIUM (%)
LPG Butane	15kg cylinder refill	33.75p	36.36p	7.7%
LPG Propane	13kg cylinder refill	26.25p	31.42p	19.7%
Woodchip	1 Tonne	£120.00	£126.00	5.0%

The tables confirm what the OFT has long-recognised; namely that whilst all fuel is generally more expensive in the Island, the differential for mains natural gas is substantially greater than for other fuel types. There are four key reasons for this:

1465

Purchase Scale

Manx Gas purchases gas from the United Kingdom at the market price. However, it is likely that the UK “big 6” are able to negotiate discounted prices. As a small purchaser Manx Gas is a price taker.

1470

Transmission Costs

Once it has purchased gas on the UK market, Manx Gas pays to transmit that gas to the Island through the Irish Sea pipeline and the Manx Utilities Authority pipeline spur.

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Economies of Scale

In UK terms, Manx Gas is a very small scale mains gas supplier. Nonetheless, it requires the same basic infrastructure as a much larger network. It is this lack of economy of scale which largely explains why the standing charge is much higher in the Island than in the UK.

1480

All-Island Gas Tariff

As part of the negotiations in relation to the extension of the natural gas network, the Government required Manx Gas to introduce an all-Island tariff structure. Essentially this is price equalisation measure, so that gas users are paying the same basic price wherever they live and whatever the method of delivering their gas. The all-Island tariff also goes some way to explaining the apparent anomalies in the above tables where the Manx premium for mains natural gas is much greater than for LPG. If it were not for the price equalisation provided by the all-Island Gas Tariff it is likely that:

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- There would be a price differential between mains natural gas in Douglas/Onchan (cheaper) and the rest of the natural gas network
- Overall the price of mains natural gas would be lower
- The price of gas on the small LPG mains gas networks (Laxey, Santon, Foxdale, Jurby and Andreas) would be significantly higher
- The price of LPG delivered in bulk and LPG bottled gas would be substantially higher

1495

Order of the Day

3. BILL FOR FIRST READING

3.1. National Health and Care Service Bill 2016

The Speaker: Item 3, Bill for First Reading. I call on the Secretary of the House.

The Secretary: Bill for First Reading, National Health and Care Service Bill 2016, Member in charge, Mr Quayle.

4. BILL FOR SECOND READING

4.1. Council of Ministers (Amendment) Bill 2016 – Second Reading approved

Mr Cannan to move:

That the Council of Ministers (Amendment) Bill 2016 be read a second time.

1500 **The Speaker:** Item 4, Second Reading, Council of Ministers (Amendment) Bill. I call on the mover, Hon. Member for Michael, Mr Cannan.

1505 **Mr Cannan:** Mr Speaker, I have promised Hon. Members that I intended to deliver a simple change to legislation that would see the election of the Chief Minister become purely a matter for the House of Keys.

1510 What I hope that you will find in front of you today is a series of amendments that moves the balance of power in this highly important election entirely to the publicly-elected Chamber, removing any input from the Legislative Council and, thereby, not only restoring primacy to the House of Keys, but in having elected the Chief Minister, allows that person to take up position unencumbered by any undue allegiance to the Legislative Council or individual Members of the Legislative Council.

Mr Speaker, this is good for democracy and accountability, and also provides a small but significant step forward in reforming Tynwald.

1515 Of course, Mr Speaker, in electing the Chief Minister, it is therefore only right that the House of Keys retains the privilege of removing him or her from office. Therefore, I propose that the Council of Ministers Act is amended to provide for that to happen by a vote of 16 or more Members of the House of Keys.

1520 Members, of course, will recognise that the current system allows for a vote of no confidence by a straight majority in Tynwald and, in changing the vote back to the House of Keys, I have sought to recognise the change and decrease in voting numbers to 24 Members.

1525 Not only that, but we must also recognise that a vote of no confidence is a serious matter and therefore to avoid such a vote being taken on the back of a singular unpopular decision, for example, or where the Chief Minister has been elected by a slim majority, it seemed right to build in the added protection of requiring two-thirds of Members to vote for such a motion of no confidence.

Mr Speaker, this Bill does not prevent the Chief Minister from electing a Minister from the Legislative Council, but such a move would need to be carefully considered given the

1530 implications of this Bill. Finally, Mr Speaker, this Bill makes it very clear that the Chief Minister must sit in the House of Keys and that should he or she leave the Keys they will forfeit their position.

I trust that Members will see the simplicity of this Bill, will see the need to restore primacy in this matter back to the publicly-elected Chamber and will see that by supporting this step they will remove any undue influence that the Legislative Council will have over the policy-making ability of the Chief Minister.

1535 Mr Speaker, I beg to move.

The Speaker: The Hon. Member for Ramsey, Mr Singer.

Mr Singer: Thank you, Mr Speaker.

1540 I am very pleased to second this motion and express my full support for it. I also see this as a small but very important constitutional change which again will strengthen the powers of the Keys.

When I was in the Legislative Council – it seems many years ago now –

1545 **A Member:** It was. *(Laughter)* You had hair then!

Mr Singer: Don't rub it in please!

1550 We had occasion when in an emergency we had the Chief Minister in the Upper Chamber, and it was a difficulty in that the Chief Minister could only be questioned once a month at Tynwald and that was not ideal. I have always been of the opinion that both the Chief Minister and Ministers should be elected from the House of Keys and this Bill will certainly ensure the former. I think we should take note of what the mover said; that there is protection as far as votes of no confidence are concerned, in having to have a two thirds vote so that it is not just done willy-nilly.

1555 I hope that Members will support this because, as I say, it is a constitutional step, but in my mind very important.

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

1560 **Mr Watterson:** A few points, if I may, Mr Speaker.

1565 The first one relates to public consultation, and it is certainly something that when I have moved Private Member's Bills through here, it accepts the fact that public consultation is a good thing. It ensures that legislation is well thought through, that all the potential angles have been examined and that is not something that I have seen evidence of. I appreciate that this is a relatively simple change, but it is something that I still think is a worthwhile exercise and I would like to ask the Hon. Member to do some of that before moving forward with the clauses. There are, of course, two weeks between now and then.

1570 In terms of the constitution and the requirements around that, I do still believe that it is important that the Chief Minister must have the confidence of Tynwald and is nominated by Tynwald, and Tynwald therefore has the power to fire him. I accept that this would just transfer that to the House of Keys, but I think there are reasons to worry about that. For example, what would happen in a circumstance where the Government of the day has lost the confidence of the Legislative Council? In those circumstances it will make very little legislative progress, Bills need to get a majority in both Houses in order to pass. Now there are provisions there for a budget to ultimately go through under the arrangements where we can come back and have a joint vote in a following month; but by having the confidence of Tynwald, and therefore including those numbers in Legislative Council, there is that requirement then to make sure that you have the ability to move your legislation through both Houses.

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1580 To use a corporate analogy, I am not entirely convinced that it is a wise move to choose your
managing director or chief executive officer by excluding the votes of the non-executive
directors. I think the jury is still to a large part out on what Legislative Council are for and there is
a lot of research going into that, so we are kind of blocking ourselves into a corner with this
legislation and pre-empting somewhat what we feel the views are going to be of what the
purpose of Legislative Council is. But, if nothing else, they are the equivalent of non-executive
1585 directors. They are unlikely to be Chief Minister. I think there is an acceptance that they are
unlikely to be Ministers, but the ability is there in the worst case. But it is important that those
people with that, shall we say, general lack of political ambition, that are unlikely to be Chief
Minister or Ministers, still have the opportunity to weigh in on who will lead our parliament.

1590 Another thing that would have otherwise been a hypothetical question, but for actual
circumstances that happened just over a decade ago, is what would have happened in those
circumstances where we had a Chief Minister resign, and actually Tynwald – all of Tynwald –
rallied around one individual who they thought would be the best person to take Tynwald
forward – and that person was Donald Gelling and that person was a Member of the Legislative
Council.

1595 Now, this of course would close off that option so you are closing off an option which would
be primarily led by the Keys – 24 Members of the House of Keys and nine voting Members of the
Legislative Council – but Tynwald as a whole rallied around a single individual there. That would
be denied to them, even if it was their will to do that again. So I wonder if the Hon. Member
could just square that circle for me in his summing up.

1600 One other thing – and it might be a minor thing, but it is something that did make me have
cause to reflect when I was thinking about the implications of this Bill – is about the
constitutional balance between the legislative and the executive Branches. We have to be
careful about vesting too much power in too small a group, and one of the things that would
happen here is we are talking about Ministers predominantly being from the House of Keys and
1605 we are then talking about requiring a two-thirds majority in order to have a vote of no
confidence in the Chief Minister. I think that makes the Chief Minister almost bullet proof
inasmuch as you would need at least a couple of Ministers to actually vote against their own
Chief Minister, and I do not know if that is entirely healthy either, in terms of that ability. It is a
very high hurdle and I do not know if that is an entirely healthy one. So that is why I think, again,
1610 the inclusion of Legislative Council in those wider numbers is a valuable asset.

Those were the points I wanted to make. I am not dead against this Bill; I think it is pre-
emptory in terms of – (*Laughter*) I have not found good answers to those questions. Now, if the
Hon. Member has, I want to hear them. I will not vote against it today but I do really want
serious answers and if I do not get serious answers to what I think are serious questions ... but I
1615 do think it is pre-emptory in terms of the work that is being done for Tynwald and, unless I do
get at least some nod towards the right answers, I might be voting against. I want the Hon.
Member to take the comments seriously and I think that might have been flushed out a bit by
public consultation.

1620 **The Speaker:** The Hon. Member for Douglas South, Mrs Beecroft.

Mrs Beecroft: Thank you, Mr Speaker.

1625 I will be supporting this today because I think anything that brings us greater democracy has
to be welcomed. My only comment really – and it is just a minor one – is when you have to have
16 Members of the House of Keys voting for a vote of no confidence to remove a Chief Minister.
I just worry that if we are in circumstances where there is possibly three empty seats, for
example, a two-thirds majority would actually be 15, and I am wondering whether it should be
two-thirds of the elected number at any given time because otherwise ... I do believe in a high
hurdle, as Mr Watterson called it, because it is a very serious step to take. But I am wondering if

1630 we are actually making it an even higher hurdle in circumstances where there are less elected Members in future possibly waiting for by-elections and things like that.

The Speaker: The Hon. Member for Douglas East, Mr Robertshaw.

1635 **Mr Robertshaw:** Thank you, Mr Speaker.

Perhaps I can help the mover with an answer to a question posed by the Hon. Member for Rushen where he tries to compare the process here with that of non-executive directors, and I was somewhat amused by that. Having gone through many an interesting AGM over my life, the idea that the shareholders might be content with the rest of the directors deciding who the non-exec directors should be and that those non-exec directors should then elect the chairman, I think, would cause more than a degree of amusement amongst the shareholders' world, as it should actually cause a degree of amusement and concern on the part of the electorate that they are so divorced from the process.

1640 So I think the Hon. Member's argument was more than just a little flawed.
1645 Thank you, Mr Speaker.

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

Mr Gawne: Gura mie eu, Loayreyder.

1650 Yes, just interested in the serious questions that my hon. colleague and friend for Rushen, Mr Watterson, was describing.

I think he has hit a point in relation to one of his serious questions and that is the majority. I think that is something that needs to be considered. Knowing that you would have to have at least one Member of the Council of Ministers to support the removal of the Chief Minister under the proposed vote of no confidence in the Chief Minister, I think, is an important issue which the hon. mover will have to consider.

1655 However, the rest of the serious questions I am not so sure about. I think the reality of the situation is that the public, not just in this country but all around the world, are becoming disaffected; they are becoming less and less interested in mainstream politics. And we in parliament – parliaments around the world, not just in this one, in Tynwald, the oldest parliament in the world – have a really big task ahead to try and reconnect with the public.

1660 One of the few ways that we can most directly connect with the public is to stand for election and to go out and talk to the public and actually get clarity from the public of what they actually think. Having done that – and those of us who do that and are successful, get elected – the first and probably most important thing we do is elect the Speaker. Obviously, that is the key role but then directly following on from that, perhaps the most crucial thing that we do is we vote in a Chief Minister.

1665 So 24 of us have a direct understanding from the public what the public want – an absolute, direct and clear understanding from the public. There are nine, by that stage, more experienced Members of Tynwald sitting in the Legislative Council who have not been out and asked the public what they think and do not have that same knowledge that we will all have directly after an election. Those nine have a significant influence because they are more experienced and they go around and they do influence the way in which, particularly bright-eyed and bushy-tailed newly-elected MHKs choose to vote.

1670 And it is possible. Certainly, I am aware of at least one occasion where Members of the Legislative Council have significantly altered a vote for Chief Minister. I think that is *part* of the problem that is driving people away from mainstream politics. It is not the whole problem. I certainly would not blame the Legislative Council for the woes of the whole of the developed world when it comes to that disconnect between mainstream politics and the public, but it is part, it is a symptom, of this disconnection and it is something that we really seriously must address.

1685 So I do support the Hon. Member in moving this Bill. I think it is a very timely Bill. I think that we can reasonably discount the concerns – well, I can certainly reasonably discount the concerns the Hon. Member for Rushen, Mr Watterson, has raised in relation to the influence of the Legislative Council. But I do think that there is an important point there in relation to the majority and I think the Hon. Member for Michael may wish to consider that and possibly accept some helpful amendments at some point.

1690 **The Speaker:** The Hon. Member for Douglas West, Mr Thomas.

Mr Thomas: Thank you, Mr Speaker.

1695 In the Minister for Rushen, Mr Watterson's, support I just wanted to say that what was very clear when Mr Watterson spoke was the reasons why he was thinking about voting against, and full respect to the Member for that. I would hope that anybody else who is thinking about voting against this at either this stage or the clauses stage will be equally clear in raising their concerns at this point and putting them down on *Hansard* because that is what this sort of place is for. It is for actually indicating to people what it is we are doing with their entrustment to be their representatives and having the judgement to make decisions on their behalf.

1700 The second point that I wanted to raise was in contradiction to what Minister Watterson, the Member for Rushen, says though, because as far as I am aware, there is not actually a minimum number of Ministers; there is a maximum but there is not a minimum inside the legislation. So, given what is going on in other parts of the review, it could be that that number of Ministers falls in coming months or years.

1705 Secondly, what we do have a minimum for is, we have a minimum number of departmental Members, political Members. We have to have one per Department and that could obviously change so that would have an effect on the way that this parliament works and the way that it interacts with Government and with the people that we represent. So nothing can be taken in isolation.

1710 Building on that, I just wanted to remind people that in July at the latest, if not earlier, we will have a full report about the workings of the Branches of Tynwald which will consider the passage of legislation. It will consider the role of MHKs and the role of MLCs. So we will not be going into the unknown, we will actually have somebody who has brought together the evidence submitted over the years and put it together for us in one place so that there will be better understanding, full credit to the Chief Minister and the Minister for Policy and Reform for that, for actually managing to complete that work. Not quite Winston Churchill doing it in six weeks, 1715 but at least they can claim to be Neville Chamberlain, at least coming back with a piece of paper for peace for our time inside this Tynwald Court, (*Laughter*) and let's see what happens when they come back with that paper. But that is the sort of place where we should be addressing the legislative process and the role of different Members.

1720 To me, the simple fact that the Equality Bill – probably one of the most important pieces of legislation that is coming into Tynwald Court, is going into the other place – actually profoundly changes the way that we are going about our business. That myth that Legislative Council is a revising Chamber is surely knocked on the head once and for all because how can you be a revising Chamber if you are seeing the legislation first? The Legislative Council is actually 1725 stepping up to the mark of being a 21st century player, to being a legislative committee considering legislation before it actually goes into the main Chamber. It is acting as a legislative committee as happens in Scotland and Wales and perhaps even in Jersey.

1730 So, yes, of course this Bill is transformational, potentially, but we have got the Tynwald inquiry going on and we have already got changing behaviours by the Branches of Tynwald Court.

That comes on to the final points I wanted to make which are really there are only two principles that matter at the minute as we make up our minds how to vote.

1735 The first principle is; are we well connected with our electorate? And it is with respect to the people who are thinking of voting against this. Name the parliaments anywhere else in the world – serious parliaments anywhere else in the world – where after an election a quarter of the people who choose the Chief Minister and the Council of Ministers are unelected? It does not happen in Ireland, it does not happen in Westminster. Name a place where it happens. So we have got to take that into account and the perception of our own people and people outside this Island of what it means.

1740 The second principle – and this is a phrase I termed back in January 2014 in the Modernising Ministerial Government debate – what we need to be doing is we actually need to be having a better programme of government in future administrations, more in line with what people have got the mandate for. I coined the phrase ‘mandate politics’ and what we need is a really good programme of government which can really create a government of national unity because it actually reflects the way that people have voted because politicians are being completely honest about what is important to them in terms of policies, what values they represent, what issues they are trying to deal with and exactly how they are going to go about dealing with those issues. Therefore the next administration will be much more secure if the Chief Minister and the Council of Ministers that come out of the Chief Minister’s election is actually secure in terms of having a mandate.

1750 Thank you very much, Mr Speaker, Hon. Members.

The Speaker: The Hon. Member for Douglas South, Mr Malarkey.

1755 **Mr Malarkey:** Thank you, Mr Speaker.

I had not really intended to speak on this. It goes without saying how much I am going to support this; it is something I have believed from the first day I came in to this Hon. House. I was absolutely flabbergasted that 24 Members, who had just had the mandate of the people, and then 31 upstairs were actually voting for the Chief Minister. Absolutely totally wrong in my opinion, Mr Speaker! Totally wrong!

1760 I think this is a move in the right direction. I did not get my referendum with regard to LegCo. Everyone well-knows my views on LegCo either being elected by the public or they could be diluted in what their job is, coming forward. (**A Member:** Hear, hear.) I believe this actually dilutes the job going forward. It is a step in the right direction, because the Chief Minister is going to get elected in here. If he is not in here, he cannot stand in the parliament.

1765 I think this is a small step in the right direction. I would urge Members in here, if you are thinking of going for re-election this year and you want to be on the doorstep, do not vote against this, because I will tell you, as somebody who has just come back – almost 12 months ago – from being on the doorstep, people are astounded with the fact that LegCo get to pick the Chief Minister as well as the House of Keys. They are actually astounded. When you talk to real people who are interested, they are going, ‘Well, we never knew that!’ They had absolutely no idea, Mr Speaker.

1770 I believe this is a major step in the right direction for democracy, for this parliament and moving forward. I know we are having a review, but we have reviews and what is going to happen? Maybe nothing in the next parliament. We have a chance here today and in the next coming weeks to move forward with pure democracy.

Please support this Bill today. I absolutely applaud Mr Cannan for bringing it forward.

1775 With regard to the two-thirds majority to oust the Chief Minister, I am quite happy with that number and I will let you know why: over the years, I have seen people coming in here after a lunchbreak and going for quick counts because there was not enough people sitting in the ... I have seen Governments doing it. ‘We will go for a quick count now, because some of the Members have not come back here and we will win at this stage.’ (**Mr Cregeen:** Queen’s Pier!) Well, yes, that was done in Tynwald – and Mr Gawne is remembering the time of doing it.

1785 But these things can be done. If you are only going to go for two thirds of those sittings, that is a very dicey game to be going forward. If it is going to be such an important vote – because someone is coming forward to try and oust the Chief Minister – I think people are going to come off their, almost, deathbed to get in here one way or the other to do the vote.

1790 So let us not have a flexible number that can be moved if somebody decides that they have to go away on business or they are going to come in late for one reason or another. I am very happy – it is a major decision – if you are going to oust a Chief Minister or put one in, you need to have two-thirds of the elected Members, which are 24. For that reason, I am more than happy to support this, Mr Speaker.

The Speaker: The Hon. Member for Ramsey, Mr Bell.

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Mr Bell: Mr Speaker, I only want to make a few comments about this. I think the principle behind this Bill is sound. It is something which is very hard to disagree with and argue against. But I do have a concern – and one or two Members have raised it – about the fact that there is already a review taking place as to what the role of LegCo is and, indeed, how Tynwald is constructed into the future.

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1805 Mr Speaker, the road to constitutional hell is paved with good intentions and I think we need to be very careful before we go down this route, to think through what the implications of all this are. On the surface it seems a very sensible, democratic choice, very simple: elected Members should have the direct responsibility for electing the Chief Minister. But, whether we like it or not, LegCo exists and until it ceases to exist, it will have a role to play in Tynwald. You cannot deny it that.

1810 This is where I was hoping that the report, which I hope will be back with Tynwald in June – July at the latest – will give us some clear pointers as to what the new shape of Government for the future will be. It could be, for example, we will be recommended to peruse a unicameral system. One which I say, myself, I do support. Then this issue will either become redundant or complicate matters. Until there is an overall plan for the structure and workings and relationships between the two Branches of Tynwald, which is the overall parliament of the Isle of Man, then we have to find a working arrangement between those two arms.

1815 This move is a very populist move which I am sure will attract the majority of people in this Chamber, but I would ask Members, before you charge off down this new direction, to think of the consequences. Sometimes experience does come into play; sometimes we do benefit from experience and the time to step back and take a second look at things. There are times when the role of Council has been helpful. I would just ask Members to bear that in mind before you rush headlong into constitutional changes which seem to be popular on the surface, which seem to be logical on the surface, but just think of what the consequences might be.

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1825 Until we get a complete reform of the overall structure of parliament, the overall structure of Tynwald, a clear understanding of what that new relationship is likely to be, it would be more helpful if we had seen all these various amendments coming together in a single debate so we could have an overall picture.

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

1830 **Mr Karran:** Vainstyr Loayreyder, it is not very often that I would agree with the sentiments about not doing something because it is popular. I think the point is it is not about being popular, it is about what is right.

In my opinion, the situation is that, as legislators ... If the whole idea of trying to have a modern democracy is about the separation of power, we battle hard to get the judiciary away from when they were not allowed to prosecute Government Departments; we have not managed to split the differences between the role as far as the executive is concerned and the

1835 parliament. That is why we had the absurdity in the last House – where I was the only Member
of parliament that was not in the Government. How can parliament –

The Speaker: Hon. Member, (**A Member:** *Manx Radio!*) for the record, the presiding officers
are not in the Government. (**A Member:** Hear, hear.) Please let that be noted.

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Mr Karran: Yes, absolutely – but the point is that presiding officers would not last very long if
they did not have executive people –

The Speaker: Hon. Member, that is a quite uncalled for comment of opinion.

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Mr Karran: Okay, that is fair enough, Vainstyr Loayreyder.

The Speaker: Please stick to the subject.

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Mr Karran: The situation is the fact that what we need to look at, as far as this Bill is
concerned, is about creating the environment. Legislators are there to create the environment,
so that we do not end up with a toxic environment as far as the economy is concerned; so that
we do not end up with a toxic environment as far as providing the public services that need to
be provided for.

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I believe that the situation is that this is not about being populist; it is about doing what is
right. In my opinion, what is right is the fact that the Lower House ... Like the Hon. Member for
West Douglas said, where else would you find potentially a third of your Members – if not over a
third – being able to vote on whoever is going to be in Government, and they have no mandate
outside this House?

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Now the situation is: I was around when the Donald Gelling situation happened. That was
because of other things happening before that, when we pleaded about the problems that were
going on at the time, and Donald lost his Chief Ministership. But I think Members need to realise
that we do need a role, as far as the MLC is concerned; the MLCs need to be a different role than
executive function. We have a Public Accounts Committee that needs to be more robust and
separated from the role, as far as executive Government is concerned.

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Hon. Members, if we support the *status quo* I believe we will do a disservice, not only just to
the issues of democracy but also to the fact that we need to change. We cannot afford to run
things how we have run things in the past. I believe that one of the problems that we have at the
moment – the reason why we have seen the biggest economic boom not being successfully
handled how it should have been – is the fact that we have a situation where there is no proper
audit in the executive function, as far as one of the strands, as far as Government is concerned.

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So I hope Hon. Members will not see this as being populist, because I believe that what we
have got to do, is do what is right. I believe that the Hon. Member for Michael deserves the
support of the Second Reading – and let people put their amendments to it, because at the
moment we are not talking about tinkering; this is something that has been talked about for the
last 20 years. There are other issues that need to be addressed, in my opinion, as far as this Bill is
concerned.

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I hope I have not affected the chances of the Hon. Member for Michael to get this Bill
through with Second Reading, but I do feel it is important to realise the people who vote for this
Bill are not doing it because of popularity. They are doing it because it is right.

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The present system has failed. It has failed the people outside this Chamber, allowing for the
biggest economic boom. I believe this is a stumble in the right direction, and then maybe we can
get away from the absurdities that we have seen at the present time: when you look at the
Public Accounts Committee where everybody is on a Government Department. We need to put
the good systems in Government.

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I believe that this is a stumble in the right direction and I hope Hon. Members will not be attacked for having the decency to say the environment we have got at the moment, as far as how good governance does not work, this will be one of the stumbles in the right direction.

1890 I hope Hon. Members will support this and what I hope is – like so many other things in this House – it is on record for when people come back looking at why things did not work, they can at least see the pointers were pointed in the right direction.

The Speaker: I call on the mover to reply, Mr Cannan.

1895 **Mr Cannan:** Thank you, Mr Speaker.

I am going to try and deal with some themes that have arisen from the various speakers.

1900 Let me just start actually by picking up on a comment from the Hon. Member for Onchan, Mr Karran: 'It is not about being popular; it is about being right'. (**Two Members:** Hear, hear.) Why is it that every time somebody moves something that is good for democracy, wholesome in its integrity, right for the people of the Isle of Man, it gets slammed by the Government as being a populist move? (**A Member:** The Government?) Let us, for once, do something that is right for the people and that the majority of people support.

1905 Now, the Hon. Member for Rushen says and suggests that we need to go out for public consultation. Well, I would suggest that the Hon. Member, Mr Malarkey, has hit the nail on the head. We should be in touch with the people to know what they want and I can tell you, you go out for public consultation, people will actually have the Legislative Council scrapped, never mind retained! We know that and yet so many people in here are constantly arguing this way and that about their different views.

1910 The majority of people ... and I was with some members of the private sector on Friday who were just incredulous that the Legislative Council existed at all and felt that the whole thing served absolutely no good purpose and was tantamount to a scandal, given the current financial circumstances. So I would suggest there is no need for a public consultation. We know absolutely that the public wants change. In supporting this Bill, we will actually start to see some sensible change in terms of restoring the primacy of the elected Members of Tynwald to elect and influence the outcome of the Chief Minister's vote.

1915 I want to thank Mr Singer for his seconding of the motion. He says, 'This is a small but important step' and I concur with him on that.

1920 The Hon. Member for Rushen also talks about the Legislative Council being 'non-executive directors'. Well, I am not sure what planet he lives on, but the public would be horrified to hear him describing the Legislative Council as 'non-executive directors' as if somehow the Chamber, the House of Keys, are incompetents who need another body sat above them to guide and direct them in terms of what they are doing. If the Hon. Member thinks the Legislative Council are non-executive directors, it is no wonder nothing has happened in this Chamber for many years to alter the balance of power and restore what most people would regard as a common sense move in restoring the primacy of the House of Keys in these difficult times, and in particular setting out steps for reform.

1930 The Minister does raise, I think, a point that was picked up by his colleague from Rushen about the majority. In fact a couple of Members, including the Hon. Member for South Douglas, Mrs Beecroft, questioned this issue of having 16 Members or more – or two-thirds – to remove the Chief Minister, and questioned that this would involve probably, most likely, a Minister being involved in such a vote. Well, I accept that and that was one of the reasons I set it at two-thirds, because actually this is not a vote to be taken lightly. Therefore, a serious vote is likely to involve a Minister from within the Council of Ministers and I would have thought that at least one Minister would be involved in such a vote to give it enough status and weight.

1935 The other reason – and why I have set it at 16 – is to ensure that it is a serious vote that requires everybody to be present. Again, as the Hon. Member for South Douglas, Mr Malarkey, insinuates, this is not something that you want to fudge or fiddle somehow by having people

conducting a vote, knowing that perhaps certain Members are going to be absent, or forcing the issue in such a way and manipulating it in such a way that it does not carry the full weight of seriousness.

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So whilst I am happy to look at some potential amendments, I would caution those bringing forward amendments on that side, that we cannot devalue this, and that by simply having a two-thirds majority of the people available in the House, they do run a serious risk that that process becomes regarded as unrecognisable or does not carry the weight necessary for such a process to be recognised. That could be used both ways: either by the existing Chief Minister who was fighting such a vote, or by the party or persons bringing forward such a vote.

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So I hope that when I am speaking to the Hon. Minister for Infrastructure who raised that same issue, I was giving him some reassurance there: yes, whilst it will be a difficult decision for any Minister to join a vote, that is the purpose of having a two-thirds majority rather than a simple majority. Also, it removes this element ... Were, for example, a Chief Minister to be elected ... or the House of Keys to come into force where, say, there were 13 sensible Members and, let us say, 11 from the Liberal Vannin Party in the House, (*Laughter*) again it is a protection mechanism to ensure that a small issue cannot suddenly result – or one controversial or unpopular decision – in a vote of no confidence being called, and a populist move in that particular case to get rid of somebody. So this is all about creating the seriousness of such a vote.

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Mr Speaker, I thank those who have supported it. I think the Chief Minister feels we are on the road to constitutional harm. I fundamentally disagree with him. We can wait; we can kick this down the road. We can wait for a report and there will be lots of handwringing and nothing will actually probably change.

1960

I think, fundamentally, at times there is a need to take decisions that show the necessary leadership, that take decisions for the right reasons – not the populist reasons – and that we set out and we give a platform. Because this is what it will do: it will give a platform for the next House of Keys, the next Chief Minister and his or her Council of Ministers to actually bring in some proper reforms to the legislative process which are likely to arise from this report that we are going to see in June or July.

1965

So, with that, Mr Speaker, I beg to move the Second Reading.

The Speaker: Hon. Members, I put the motion that the Council of Ministers (Amendment) Bill be read for a second time. Those in favour, please say aye; against, no. The ayes have it.

1970

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

FOR

Mrs Beecroft
Mr Bell
Mr Boot
Mr Cannan
Mr Cregeen
Mr Gawne
Mr Hall
Mr Harmer
Mr Joughin
Mr Karran
Mr Malarkey
Mr Peake
Mr Quayle
Mr Quirk
Mr Robertshaw
Mr Ronan
Mr Shimmin
Mr Singer

AGAINST

None

Mr Skelly
Mr Teare
The Speaker
Mr Thomas
Mr Watterson

The Speaker: There are 23 votes for, none against – carried unanimously.

5. BILL FOR THIRD READING

5.1. Marriage and Civil Partnership (Amendment) Bill – Third Reading approved

Mr Bell to move:

That the Marriage and Civil Partnership (Amendment) Bill 2016 be read a third time.

[formerly the Marriage (Same Sex Couples) Bill 2016]

The Speaker: Bill for Third Reading: the Marriage and Civil Partnership (Amendment) Bill. I call on the mover, the Hon. Member for Ramsey, Mr Bell.

1975 **Mr Bell:** Mr Speaker, a Bill of this nature was always going to attract a lively debate but I would like to thank all Members for their fair and balanced contributions to that debate.

There were no outstanding questions remaining to be answered after the clauses stage, but I would like to reiterate the main points of the Bill for clarification. It will allow same-sex couples to be married in the Island by way of a civil ceremony, and in law those marriages will be equivalent to the marriages of opposite-sex couples.

1980 The Church of England and marriage according to its rites is entirely excluded from the scope of this Bill. It will permit the marriage of same-sex couples, according to religious rites and usages of other religious organisations if – *and only if* – the governing authority of such an organisation has opted into that process. (**A Member:** Hear, hear.) It provides that there will be no obligation or compulsion on religious organisations or individuals to carry out or participate

1985 in the religious marriage ceremony of the same-sex couple.
It makes some consequential amendments to the Sharing of the Church Buildings Act.
It allows recognition in the Island of the marriages of same-sex couples that were lawfully entered into outside the Island.

1990 It amends the Matrimonial Proceedings Act 2003 to provide for same-sex couples to be able to divorce, and it amends the Civil Partnership Act so that those couples who wish to do so can in fact convert their civil partnership into a marriage.

Finally, it now extends a right to civil partnership to heterosexual couples on the same basis as homosexual couples.

1995 Mr Speaker, I beg to move the Third Reading of the Marriage and Civil Partnership (Amendment) Bill.

The Speaker: Hon. Member, Mr Shimmin.

2000 **Mr Shimmin:** I beg to second and reserve my remarks.

The Speaker: Hon. Members, I put the motion that the Marriage and Civil Partnership (Amendment) Bill be read for a Third Time. Those in favour, please say aye; against, no. The ayes have it.

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

FOR

Mrs Beecroft
Mr Bell
Mr Boot
Mr Cannan
Mr Cregeen
Mr Gawne
Mr Joughin
Mr Karran
Mr Malarkey
Mr Peake
Mr Ronan
Mr Shimmin
Mr Singer
Mr Skelly
The Speaker
Mr Thomas
Mr Watterson

AGAINST

Mr Hall
Mr Robertshaw
Mr Teare

2005 **The Speaker:** There are 17 votes for, 3 votes against. The motion therefore carries.

Mr Karran: It is very handy being out the room.

2010 **The Speaker:** Hon. Members, that concludes the business of the House today. The House will now stand adjourned until the next sitting which will take place at 10.30 a.m. on 15th March in Tynwald Court.

The House adjourned at 12.05 p.m.