


BUDGET 2024

FOR OUR FINANCIALLY SUSTAINABLE FUTURE



Isle of Man
Government

Reilys Eilan Vannin

GD 2024/0001





Isle of Man
Government
Reillys Ellen Vannin

2024-25 Budget



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1. INTRODUCTION FROM THE MINISTER – BUDGET 2024-25

For our financially sustainable future

The 2023-24 financial year has seen the previous high rates of inflation gradually reducing but remaining at a higher level that has been seen in the recent past. This has led to ongoing pressure on the cost of living, energy costs and general expenses for individuals, companies and Government.

There continues to be conflict in Ukraine and more recently the Middle East but the wider global economic turmoil has settled to an extent and there is evidence that raw material costs have started to reduce to more normal levels.

The Island's economy has continued to perform strongly despite facing another year of uncertainty, which is a testament to the resilience of our community and business sectors in the face of challenge.

Where required, the Isle of Man Government and Treasury have continued to provide support to individuals, companies and Government departments to enable them to deal with cost pressures.

The coming year is expected to see inflation gradually subsiding but remaining at a higher level than the pre-pandemic trends. As a result, it is expected that Government departments will continue to face cost pressure and strong budgetary control will be key in delivering the Medium Term Financial Plan and reducing the previous reliance on internal funds and reserves.

This budget includes significant uplifts totalling £59m in the budgets for healthcare and education, to ensure that vital public services are protected and enhanced. It is vitally important that our community sees the benefit of this investment, experiencing better service provision and outcomes for pupils and their families, patients and staff across the public sector who provide such essential front-line services.

The Government's capital programme will focus on completing ongoing schemes and maintaining key assets.

The review of the National Insurance system continues and the results will be brought forward later this year.

There are still significant opportunities for the Isle of Man which we must seek to capitalise on. The focus will continue to be on delivering the aims and objectives of Our Island Plan and the Economic Strategy to ensure that the Isle of Man remains an attractive and financially prosperous place to live and work.

Yours truly,

Hon Dr Alex Allinson MHK

Minister for the Treasury



2. BASIS OF PREPARATION

For the coming year, departmental budgets have been rebased to take account of the inflationary pressures that have been felt during the prior year.

The higher rate of income tax will be increased by 2%, from 20% to 22%, with this increase being ring-fenced to address the previously identified health care funding gap.

Departments have been tasked with identifying and implementing cost improvement plans to ensure that the Medium Term Financial Plan is delivered.

Uncertainty continued during the 2023-24 financial year, albeit to a lesser extent than the previous three years. There remains a level of uncertainty going forward but this is expected to present a much lower level of risk.

The Medium Term Financial Plan recognises this with assumptions, including inflation, returning to pre-pandemic expectations for the later years presented.

The assumptions applied in respect of income budgets are in line with the measures being introduced during the coming year and are consistent with the forecast levels of inflation. The income budgets are expected to be challenging but ultimately achievable and going forward have been increased to keep pace with inflation.

Further transfers from the General Reserves are required to support the capital programme, however they reduce over the period of the Medium Term Financial Plan and the central Government capital programme will be fully funded from revenue from the 2027-28 financial year. This is in line with the Medium Term Financial Plan as presented in the 2023-24 budget.

Treasury will continue to monitor the ongoing positions of departments during the coming year and will seek to take measures where forecasts indicate that department spend is off-track against the allocated budget.

The assumptions applied within the Medium Term Financial Plan continue to be prudent however, budgets remain challenging and strong budgetary control will be required in order to deliver this plan.



3. OVERALL FINANCIAL SUMMARY FOR REVENUE AND CAPITAL

3.1 Government Revenue Forecast 2024-25 to 2028-29

In accordance with the Treasury Act 1985, the Treasury is pleased to present the revenue forecast for the Isle of Man Government for the financial year 2024-25, together with indicative financial projections for the following four years to 2028-29.

TABLE 1 – Government Revenue Forecast 2024-25 to 2028-29

GOVERNMENT REVENUE FORECAST 2024-25 TO 2028-29							
Budget 2023-24	Probable 2023-24	£000	Provisional Budget 2024-25	Indicative financial projection			
				2025-26	2026-27	2027-28	2028-29
1,204,880	1,270,017	Income	1,339,146	1,406,766	1,449,560	1,496,612	1,542,152
1,203,963	1,274,002	Expenditure	1,338,180	1,405,714	1,448,910	1,495,687	1,541,359
917	(3,985)	Surplus/(Deficit)	966	1,052	650	925	793

3.2 Government Capital Forecast 2024-25 to 2028-29

The summary Capital Account for the financial year 2024-25 is shown below, including details of expected receipts and payments (based on adjusted expected capital expenditure levels). Provisional projections are provided for the following four years to 2028-29.

The Capital Programme is presented on an estimated delivery basis, as explained further within Section 5.6.

TABLE 2 – Government Capital Forecast 2024-25 to 2028-29

GOVERNMENT CAPITAL FORECAST 2024-25 TO 2028-29							
Budget 2023-24	Probable 2023-24	£000	Provisional Budget 2024-25	Indicative financial projection			
				2025-26	2026-27	2027-28	2028-29
4,663	4,632	Receipts	27,217	47,717	60,217	78,717	79,217
85,000	101,377	Payments	85,000	85,000	85,000	85,000	85,000
(80,337)	(96,745)	Surplus/(Deficit)	(57,783)	(37,283)	(24,783)	(6,283)	(5,783)
26,035	33,475	Capital Balance B/F	5,230	6,447	7,164	8,881	11,598
(80,337)	(96,745)	Surplus / (Deficit) on Capital	(57,783)	(37,283)	(24,783)	(6,283)	(5,783)
10,000	20,000	Account	10,000	-	5,000	9,000	-
48,500	48,500	Transfer from External Reserve	44,000	28,000	16,500	-	-
-	-	Transfer from General Reserve	5,000	10,000	5,000	-	10,000
-	-	Transfer from General Revenue to CLF	-	-	-	-	-
4,198	5,230	Capital Balance C/F	6,447	7,164	8,881	11,598	15,815



4. 2024-25 BUDGET HEADLINES

OVERVIEW

- Updated 5 year indicative plan forecasts reduced drawdowns from reserves to fund revenue and capital
- Provision made to address previous health care funding gap
- Total capital programme of £101.3m for 2024-25 and £429.5m across five years to 2028-29
- Plan remains to fund CFR Capital Programme from General Revenue income by 2027-28
- Inflationary pressures remain and focus must be on budget management and control

REVENUE INCOME

- Revenue targets generally increased by 5.7% in line with inflation
- Income tax revenue increased due to specific measures being introduced for 2024/25
- Customs & Excise income growth based on current agreed FERSA rate with some prudence
- Government income assumed to continue to grow steadily over the period of the indicative financial plan

REVENUE EXPENDITURE

- Department budgets have been rebased to take account of prior year inflation
- Rebased budgets further uplifted - pay related costs and non-pay related costs
- Increases to DHSC and DESC budgets of £41.2m and £18.3m respectively
- Funding arrangements have been reviewed and included in base budgets to reduce level of internal fund claims

BENEFITS

- Benefits increased in line with Isle of Man/UK CPI at September 2023
- 15% uplift in maternity, adoption and paternity allowances
- Basic state pension increased by 8% and Manx state pension increased by 8.5% (triple lock)
- Alignment of child benefit for second and subsequent children to rate applicable for the first child in a family

CAPITAL BUDGET

- Full CFR Capital Programme of £68.9m and CLF Capital Programme of £32.4m for 2024-25
- CFR Capital Programme of £274.7m and CLF Capital Programme of £154.8m over five year financial plan
- Focus on delivering ongoing schemes and maintenance of assets
- Capital inflation budget still available to assist with continuing inflationary pressure

INTERNAL FUNDS

- Remaining balance of the Economic Strategy Fund available to continue to support delivery of the Economic Strategy
- Increases to existing funds including the Agriculture and Forestry Fund, Healthcare Transformation Fund, Legal Costs Reserve, Medical Indemnity Fund and the Project Development Fund

TAXATION

- Increase to higher rate of personal income tax to 22%, 2% increase ringfenced for healthcare funding
- Tax rate for some banks and large retail businesses will temporarily increase from 10% to 15% for 2024-25



5. THE FIVE YEAR FINANCIAL PLAN

5.1 Summary

The budget for 2024-25 is presented along with the indicative financial plan for the subsequent years through to 2028-29.

The plan has been based on a relatively stable economic environment **with** assumptions on inflation returning to be in line with long term trends in the medium term.

The Government spending plans continue to seek to deliver the aims and objectives of 'Our Island Plan' and also the Economic Strategy.

Our Island Plan has the following five overall themes:

- Building great communities
- An Island of health and wellbeing
- A strong and diverse economy
- An environment we can be proud of
- Outstanding lifelong learning and development opportunities for all

As noted in the prior year, the Economic Strategy links closely into these themes:

- Shape of the economy: 5,000 new jobs across new, enabling and existing key sectors by 2032, reaching an overall GDP of £10bn
- Infrastructure and services: Further develop the infrastructure and services of our community to plan for an estimated population of 100,000 by 2037
- Public finances: To generate over £200m of additional annual income to reinvest in services and quality of life by 2032
- Sustainability: Substantially decarbonise the services part of the Island's economy by 2030, supporting an overall reduction of 35% in the Island's greenhouse gas emissions

The Economic Strategy Fund continues to be available in order to support the delivery of the Economic Strategy.

Delivery of the financial plan will achieve the previously stated aim of reducing the reliance on the use of reserves to fund Government spending.

A key focus of Treasury remains to grow Government income and to create a sustainable financial base, reducing the use of reserves and allowing these balances to grow once again.

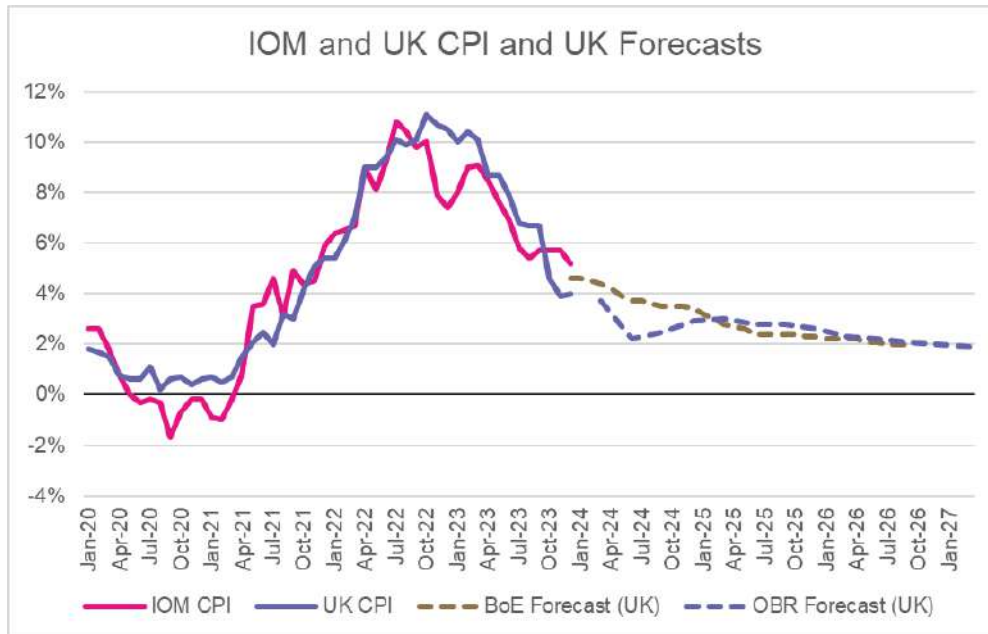
It is recognised that this financial plan will continue to be challenging but it is imperative that Government adheres to this plan in order to achieve the goals stated above. This will require strong budgetary control to be exercised with a focus on controlling costs as much as possible in all areas.



5.2 Economic Overview

5.2.1 Inflation and Monetary Policy

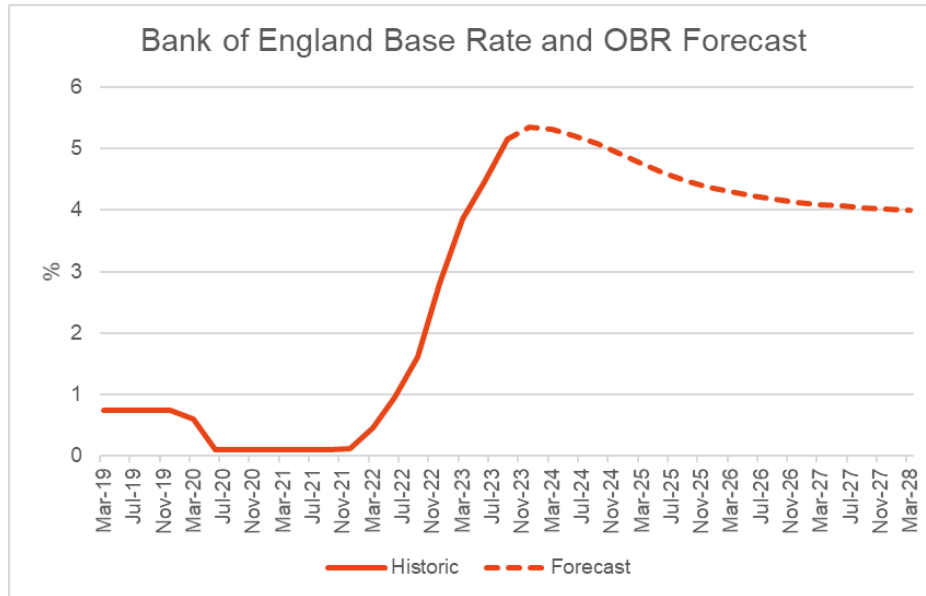
The cost of living pressures experienced in 2022 have persisted throughout much of 2023, with a gradual easing of inflationary growth in prices. The very high annual inflation rates – exceeding 10% during 2022 – have motivated Central Banks around the world to raise interest rates in order to bring inflation down to their respective targets.



Sources: Office of Budget Responsibility (OBR) forecasts sourced from November 2023 Economic and Fiscal Outlook Report; Bank of England (BoE) forecasts sourced from February 2024 Monetary Policy Report; Historic UK data sourced from Office of National Statistics (ONS); Historic IOM data sourced from Statistics Isle of Man.

In the UK, the Bank of England has raised interest rates to above 5%, after many years of exceptionally low rates. This has had impacts on controlling inflation, which in the UK has fallen below 5% (CPI), and has had wide-reaching impacts on the wider economy. A particular area felt by many has been the impact on borrowing rates, with mortgage applicants facing much higher costs than have been experienced in many years.

Given the persistence of inflation in the UK economy, indications are that relatively ‘tight’ monetary policy will remain in place for the time being, with a return to the low interest rates seen pre-2022 being unlikely for the foreseeable future.



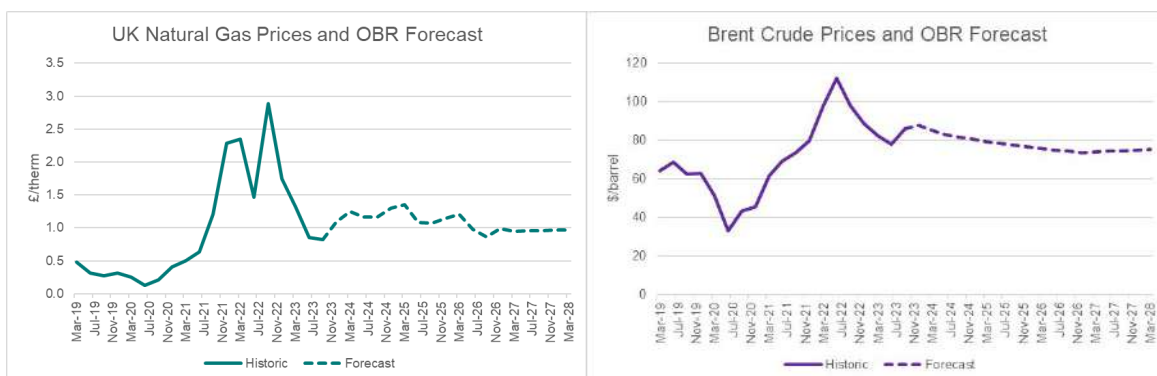
Source: Office of Budget Responsibility November 2023 Economic and Fiscal Outlook Report

5.2.2 International Factors

In terms of the underlying components of the inflation rate, many commodities and energy prices have stabilised or fallen over the course of 2023. Natural Gas prices – a key focus during 2022 – have stabilised at a level far below the peaks seen in Autumn 2022, but still 2-3 times as high as the pre-pandemic trend, while remaining volatile. Crude Oil prices fell during early 2023 however have risen recently on the back of supply constraints and conflict in the Middle East.

Global growth has been subdued in 2023. In isolation this will put downward pressure on commodity and energy prices. While US growth has been fairly strong, European and Chinese growth rates are behind pre-pandemic trends.

Heading into 2024, monetary policy is expected to continue to suppress growth potential in the UK, while inflation is expected to continue to gradually subside.



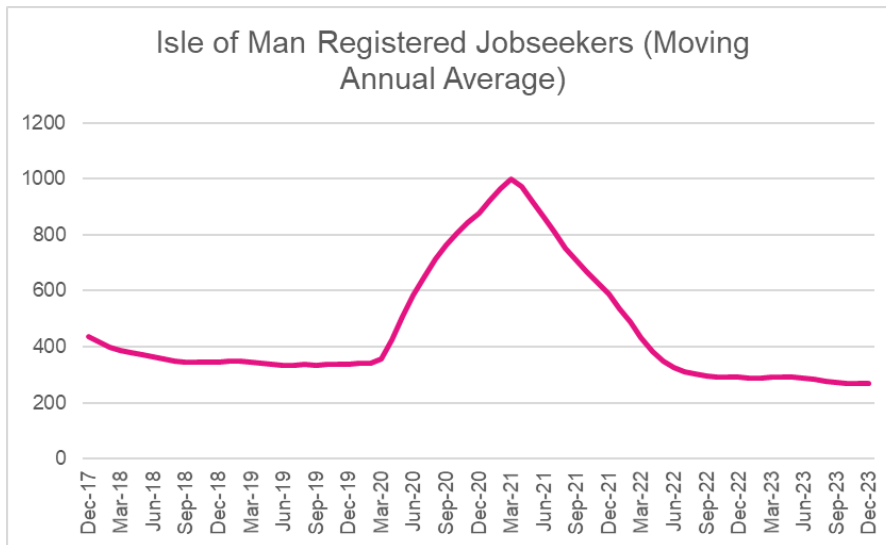
Source: Office of Budget Responsibility November 2023 Economic and Fiscal Outlook Report

5.2.3 Isle of Man Economy

The Isle of Man has continued to see a very tight labour market, defined by very low unemployment and high numbers of vacancies. The UK has observed some loosening of the labour market and there is some evidence of similar loosening taking place in the Isle of Man, although it is not conclusive. Despite this, there remain around 300 registered jobseekers and



around 1,000 vacancies, illustrating the disconnect between the growth ambitions of businesses and available labour.



Source: Social Security Division



Source: Statistics Isle of Man

The Isle of Man inflation rate remains high, and is somewhat disconnected from the UK rate due to different regimes around energy pricing: UK energy prices are determined by the Ofgem price cap, while in the Isle of Man the Manx Utilities Authority electricity price freeze (and subsequent stepped increase in prices) is impacting on the inflation rate. Once the impact of this stepped change is more than a year in the past, this upward pressure will reduce. In other areas, the Isle of Man’s inflation rate will likely be strongly influenced by UK and international cost factors, including energy prices and underlying inflation in UK goods and services.

A number of risks remain to the Island’s economy, including general trends such as ongoing business consolidation and rationalisation, along with changes in the international environment such as countries’ implementation of minimum corporate taxation rules, which has the potential to impact the Island’s competitiveness.



Cost of living pressures remain acute in a number of sectors, particularly for those in the domestic economy exposed to both higher input costs and reduced customer spending power.

The emergence of new technology during 2023 – especially generative Artificial Intelligence (AI) and Large Language Models (LLMs) – has the potential to impact the Island’s economy in far reaching ways, although implementation of this technology remains at an early stage. It may be expected that some jobs could be at risk from technological advancement however, the successful implementation of productivity improvements will be essential for the Island to keep pace in the modern world economy, especially in the context of limited labour supply and low unemployment. Improving productivity remains a key focus for the implementation of the Economic Strategy as identified in the Big Picture research.

5.2.4 Impact of Budget Measures

Income Measures

This budget sets out an increase to the higher rate of income tax, from 20% to 22%. While an increase to income tax rates in isolation could affect the Island’s attractiveness as a place to relocate to, other factors such as environment, safety, family links, and specific job opportunities are potentially more prominent decision points for inward and outward migrants than tax rates. The overall change in tax rates is relatively small compared to salary and take-home pay movements that are being driven by the inflationary environment.

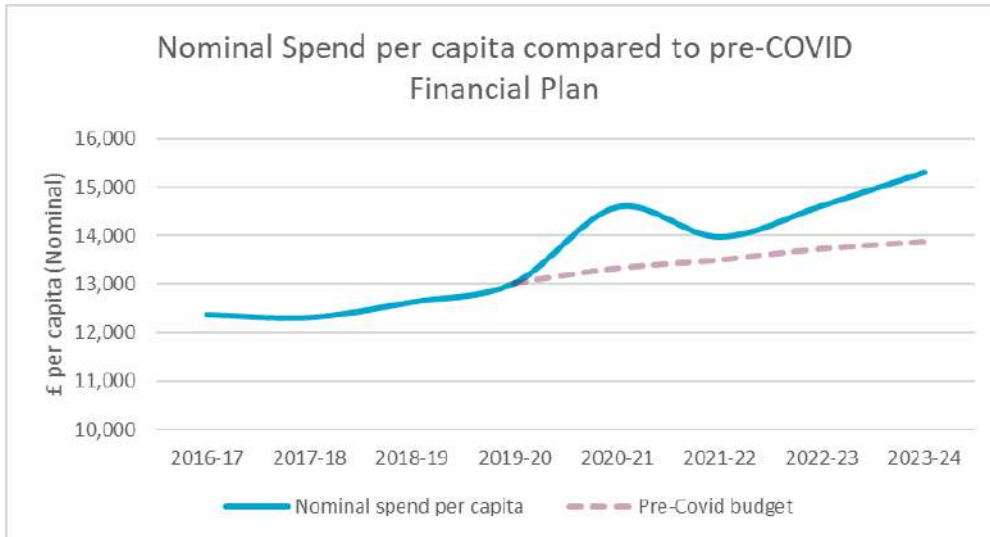
Compared to the UK, the Isle of Man will continue to offer competitive rates of income tax, especially at higher levels of income. Continuing to invest in infrastructure (including housing) and public services (including healthcare and education) through the Economic Strategy will remain a key factor in ensuring the Island remains an attractive place for relocating workers.

Expenditure Measures

The additional income generated through taxation measures is intended to support the delivery of health and care services.

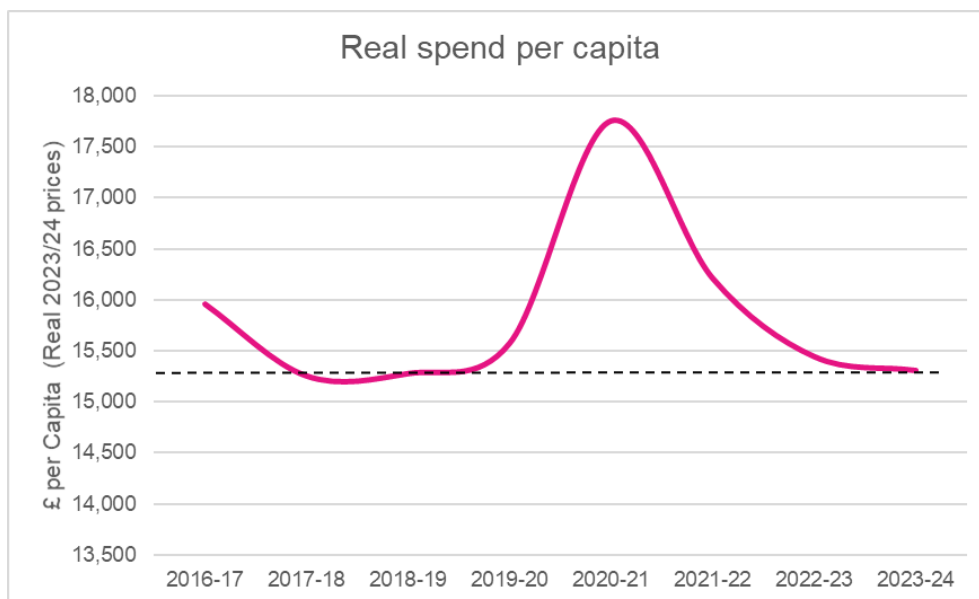
A significant proportion of Government spending is recycled into the local economy. Including Manx Care and the Department of Education, Sport and Culture, total public sector headcount is around 8,500. Previous analysis of Isle of Man household spending suggests around 80% of spending is retained on-Island. For other expenditure categories, some will be recycled into the local economy (such as the purchase of local goods and services), while some will ‘leak’ off-Island. Estimates of vendor spend by Government are that around 52% of spending is on-Island. These figures suggest a significant amount of retained spending in the Island’s local economy.

In terms of spend per capita, the below chart shows total expenditure divided by the total population since 2016. It also shows a comparison against the forecast budget position in 2020-21 (dashed line). The budget for that year was delivered before the financial impact of the Covid pandemic was known and shows the large gap between the pre-Covid forecast and the outturn. The lower forecast spend in years 2022 to 2024 will be influenced by the high inflation seen in 2021 to 2023, which wouldn’t have been anticipated pre-Covid.



Source: Isle of Man Treasury (Expenditure before Reserves Transfers); Pre-Covid budget sourced from Pink Book 2020/21 (February 2020)

Taking this inflation into account and normalising to 2023-24 prices, the below chart shows the clear real-terms increase in spending that took place during the pandemic (around +15% increase), along with the subsequent reversion to the levels seen in 2018-19. This spending rose to around £15,300 per person in 2023-24 (expressed in 2023-24 prices).



Source: Isle of Man Treasury (Expenditure before Reserves Transfers); Population estimated from Census data and Statistics Isle of Man Population Report 2023

Overall Government income in the 2024-25 financial year is budgeted to be £134m higher than the 2023-24 budget. This represents an 11% increase in nominal terms (not adjusted for inflation). Expenditure after reserve transfers is also budgeted to be £134m against the 2023-24 budget, again representing an 11% increase. Some of this expenditure is being supported by the use of reserves. This overall expenditure equates to over £16,000 per person when expressed in 2024-25 prices.



5.2.5 Economic Strategy

The Economic Strategy was approved by Tynwald in November 2022 and was subsequently incorporated into the Island Plan. The Strategy includes key ambitions of growing jobs, building infrastructure and services, growing Government income, and decarbonising the service economy.

The Strategy is supported by an initial £100m Economic Strategy Fund, with Government funding intended to leverage private sector investment. Major funding announced in 2023 included Island Infrastructure Scheme applications for brownfield site regeneration, support for the Built Environment Reform Programme, and numerous initiatives being delivered by the DfE.

Key highlights of performance of the strategy since 2022 Q3 include:

- Employed persons has increased by +700 (+2%) in the year to 2023 Q3;
- Filled jobs have increased by +1,500 (+1%) in the year to 2023 Q3, 588 of which are estimated to have been directly supported through DfE Executive Agency activity;
- 3 privately-owned brownfield sites are being supported for redevelopment through the Island Infrastructure Scheme, alongside the Manx Development Corporation's plans for 170 homes and commercial developments;

Population figures produced by Statistics Isle of Man up to March 2023 show that since the 2021 Census:

- The population has grown by +461;
- Net migration has been +996, with inward migrants on average younger than outward migrants

The change in population along with the change in employment suggests a likely high level of economic activity from inward migrants and/or a low level of economic activity for outward migrants (e.g. students, retirees). This is one potential driver for higher employment growth vs population growth, along with more people who are already on-Island becoming economically active. This includes people who were previously unemployed, underemployed, out of work for incapacity/sickness reasons, looking after home/family, or retired.

The delivery of the Economic Strategy will remain the main focus of the Economic Strategy Board, alongside monitoring the economic risks and opportunities facing the Island.

5.3 Revenue Account

Table 3A overleaf presents a summary of the projected five year financial position.

The table includes a budget for 2024-25 and indicative financial projections for the financial years 2025-26 to 2028-29.



TABLE 3A – Five Year Financial Plan

FINANCIAL PLAN 2024-25 TO 2028-29								
£000	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
GROSS INCOME								
Treasury Income								
Customs and Excise	451,929	440,673	439,279	458,027	471,943	485,121	501,857	516,170
Income and Other Taxes	274,968	278,765	321,620	367,150	401,522	412,615	430,896	449,771
Other Treasury Income	11,761	10,406	12,250	11,319	11,602	11,892	12,189	12,494
Other Income								
Departmental Fees and Charges	134,690	139,845	141,897	148,535	152,109	155,770	159,519	163,360
Employee Pension Contributions	38,453	35,776	36,991	39,067	39,848	40,645	41,458	42,287
SUB-TOTAL	911,801	905,465	952,037	1,024,098	1,077,024	1,106,043	1,145,919	1,184,082
NI Operating Account	306,499	299,415	317,980	315,048	329,742	343,517	350,693	358,070
TOTAL INCOME	1,218,300	1,204,880	1,270,017	1,339,146	1,406,766	1,449,560	1,496,612	1,542,152
GROSS EXPENDITURE								
Employee Costs	420,817	426,270	457,425	489,814	502,615	517,442	532,771	548,622
Employer Pension Contribution	44,788	52,376	49,119	60,372	61,979	63,853	65,792	67,799
Pension Costs (net departmental)	75,436	78,640	84,006	80,707	83,411	83,779	84,126	84,452
Total Pension Costs	120,224	131,016	133,125	141,079	145,390	147,632	149,918	152,251
Non-Employee Costs	282,872	304,810	334,734	328,663	339,783	345,541	354,985	365,610
NHS Allocation	(43,334)	(45,065)	(50,500)	(52,669)	(54,740)	(56,897)	(59,143)	(61,481)
NI Fund - Health and Care	(8,249)	(8,542)	(8,542)	-	-	-	-	-
Total Non-Employee Costs	231,289	251,203	275,692	275,994	285,043	288,644	295,842	304,129
NI Funded Payments	289,957	296,422	308,222	323,358	332,415	341,523	350,929	360,644
Revenue Funded Welfare Payments	85,665	85,059	78,780	87,745	89,424	91,175	92,963	94,787
Bond Repayment Sinking Fund	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Transfer to Capital Financing Reserve	20,000	-	-	20,000	40,000	52,000	70,000	70,000
Transfer to Consolidated Loans Fund	-	-	-	5,000	10,000	5,000	-	10,000
Housing Reserve Fund Expenditure	496	1,900	1,900	2,735	2,735	2,735	2,735	2,735
Transfer to Internal Funds	-	7,500	7,500	-	-	-	-	-
Internal Fund Expenditure	58,481	78,600	40,304	32,250	27,250	22,250	22,250	22,250
Total Expenditure pre Reserves Transfers	1,230,429	1,281,470	1,306,448	1,381,475	1,438,372	1,471,901	1,520,908	1,568,918
Transfer from Internal Funds	(58,481)	(78,600)	(40,304)	(32,250)	(27,250)	(22,250)	(22,250)	(22,250)
Housing Reserve Fund	(496)	(1,900)	(1,900)	(2,735)	(2,735)	(2,735)	(2,735)	(2,735)
Transfer to the NI Account	16,542	2,993	9,758	(8,310)	(2,673)	1,994	(236)	(2,574)
Transfer from the PSEPR	(8,272)	-	-	-	-	-	-	-
Total Transfer (from)/to Reserves	(50,707)	(77,507)	(32,446)	(43,295)	(32,658)	(22,991)	(25,221)	(27,559)
Net Expenditure Post Reserves Transfer	1,179,722	1,203,963	1,274,002	1,338,180	1,405,714	1,448,910	1,495,687	1,541,359
Surplus	38,578	917	(3,985)	966	1,052	650	925	793

Details of income and expenditure by department and other body are included at Table 12 and Appendix 4



5.4 Operating Account

Table 3B details transfers which are planned to take place from the Operating Account to support spending from internal funds. The Operating Account acts as a buffer to protect the Revenue Reserve Fund from fluctuations on the Revenue Account.

TABLE 3B – The Operating Account – Five Year Financial Plan

MOVEMENT ON THE OPERATING ACCOUNT								
£'000	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
Operating Account Brought Forward	(112,422)	(153,234)	(155,745)	(198,930)	(187,364)	(177,312)	(172,662)	(169,237)
<i>Transfer to/from External Reserve Fund</i>	44,497	233,565	40,304	32,250	27,250	22,250	22,250	22,250
<i>Transfer from Media Development Fund</i>	-	-	413	-	-	-	-	-
Transfers (to)/from Reserves								
Agricultural & Forestry Fund	(3,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Brexit Fund	2,475	-	-	-	-	-	-	-
Contingency Fund	(37,500)	-	-	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Climate Change Fund	(25,000)	(10,446)	(10,446)	-	-	-	-	-
Digital Strategy Fund	(500)	-	-	-	-	-	-	-
Economic Development Fund	(2,000)	6,733	6,719	-	-	-	-	-
Economic Fund	(10,000)	(74,296)	(73,767)	-	-	-	-	-
Environmental Protection Fund	(3,000)	10,446	11,344	-	-	-	-	-
Healthcare Transformation Fund	(7,000)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)	(5,000)	(5,000)
Housing & Community Fund	(2,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Invest to Save Fund	-	762	260	-	-	-	-	-
Legal Costs Reserves	(500)	(750)	(750)	(4,150)	(750)	(750)	(750)	(750)
Marketing Initiatives Fund	(750)	3,536	3,012	-	-	-	-	-
Media Development Fund	(1)	-	-	-	-	-	-	-
Medical Indemnity Fund	-	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Town & Village Regeneration Fund	(3,000)	1,461	1,471	-	-	-	-	-
Transformation Fund	(2,000)	(762)	(260)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Project Development Fund	-	(8,000)	(8,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Capital Financing Reserve	(32,622)	-	-	-	-	-	-	-
Sub-Total Transfers to Reserves	(126,398)	(80,816)	(79,917)	(21,650)	(18,250)	(18,250)	(19,750)	(19,750)
<i>Surplus on the General Revenue Account</i>	38,578	917	(3,985)	966	1,052	650	925	793
Transfer in from External Fund Drawdowns	-	-	-	-	-	-	-	-
Operating Account Carried Forward	(155,745)	432	(198,930)	(187,364)	(177,312)	(172,662)	(169,237)	(165,944)



5.5 Structural Deficit and Reserves Position

In Table 4 the operating surplus/deficit shows the difference between expenditure and income for activities excluding the National Insurance Fund, capital expenditure and internal fund expenditure before the use of reserves. This analysis is to provide information on the resourcing of Government's ongoing activities that are funded through the revenue account.

The transfers from General Revenue to the Capital Financing Reserve are excluded from operating items and the estimated capital spending is then included as part of the structural deficit.

The net funding within the Consolidated Loans Fund that relates to funding bodies outside of Central Government (Manx Utilities Authority, Manx National Heritage and Isle of Man Steam Packet Group) has been excluded from the structural deficit calculations. These are considered to be external loans and do not represent funding and spending associated with the general revenue funded Capital Programme.

An overall deficit is projected for 2024-25 but then an overall surplus is forecast from 2025-26 for the remaining period of the indicative financial plan.

The structural deficit in 2022-23 was £94.2m as the Government finances suffered from the effects of higher than budgeted pay awards and significant inflation in energy prices and general expenses. Even though income receipts were in excess of budgeted levels, this was not sufficient to outweigh the increased expenditure levels. This was an improved position compared to the budgeted structural deficit of £97.4m for 2022-23.

The forecast structural deficit for 2023-24 shows an improved position from the level that was included within the budget for the year, being £126.5m against the budgeted position of £156.7m. The indicative financial plan shows a generally improving position over the years presented however there will still be a level of reliance on the returns being generated by reserves in order to support the activities of Government.

Government finances continued to face significant inflationary pressure during 2023-24. Although this appears to have peaked, there is still a higher level of inflation within the economy than has been experienced in recent years. Departmental budgets will continue to face pressure, including from pay awards, and stringent budget control will be required in order to meet the medium term financial plan.

The proposed budget and indicative financial plan includes provision to fully fund the estimated £70m per year Capital Financing Reserve programme from revenue by 2027-28 and subsequent years. Again, this is based on the assumption that the capital programme and delivery of capital schemes remain consistent with current trends and assumes that inflation will return to lower levels in the near term.

Overall reserves are forecast to remain relatively flat for the coming years due to improved investment performance being countered by the requirement to continue to make drawdowns to fund Government activities, albeit these drawdowns are expected to be at a lower level than in recent years.

The introduction of the updated investment mandate, following the conclusion of the tender process to appoint investment managers, is aimed at increasing the returns on Government's reserves which will allow the balances to begin to grow once again.



TABLE 4 – Summary Position

Based on the estimated delivery of the Capital Programme

SUMMARY POSITION (ESTIMATED CAPITAL DELIVERY)								
£'000	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
Gross Income	1,218,300	1,204,880	1,270,017	1,339,146	1,406,766	1,449,560	1,496,612	1,542,152
Less NI	(306,499)	(299,415)	(317,980)	(315,048)	(329,742)	(343,517)	(350,693)	(358,070)
Less Reserve Fund Interest	(6,978)	(10,109)	(11,885)	(10,686)	(10,953)	(11,227)	(11,507)	(11,795)
Operating Income	904,823	895,356	940,152	1,013,412	1,066,071	1,094,816	1,134,412	1,172,287
Expenditure	1,230,429	1,281,470	1,306,448	1,381,475	1,438,372	1,471,901	1,520,908	1,568,918
Less NI	(289,957)	(296,422)	(308,222)	(323,358)	(332,415)	(341,523)	(350,929)	(360,644)
Less Capital Transfers	(20,496)	(1,900)	(1,900)	(27,735)	(52,735)	(59,735)	(72,735)	(82,735)
Less Internal Fund expenditure	(58,481)	(78,600)	(40,304)	(32,250)	(27,250)	(22,250)	(22,250)	(22,250)
Operating Expenditure	861,495	904,548	956,022	998,132	1,025,972	1,048,393	1,074,994	1,103,289
Operating Surplus (Deficit)	43,328	(9,192)	(15,870)	15,280	40,099	46,423	59,418	68,998
NI (Deficit) / Surplus	16,542	2,993	9,758	(8,310)	(2,673)	1,994	(236)	(2,574)
Capital Financing Reserve Expenditure	(86,849)	(70,000)	(78,180)	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)
Transfer to Operating Account from Reserves	(67,248)	(80,500)	(42,204)	(34,985)	(29,985)	(24,985)	(24,985)	(24,985)
Structural Surplus (Deficit)	(94,227)	(156,699)	(126,496)	(98,015)	(62,559)	(46,568)	(35,803)	(28,561)
Estimated returns held in the reserves	37,702	50,460	59,111	61,751	65,661	62,852	65,060	67,313
Reserve Fund Interest	6,978	10,109	11,885	10,686	10,953	11,227	11,507	11,795
Overall Net Surplus/(Deficit) after interest	(49,547)	(96,130)	(55,500)	(25,578)	14,055	27,511	40,764	50,547



5.6 Capital Programme

The successful delivery of the Capital Programme continues to rely on its affordability and sustainability. The trend for Government's actual capital expenditure outturn to be lower than budgeted levels continues. The typical level of capital delivery remains at around £60 million to £80 million per year.

The anticipated capital expenditure for 2024-25 is approximately £85 million, consistent with the prior year. This is the combined position between the Consolidated Loans Fund (CLF) and the Capital Financing Reserve (CFR), which is explained in more detail below. This is compared to a Capital Programme of approximately £101.3 million for 2024-25 on a full delivery basis.

Table 5 presents the combined capital account on an estimated delivery basis. This shows the illustrative position based on actual expected delivery of the Capital Programme based on prior experience rather than delivery of the full Capital Programme presented within Appendix 5. It has been assumed that £70 million of capital spending will be delivered per year for CFR funded projects and £15 million of spending from projects funded through the CLF.

The transfers to the CFR and CLF from reserves are based on the estimated Capital Programme amounts, rather than full delivery. This is felt to be the prudent approach to the capital budgeting process.

5.6.1 Review of the Capital Programme

Due to the continuing inflationary pressures being faced within the Capital Programme, the focus for 2024-25 will be the delivery of projects that have already commenced and maintenance of existing assets. The number of new capital projects included within the Capital Programme is small however it is expected that further schemes may be brought to Tynwald for approval during the year as part of the capital approval process.

Departments still have the ability to make bids to the Project Development Fund in order to perform design and feasibility work and produce fully scoped and costed business cases. The projects that have been granted PDF funding and those that might be expected to be brought forward during 2024-25 are shown within Appendix 6.

5.6.2 Capital Approval Process

Following the approval of the changes to the capital approval process as part of the 2023-24 budget, Departments are now able to seek Tynwald approval for capital schemes on a quarterly basis. Further schemes may be added to the Capital Programme during the coming year, subject to concurrence from Treasury's Strategic Assets and Capital Investment Committee, Treasury Board, the Council of Ministers and by Tynwald as appropriate.



TABLE 5 – Projected Combined Capital Account – Estimated Delivery Basis

CONSOLIDATED LOANS FUND OPERATING ACCOUNT (ESTIMATED DELIVERY)								
£000	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
Income								
MNH Receipts	858	1,429	1,076	1,097	1,130	1,163	1,196	1,229
MUA Receipts	521	834	1,043	2,777	3,244	3,711	4,178	4,645
Capital Receipts	165	50	163	158	158	158	158	158
Total Income	1,544	2,313	2,282	4,032	4,532	5,032	5,532	6,032
Expenditure								
Capital Programme	8,056	15,000	23,197	15,000	15,000	15,000	15,000	15,000
Total Expenditure	8,056	15,000	23,197	15,000	15,000	15,000	15,000	15,000
Capital Cash Brought Forward	17,684	6,378	1,282	367	4,399	3,931	3,963	3,495
Surplus/(Deficit)	(6,512)	(12,687)	(20,915)	(10,968)	(10,468)	(9,968)	(9,468)	(8,968)
Transfer (to)/from External Reserves	-	10,000	20,000	10,000	-	5,000	9,000	-
Transfer (to)/from General Revenue	(9,890)	-	-	5,000	10,000	5,000	-	10,000
Capital Cash Carried Forward	1,282	3,691	367	4,399	3,931	3,963	3,495	4,527



TABLE 5 – Projected Combined Capital Account – Estimated Delivery Basis (continued)

CAPITAL FINANCING RESERVE (ESTIMATED DELIVERY)								
£000	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
Income								
Capital Financing Transfer	59,641	-	-	20,000	40,000	52,000	70,000	70,000
Capital Receipts	-	450	450	450	450	450	450	450
Housing Reserve Fund	1,920	1,900	1,900	2,735	2,735	2,735	2,735	2,735
Total Income	61,561	2,350	2,350	23,185	43,185	55,185	73,185	73,185
Expenditure								
Capital Programme	86,849	70,000	78,180	70,000	70,000	70,000	70,000	70,000
Total Expenditure	86,849	70,000	78,180	70,000	70,000	70,000	70,000	70,000
Capital Financing Reserve B/F	57,481	19,657	32,193	4,863	2,048	3,233	4,918	8,103
Surplus/(Deficit)	(25,288)	(67,650)	(75,830)	(46,815)	(26,815)	(14,815)	3,185	3,185
Transfer from General Reserve	-	48,500	48,500	44,000	28,000	16,500	-	-
Capital Financing Reserve C/F	32,193	507	4,863	2,048	3,233	4,918	8,103	11,288

TOTAL CAPITAL PROGRAMME (ESTIMATED DELIVERY)								
£000 (Projections)	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
Consolidated Loans Fund Operating Account	1,282	3,691	367	4,399	3,931	3,963	3,495	4,527
Capital Financing Reserve	32,193	507	4,863	2,048	3,233	4,918	8,103	11,288
Total Capital Programme	33,475	4,198	5,230	6,447	7,164	8,881	11,598	15,815

Note

1. Assumed capital spending of £15 million per year from CLF projects and £70 million from CFR projects going forward rather than full delivery of the entire capital programme detailed in Appendix 5.



5.7 Use of Reserves

Taking account of the combined revenue and capital position (including the operating account balance), together with projections for cash and investment returns generated by external fund managers, the estimated value of the overall reserves position over the periods presented is shown within Table 6.

TABLE 6 – Reserve Valuations

RESERVES ESTIMATED VALUE WITH INVESTMENT RETURNS & STABLE MARKET								
£ million	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
National Insurance Fund	954.3	1,014.4	928.0	967.5	1,008.6	1,051.4	1,096.1	1,142.7
Public Service Employees Pension Reserve	0.1	-	-	-	-	-	-	-
Reserve Fund	565.5	304.2	441.1	373.6	335.2	305.7	307.9	309.3
Reserve Fund (Bond Issue)	84.3	86.8	82.0	85.5	89.3	93.1	97.1	101.2
Other Reserves	199.4	226.8	219.5	258.9	300.6	343.2	387.9	433.1
Estimated Value	1,803.6	1,632.2	1,670.6	1,685.5	1,733.7	1,793.4	1,889.0	1,986.3

Notes

- External fund balances are presented here at projected market value rather than book value and it should be noted that market values may fluctuate against market and economic conditions.
- More detail on the Pension Reserve and the National Insurance Fund is given in Section 7 (Table 15 and 16).
- Movements relating to the Bond Issue funds are included within Tables 22 and 23.
- An explanation of reserves is provided in Appendix 8.
- Returns on investments have been calculated based on the assumption that mandated returns will be achieved by the end of the period of the indicative financial plan.



6. REVENUE - INCOME

6.1 2023-24 Performance – Treasury Income

TABLE 7 – 2023-24 Year End Forecast (Treasury Income)

2023-24 Budget Against Probable					
£000	Budget 2023-24	Transfers	Revised Budget	Probable 2023-24	Variance
INCOME					
Customs & Excise	440,673	-	440,673	439,279	(1,394)
Income & Other Taxes	278,765	-	278,765	321,620	42,855
NI Operating Account	299,415	-	299,415	317,980	18,565
Other Treasury Income	10,406	-	10,406	12,250	1,844
Total Treasury Income	1,029,259	-	1,029,259	1,091,129	61,870

Treasury income is forecast to be ahead of the 2023-24 budgeted level, mainly due to the effects of pay rises within the economy leading to increased levels of tax collection.

Income is forecast to continue to grow throughout the period of the indicative financial plan.

Allocations have been made from the Economic Strategy Fund to support initiatives aimed at growing the Island's economy and it is expected that Government income will benefit from this growth.

Section 6.3 explains the detailed position regarding Customs and Excise shared VAT income and direct taxation receipts.

6.2 2024-25 Budget Overview

The budget figures included within this Pink Book present income figures on a gross basis, before netting off expenditure items. This budget presents income projections broken out into each of the relevant revenue lines to provide transparency and a greater understanding of where the Island is dependent on specific income streams.

TABLE 8 – Budget Income Projections

Budget Income Projections							
£ '000	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Customs & Excise	440,673	439,279	458,027	471,943	485,121	501,857	516,170
Income & Other Taxes	278,765	321,620	367,150	401,522	412,615	430,896	449,771
NI Operating Account	299,415	317,980	315,048	329,742	343,517	350,693	358,070
Other Treasury Income	10,406	12,250	11,319	11,602	11,892	12,189	12,494
Total Treasury Income	1,029,259	1,091,129	1,151,544	1,214,809	1,253,145	1,295,635	1,336,505

A further breakdown of income due to be raised by the Treasury in the coming year is included at Appendix 1.



6.3 2024-25 Budget Proposals

The following sections present the proposals for the various areas of Government income in respect of the 2024-25 financial year.

6.3.1 Customs & Excise

The revenues raised by Customs & Excise include “shared” duties under the 1979 Customs and Excise Agreement; and “non-shared” duties.

“Shared” Duties

The “shared” duties are VAT, Soft Drinks Industry Levy (SDIL), Excise (alcohol, tobacco and hydrocarbon oil - HCO), Plastic Packaging Tax and Customs (import) duties. All of the “shared” duties except for HCO are shared using the arrangements described below to calculate the Island’s share of the joint revenue pools with the United Kingdom. HCO is calculated on the basis of actual consumption during the focal year. The Island is committed by the 1979 Customs & Excise Agreement to keep the rates and rules surrounding the “shared” duties in line with UK policy.

Calculation of VAT and shared duties

The Final Expenditure Revenue and Sharing Arrangement (FERSA) outlines the method of calculation of the Island’s share of VAT and shared duties under the 1979 Customs & Excise Agreement. Accordingly, the Isle of Man Government must undertake surveys every 5 years to determine as accurately as possible the amount of VAT that is incurred by Island residents and businesses. The most recent year used for indexation was 2018-19. Under the FERSA it was agreed that provisional indexation rates of 4.35% for VAT and 1.58% for the other duties and the Soft Drinks Industry Levy (SDIL) would be used to account for inflation and growth in the economy for five years up to and including 2023-24. In the absence of an updated figure, this indexation level has been used as the basis of calculation for future income for the period of the indicative financial plan presented. The indexation will be reviewed and adjusted after the completion of the next survey, which is currently underway.

Should the survey results evidence the growth in the economy has deviated from that predicted, the Island’s share of VAT for previous years 2019-20 to 2023-24 will need to be adjusted which could result in an adjusting payment to or from the UK Government.

There are no indications that the Island’s required level of growth is below the indexation level however, in the interests of prudence and good financial management the VAT budget for the years to up 2024-25 has been based on a growth level of 3.35%. In the absence of other information, the 3.35% annual growth level has continued to be applied to the financial years from 2025-26 to 2028-29.

“Non-shared” duties

The “non-shared” duties are Air Passenger Duty, Gambling Duty (including both online and machine games duty), Lottery Duty and non-revenue receipts (fines, penalties and interest). The Island is free to choose where and how it applies these duties; however, no changes from existing policy are proposed within this Budget.



6.3.2 Income Tax

TABLE 9 – Tax Rates and Allowances

TAXATION RATES AND ALLOWANCES			
INDIVIDUAL TAX	2024/25	2023/24	2022/23
Lower rate	10%	10%	10%
Higher rate	22%	20%	20%
Higher rate threshold:			
Single Person	£6,500	£6,500	£6,500
Jointly Assessed Couples	£13,000	£13,000	£13,000
Personal Allowances:			
Single Person	£14,500*	£14,500*	£14,500
Jointly Assessed Couples	£29,000*	£29,000*	£29,000
Single Parent	£6,400	£6,400	£6,400
Blind Person	£2,900	£2,900	£2,900
Disabled Person	£2,900	£2,900	£2,900
*The Personal Allowance is reduced by £1 for every £2 that your income is in excess of £100,000 or £200,000 for a jointly assessed couple			
COMPANY TAX	2023/24	2023/24	2022/23
Standard Rate	0%	0%	0%
Banking Business	10% or 15%	10%	10%
Land & Property in the Island (Incl. Property Dev)	20%	20%	20%
Retail Trade (Small companies limit of £500,000)	10% or 15%	10%	10%
Petroleum extraction in the Island	20%	0%	0%

Individual Tax

For the 2024-25 tax year, the lower rate of income tax remains at 10%. The higher rate will increase to 22%.

The threshold up to which the lower rate of income tax applies remains at £6,500 for a single person and £13,000 for a jointly assessed couple. The Personal Allowance will remain at £14,500 for a resident individual or £29,000 for a jointly assessed couple.

Allowances are fully transferrable between husband and wife or civil partners whilst the couple are living together and provided they elect for joint treatment. Special arrangements apply in the years of marriage/partnership, separation, death or where independent taxation applies.

The personal allowance will continue to be reduced by £1 for every £2 that a person's total income is above £100,000. This means if a person's total income is £129,000 or above their personal allowance will be zero.

The single parent allowance will remain at £6,400 and the blind or disabled person's allowance at £2,900.

The rate of income tax on taxable income for non-resident individuals will increase to 22%.

Individuals will continue to have the option to make a Tax Cap election for a five or ten year period. The maximum income tax liability for an individual will remain at £200,000 and £400,000 for a jointly assessed couple.

For any existing five year Tax Cap elections made prior to the 2020/21 tax year, the amount charged for each year is the value of the Tax Cap applicable in the first tax year covered by the election.



Company Tax

The standard rate of tax applying to the income of companies remains at 0% with the exceptions of income from:

- Banking business – 10% or 15% - see below
- Income from Retail Trade (subject to a small companies limit of £500,000) – 10% or 15% - see below
- Income from Land and Property situated in the Isle of Man (development and rental income) – 20%
- Income from Petroleum extraction in the Isle of Man and its territorial waters – 20%

Banking business and retail trade will be subject to a tax rate of 10% or 15%. 15% will only apply in certain cases where the accounting period of the business commences on or after 31 December 2023 and where, within the meaning of the OECD Model Rules, an ultimate parent entity or intermediate parent entity is located in a jurisdiction that has implemented an Income Inclusion Rule for fiscal years commencing on or after a date that is no later than 1 January 2024. The increase will be applicable for 2024-25 tax year only.

Deductions granted during the financial year 2021-22

During the financial year 2021-22, the latest full year for which figures are available, other deductions that were granted are outlined for information in the table below:

TABLE 10 – Cost of Income Tax Deductions 2021-22

Deduction Type	Number of Claims	Total Amount Claimed (£ million)	Average Relief per Claim (£)	Cost of Tax Relief (£ million)
Mortgage Interest	11,556	25.44	206	2.38
Loan Interest	10,132	10.17	94	0.95
Charitable deed of covenant	230	0.35	148	0.03
Charitable giving	2,279	3.27	127	0.29
Private medical insurance	380	3.84	276	0.10
Nursing Expenses	735	1.43	165	0.12

National Insurance Contributions

Net National Insurance Contributions (NIC) in respect of workers and employers, after the allocation of a prescribed percentage to the Health Service, cover the cost of contributory benefits for bereavement, incapacity, unemployment, maternity and the state retirement pension. In the Isle of Man, they also cover the cost of the Manx pension supplement, retirement pension premium, paternity allowance, adoption allowance and the Christmas bonus as well as rebates to small employers in relation to statutory redundancy payments to former employees of firms which have become insolvent.



Employed Contributors

The rates of Class 1 NIC in the Isle of Man for the 2024-25 tax year will remain at the current rates of 11% for employees and 12.8% for employers, and the employees' additional rate will continue to be 1% for earnings over the Upper Earnings Limit.

The Lower Earnings Limit (LEL) will remain at £123 per week from April 2024 to reflect the equivalent figure announced in the UK Autumn Statement.

The Primary and Secondary Thresholds at which both employees and employers start to pay Class 1 NIC will increase from £145 per week to £160 per week and the Upper Earnings Limit will increase from £864 to £938 per week from April 2024.

Self-Employed Contributors

For the 2024-25 tax year, the Isle of Man will retain the rates of Class 4 NIC at 8% up to the Upper Profits Limit and 1% for profits above that limit.

The profits level at which Class 4 NIC becomes payable will increase to £160 per week (Lower Profits Limit). The Upper Profits Limit for Class 4 NIC will increase to £938 per week and any profits over this amount will continue to be charged at 1%.

From April 2024 Class 2 NIC will increase to £6.20 per week for self-employed and £7.60 per week for share-fishermen. Class 2 NIC are not profit-related, but self-employed people can apply for exemption if their net earnings from self-employment are below a certain level. From April 2024, this level will increase to £8,320 for the year (Small Earnings Exception Limit). The payment of Class 2 will continue by Direct Debit for the 2024-25 tax year; the proposal to move the collection of Class 2 into the Income Tax assessment will not proceed for 2024-25.

The Class 2 contribution payable by a volunteer development worker while employed as such will remain at £6.15 per week for the 2024-25 tax year.

The table below summarises the contribution rates for 2024-25 for workers and employers:

TABLE 11 – Contribution Rates

Employed Contributors		
Total Weekly Earnings	Class 1 Employee NIC	Class 1 Employer NIC
Up to £160.00	Nil	Nil
£160.01 - £938.00	11%	12.8%
£938.01 and over	1%	12.8%

Self-Employed Contributors	
Total Weekly Profits	Self-Employed Class 2 and 4 NIC
Below £160.00	Nil
£160.00	£6.20 per week
£160.01 - £938.00	As above + 8%
£938.01 and over	As above + 1%



Other Contributors

From April 2024, the voluntary Class 3 NIC rate will increase from £17.45 per week to £18.95 per week.

Manx National Insurance Fund

The Manx National Insurance Fund is used to supplement the amount of NIC collected in a tax year where the income from these contributions does not cover the expenditure on National Insurance funded benefits. Further details of this can be seen in Table 16 at Section 7.5.

6.3.3 Departmental Fees and Charges

Departmental fees and charges targets have generally been uplifted in line with the level of inflation in the Isle of Man as at September 2023.

Detailed breakdowns of the individual fees and charges are no longer included within this document as previously they have changed subsequent to the publication of the Budget. Instead, reference should be made to the website of the relevant department or body for the detailed information.

6.3.4 Investment Income

Treasury investment income is derived from the externally managed investment funds and interest earned from cash managed directly within the Treasury.

The tender exercise to appoint a new panel of investment managers in respect of the external reserves is continuing, having been further delayed during 2023. This delay is as a result of the termination of the contract with the appointed investment adviser. A procurement exercise for a new investment adviser was completed and a review of the tender process to date was undertaken.

The appointment of the new investment managers is now expected to be completed by the end of March 2024 which will then allow the updated investment strategy to be implemented.

The current panel of five investment managers were appointed for a period of 5 years from 1 April 2016 and will remain in place until the appointment of the new managers has been completed.

The appointment of a panel of investment managers provides a diversification of investment management and style. Detailed information regarding the parameters of the investment mandates in place are included within the Isle of Man Government Annual Financial Statements and Report that is available on the Treasury website.

The performance and delivery mandates require the investment managers to achieve certain levels of growth within the reserves under their management to meet set benchmarks but within acceptable levels of risk over a rolling three year period. Income is generated from profits gained through the sale of equities, funds and bonds; dividends and coupon interest earned from equities and bonds and interest on cash based instruments.

A small element of this income relates to miscellaneous Treasury income, for example, late tax return filing penalty fees.

The investment income forecasts also include an expectation of a levy from the Isle of Man Post Office and dividend receipts from the Isle of Man Steam Packet Group. As with the prior year, the contributions are £0.5 million and £1 million respectively.



7. REVENUE - EXPENDITURE

TABLE 12 – Revenue Net Expenditure Targets by Department

2024-25 NET REVENUE BUDGETS BY DEPARTMENT			
Department £000	Gross Income	Gross Expenditure	Net Expenditure/(Income)
Enterprise	28,691	29,911	1,220
Education, Sport & Culture	11,065	152,651	141,586
Environment, Food & Agriculture	4,613	23,852	19,239
Health & Social Care	52,793	354,008	301,215
Home Affairs	1,331	44,168	42,837
Infrastructure	64,458	119,501	55,043
Treasury	11,319	143,230	131,911
Cabinet Office	317	41,357	41,040
Executive Government	2,952	60,055	57,103
Statutory Boards	34,974	37,467	2,493
Legislature	10	5,534	5,524
Departmental Targets	212,523	1,011,734	799,211
Customs and Excise	458,027	-	(458,027)
Income and Other Taxes	367,150	-	(367,150)
NI Operating Account	315,048	315,048	-
Employees' Pension Contributions	39,067	39,067	-
Transfer to Consolidated Loans Fund	-	5,000	5,000
Transfer to Capital Financing Reserve	-	20,000	20,000
TOTAL	1,391,815	1,390,849	(966)

Notes

- Gross income and expenditure figures for 2024-25 include National Insurance Contributions NHS allocation of £52.7 million.
- Employee pension contributions and the subsequent use of them to offset pension costs are shown within the analysis at Table 15 in order to reconcile gross income and gross expenditure.
- The transfer to the Capital Financing Reserve has replaced loan charges as the core means to fund capital.
- The Statutory Boards figures above include the gross income and gross expenditure of Manx Care.



7.1 2023-24 Performance – Departmental Income

Table 13 provides a summary of the 2023-24 probable results compared to the Pink Book for that year.

The main adverse variances are within the Department of Health and Social Care, the majority of which relates to the Manx Care mandate, the Department of Infrastructure and the Department of Education Sport and Culture, due to higher than anticipated pay awards and general cost inflation.

During the 2023-24 financial year Tynwald agreed to provide the following additional allocations of revenue budget to departments through supplementary votes:

- Department of Health and Social Care - £10.3 million being a carry forward of the unused amount of additional budget for the 2022-23 year relating to Manx Care commissioning a programme of elective restoration and recovery.

The table below shows the probable results for departments after taking account of forecast claims from contingency in respect of excess costs and lost income arising generally as a result of the pandemic. Any claims are subject to Treasury approval.

TABLE 13 – 2023-24 Expenditure – Budget vs Probable

EXPENDITURE - 2023-24 BUDGET VERSUS PROBABLE					
£000	Budget 2023-24	Transfers/ Supplementary Votes	Revised Budget	Probable 2023-24	Variance*
Government Departments					
Cabinet Office	36,416	-	36,416	36,416	-
Enterprise	(35)	-	(35)	1,619	(1,654)
Education, Sport & Culture	123,335	-	123,335	131,946	(8,611)
Environment, Food & Agriculture	17,969	-	17,969	17,892	77
Health & Social Care	260,057	10,300	270,357	294,978	(24,621)
Home Affairs	38,603	-	38,603	40,550	(1,947)
Infrastructure	47,888	-	47,888	52,906	(5,018)
Treasury	123,894	138	124,032	125,505	(1,473)
Sub-Total	648,127	10,438	658,565	701,812	(43,247)
Other Bodies					
Executive Government	56,530	(633)	55,897	60,223	(4,326)
Statutory Boards	1,345	-	1,345	187	1,158
Sub-Total	57,875	(633)	57,242	60,410	(3,168)
Legislature	5,019	495	5,514	5,183	331
NET EXPENDITURE	711,021	10,300	721,321	767,405	(46,084)
SURPLUS (Income over expenditure)	917	(10,300)	(9,383)	(3,985)	5,398

* Variances are based on October management accounts information and therefore final Tynwald supplementary vote amounts will vary from above



7.2 2024-25 Budget - Overview

Government's total expenditure after the use of reserves for 2024-25 is budgeted to be £1.338 billion and is analysed in detail by each Department at Appendix 4. Overall the net surplus for Government is budgeted to be £1 million.

Treasury recognises the pressures that have been faced by departments and other bodies due to inflation and pay awards being in excess of the general budget uplifts that were provided for the 2023-24 financial year.

In response to this issue, the final 2023-24 budgets have been uplifted to reflect prior year inflation levels being higher than the general rate of uplifts applied.

This has given a rebased starting budget for the 2024-25 financial year. A further general uplift has then been applied to both pay and non-pay costs for the year, within the confines of affordability of the Medium Term Financial Plan.

As with the prior year, Departments and Statutory Boards were required to submit financial plans to Treasury to set out any funding pressures, areas of saving and possible new services and projects that they would like to undertake.

Treasury then allocated general revenue funds that were available after base budgets were uplifted for the relevant year.

Additional funding of £3 million has been provided to the Department of Education, Sport and Culture for 2024-25 to assist with the initial implementation of the Child Care Strategy.

Budget has been allocated to several departments and other bodies in order to continue to enhance their resources available to support their work in the area of Anti-Money Laundering, further demonstrating the Island's commitment to being a leading jurisdiction when it comes to regulation.

The health and care funding gap noted in previous budgets has now been addressed and the Department of Health and Social Care has been provided with a significant increase in their expenditure budget relating to the Manx Care mandate, which was established following publication of the Independent Review of the Isle of Man Health and Social Care System produced by Sir Jonathan Michael in 2019.

The Manx Care mandate amount that was included for 2023-24 has been uplifted to rebase the starting position for 2024-25 due to a below inflation uplift being given in the prior year. The full funding formula has then been applied to the 2024-25 budgeted mandate.

As a result, the 2024-25 budget includes an uplift in funding of £41.2 million to DHSC, directly attributable to the cost of the mandate to Manx Care.

Further increases have been applied to the cost of the mandate for the years 2025-26 to 2028-29.



7.3 Pay Costs

As noted above, initial budgets have been rebased and then a general uplift has been applied to pay budgets for 2024-25. Further uplifts have been applied per year across the remaining period of the indicative financial plan which are based on a stable inflationary environment. Funding for any pay awards above these level will be expected to come from within overall departmental budgets.

TABLE 14A – Pay Reconciliation

PAY RECONCILIATION								
£000	Note	Basic	Overtime	National Insurance	Other Payroll Costs	Sub-Total Employee Costs	Pension	Total Including Pension
2023-24 Agreed Budget		345,575	10,549	38,261	31,885	426,270	52,376	478,646
Approved Adjustments	1	50,092	1,711	7,636	4,105	63,544	7,996	71,540
Budget 2024-25		395,667	12,260	45,897	35,990	489,814	60,372	550,186

Notes

1. Approved adjustments include movements within different pay codes and between pay and non-pay codes, including for example reductions in income streams which have resulted in reductions in expenditure.



TABLE 14B – Total Employee Costs

£000	TOTAL EMPLOYEE COSTS									
	Basic	Overtime	National Insurance	Pension	Other	2024-25	2025-26	2026-27	2027-28	2028-29
Department										
Enterprise	10,164	172	1,230	1,226	333	13,125	13,388	13,655	13,928	14,207
Education, Sport & Culture	84,754	1,252	10,671	14,953	916	112,546	114,797	117,093	119,435	121,823
Environment, Food & Agriculture	9,978	82	1,075	1,472	241	12,848	13,109	13,372	13,639	13,912
Health & Social Care	2,922	17	255	346	101	3,641	3,714	3,788	3,864	3,941
Manx Care	159,138	5,732	18,097	23,573	25,169	231,709	239,719	249,900	260,517	271,589
Home Affairs	26,327	1,193	3,331	3,927	3,435	38,213	38,978	39,757	40,552	41,363
Infrastructure	36,431	3,469	3,764	5,399	2,333	51,396	52,424	53,473	54,542	55,633
Treasury	21,136	141	2,185	2,978	435	26,875	27,434	28,005	28,589	29,186
Cabinet Office	18,279	173	2,208	2,731	1,645	25,036	25,537	26,048	26,569	27,100
Executive Government										
Industrial Relations	279	-	36	42	2	359	367	374	382	389
Veterans' Welfare Society	81	2	8	12	9	112	114	117	119	122
Information Commissioner	298	-	33	44	-	375	382	390	398	406
General Registry	3,765	11	415	516	144	4,851	4,948	5,047	5,148	5,251
Attorney General's Chambers	5,913	-	688	863	56	7,520	7,671	7,824	7,980	8,140
Tynwald Auditor General	161	-	21	2	293	477	487	497	506	516
Other Boards										
Communications & Utilities Regulatory Authority	746	-	47	65	10	868	886	903	922	940
Financial Services Authority	6,766	-	766	939	301	8,772	8,948	9,127	9,310	9,495
Gambling Supervision Commission	2,975	-	392	464	109	3,940	4,017	4,097	4,178	4,263
Financial Intelligence Unit	1,031	-	98	113	73	1,315	1,341	1,368	1,396	1,424
Public Sector Pension Authority	930	6	107	161	20	1,224	1,249	1,275	1,300	1,326
Legislature	3,593	10	470	546	365	4,984	5,084	5,185	5,289	5,395
TOTAL	395,667	12,260	45,897	60,372	35,990	550,186	564,594	581,295	598,563	616,421



7.4 Public Sector Pensions

The latest expenditure forecasts are based on the actuarial work undertaken by Hymans Robertson and have been updated to reflect actual experience. As previously noted, the Public Service Employees' Pension Reserve (PSEPR) was fully expended during the 2022-23 year as previously forecast.

The level of revenue expenditure that will be required during 2024-25 is expected to be around £42 million with further revenue expenditure being required each year into the future. This expenditure is included within the 2024-25 budget and the indicative financial plan as presented and does not represent an additional funding gap.

TABLE 15 – Pension Account

Pension Account							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
Pension Costs	120,224	133,125	141,079	145,390	147,632	149,918	152,251
Less Employee Contributions	(38,453)	(36,991)	(39,067)	(39,848)	(40,645)	(41,458)	(42,287)
Less Department Contributions	(44,788)	(49,119)	(60,372)	(61,979)	(63,853)	(65,792)	(67,799)
PSPA Administration Costs	1,425	-	-	-	-	-	-
PSEPR Budgeted Drawdown	(9,697)	-	-	-	-	-	-
Revenue liability	28,711	47,015	41,640	43,563	43,134	42,668	42,165
PSEPR Balance (Est Value) B/F	9,687	-	-	-	-	-	-
Investment Income	10	-	-	-	-	-	-
PSEPR Budgeted Drawdown	(9,697)	-	-	-	-	-	-
PSEPR Balance (Est Value) C/F	-	-	-	-	-	-	-



7.5 National Insurance and Welfare Benefits

A summary of the estimate for the use of the Manx National Insurance Fund (MNIF) is shown within the table below.

TABLE 16 – National Insurance Account

NATIONAL INSURANCE ACCOUNT								
£ million	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
Income								
NI Contributions	254.3	252.9	265.7	271.7	286.7	301.0	308.6	316.4
Agency Income	42.6	38.0	43.8	43.4	43.0	42.5	42.1	41.7
Transfer from Fund to cover COVID Schemes	1.4	-	-	-	-	-	-	-
Transfer of Investment Income	8.2	8.5	8.5	-	-	-	-	-
	306.5	299.4	318.0	315.1	329.7	343.5	350.7	358.1
Expenditure								
NI Funded Welfare								
Payments	233.5	240.5	245.6	267.1	273.8	280.7	287.8	295.1
Administration Costs	5.0	2.3	3.6	3.6	3.9	3.9	4.0	4.1
NHS Allocation (DHSC)	43.3	45.1	50.5	52.7	54.7	56.9	59.1	61.5
Extra Allocation NI Interest to DHSC	8.2	8.5	8.5	-	-	-	-	-
	290.0	296.4	308.2	323.4	332.4	341.5	350.9	360.7
NI Operating Account Surplus/(Deficit)	16.5	3.0	9.8	(8.3)	(2.7)	2.0	(0.2)	(2.6)
NI Fund (est Value) B/F	883.3	908.7	924.6	954.6	975.9	1,003.4	1,036.5	1,068.4
Investment Income	41.0	28.2	28.7	29.6	30.2	31.1	32.1	33.2
Extra Allocation NI Interest to DHSC	(8.2)	(8.5)	(8.5)	-	-	-	-	-
Withdrawal from Fund to cover COVID Schemes	(8.0)	-	-	-	-	-	-	-
NI Operating Account Movement	16.5	3.0	9.8	(8.3)	(2.7)	2.0	(0.2)	(2.6)
NI Fund (est Value) C/F	924.6	931.4	954.6	975.9	1,003.4	1,036.5	1,068.4	1,099.0

The current year expenditure from the MNIF is forecast to be higher than the level that was budgeted. This is mainly due to additional pension costs that have been incurred during the year that are running at a higher level than the 2023-24 budget. The current year income is also higher than the budgeted level as a result of higher than expected National Insurance contributions and Agency Income. The increase in income exceeds the additional welfare payment costs leading to the operating account surplus being forecast to be higher than was budgeted.

Revenue funded benefits for 2023-24 are currently forecast to be approximately £6.3 million lower than budget. Some benefit categories have seen lower than budgeted levels of claims and payments up to the point where the forecasts have been set and have led to an overall expectation that total revenue funded benefits will be below the planned levels by the year end.

The annual uprating of benefits is expected to increase the spending in this area by £21.8 million or 6.5% on an overall basis. The largest increase is, as with the prior year, attributable to the increase in the Retirement Pension of £11.3 million.

Maternity allowance, paternity allowance and adoption allowance will be increased by 15% for the 2024-25 financial year, at a cost of approximately £0.6 million.



The rate of child benefit will be aligned for second and subsequent children with that for the first or only child in a family.

The increase of 8.5% to the Manx State Pension and 5.7% to Income Support are the other main contributors to the overall increase.

As has been the case in recent years, this budget continues to follow the UK Government's decision regarding the uprating of state pensions. The UK Government recently confirmed that the pensions triple lock arrangement would be remain in place. The basic state pension has therefore been uplifted by the average rate of increase in earnings as at September 2023, being 8.5%.

In 2024 the long term sustainability of the National Insurance Fund will be further reviewed by Treasury in response to the recently published report by the UK Government Actuary's Department.

The forecast National Insurance investment income on the external fund for 2024-25 is expected to increase compared to the budget and forecast for 2023-24. It is then forecast to continue to grow year on year over the period of the indicative financial plan. This is due to the anticipated effect of the implementation of the revised investment strategy and market conditions stabilising. The actual outturn will be dependent on the future investment market conditions.

7.6 Non-Pay Costs

As noted above, in order to rebase department non-pay cost budgets to take account of the higher than anticipated level of inflation experienced during 2023-24, the prior year budgets for Departments and other bodies have been rebased.

The rebased non-pay cost amounts have then been further increased for the 2024-25 financial year to allow for inflation during the coming year.

7.7 Contingency Funding

As with prior periods, the Treasury will hold a revenue contingency budget which can be accessed upon presentation of a robust business case should Departments or Boards encounter unanticipated costs that cannot be absorbed within the planned budget. The level of contingency has been maintained at a consistent level for 2024-25 to allow increased funding to be allocated to departmental budgets. Treasury will scrutinise any applications to access contingency funding in close detail.

In addition to the contingency funding held within the revenue budget there was £11.7 million held within the Contingency Fund at the beginning of the 2023-24 financial year. This fund is maintained to cover revenue requirements in excess of the amounts held within the general revenue account.

The current forecasts show that approximately £6.3 million of the Contingency Fund will be utilised during 2023-24 following an additional £7.5 million being added to this fund during the year.

The balance to be carried forward at 1 April 2024 is estimated to be £13 million. This budget includes an additional £1.5 million of funding for the Contingency Fund during 2024-25.

The Capital Programme also has a contingency amount included to provide funding to capital projects that face emergency or unforeseen costs and pressures as well to provide assistance with minor timing variances. It is proposed to include a Capital Contingency Budget of £5 million for 2024-25. A Capital Projects Inflation Budget of £5 million is also included within the Capital Programme.



Any claims by departments to access either the Capital Projects Contingency Budget or the Capital Inflation Budget must be supported by a robust and current business case that will be subject to detailed scrutiny by Treasury.



7.8 Grants Payable

The following grants will be made by Government in 2024-25:

TABLE 17 – Grants Payable 2024-25

GRANTS PAYABLE					
£000	2023-24 Total Budget	2024-25			
		Treasury Grants	Other Grants	Lottery Duty	Total Budget
Financial Services Authority	2,673	2,674	-	-	2,674
Manx Radio (Subvention)	1,128	1,334	-	-	1,334
Laxey Glen Mills	42	45	-	-	45
Culture Vannin	434	109	-	330	439
International Development	2,500	-	2,500	-	2,500
Manx Lottery Trust (Big Lottery)	750	-	600	150	750
Sports Council (DESC)	501	-	21	480	501
Arts Council (DESC)	539	-	99	440	539
Manx National Heritage	4,800	5,040	-	-	5,040
	13,367	9,202	3,220	1,400	13,822

The amount paid to the Financial Services Authority is budgeted to remain consistent with the prior year and has not received an uplift which recognises the fact that the Authority is continuing to move towards a model of industry funding.

Grants and subventions have been increased taking into account affordability within the Medium Term Financial Plan, inflationary pressures and the need to maintain service levels at the relevant bodies.

Manx Radio also receives an additional budget allocation external to the subvention in relation to minor capital works, which is included in the above grant amount.

There are no other changes planned to the levels of grants provided by Treasury to the other bodies.



8. THE CAPITAL PROGRAMME

8.1 Overview

The Capital Programme of the Government covers construction and maintenance of the Island's strategic assets. The projects within the programme are wide and varied. The projects can include the construction of new assets, such as critical infrastructure, reconstruction of replacement assets that have come to the end of their useful life and also the provision of necessary equipment and vehicles for the delivery of vital services, including the emergency services.

The maintenance and improvement of existing assets is financed through the Capital Programme to ensure that they remain fit for purpose and that they are preserved for future generations.

The Capital Programme also funds large scale information and communications technology projects to ensure that Government systems and equipment is up to date to allow the effective delivery of public services.

As with prior years, the Capital Programme is shown in detail in Appendix 5 and is analysed to show those projects that are directly funded by a relevant Authority (e.g. Isle of Man Post Office), projects that are funded through the remaining Consolidated Loans Fund (CLF) (e.g. Manx Utilities Authority), and the projects that are funded from the Capital Financing Reserve (CFR).

The CFR is partly funded from general revenue with the level of funding from general revenue increasing over the medium term. The medium term financial plan projects that capital will be fully funded in 2027-28 and going forward, with previous years' shortfalls being supported from general reserves. This is highlighted within the receipts noted within Table 2.

The CLF remains in place and continues to fund borrowing or fund entities that are outside of Central Government. Repayments are made to the CLF by means of loan charges and these receipts support the future funding payments and loans. The loan charges include an element of interest linked to the borrowing outstanding. The rate of interest applicable for the 2024-25 financial year is proposed to remain at 5%. Where refinancing has occurred using the proceeds of the Government debt issue then a rate of 1.7% has been applied to reflect the reduced cost of borrowing associated with the external debt.

The CFR and the CLF will also receive funds from the sale of capital assets, known as capital receipts, which have been financed from the relevant source.

Capital budgets for 2024-25 and for the period of the indicative financial plan have been reviewed and revised to reflect the current expectations of the phasing of spending going forward. The amendments and new bids have been reviewed by the Strategic Assets and Capital Investment Committee (SACIC), which is a sub-committee of the Treasury, before onward endorsement has been granted by the Treasury Board and the Council of Ministers.

Business cases are submitted by Departments, which are then considered in the context of the priorities of Government as they stand at the relevant time, criticality, affordability and deliverability within the overall Capital Programme and funding resources available. This follows dialogue with the relevant Department that has submitted the business case.

Consistent with the prior year, Tynwald is being asked to approve the value needed to complete schemes within the Capital Programme where further funding is required. This recognises that it is very unlikely that a capital project will be halted once it has been started and this also allows Departments some certainty to engage with contractors and suppliers in the knowledge that the project cost has been approved across multiple financial years.



Departments have been required to provide the indicative spend phasing of their new capital projects and active ongoing capital schemes to show the expected cash flow requirements across the life of the project. This has also allowed Treasury to plan for the overall funding requirement for the Capital Programme each year.

The overall spending for a project is split across financial years by the relevant Department but the single project approval process allows flexibility to be built into the process where necessary. Spending can be adjusted to an extent across a project to deal with potential delays and timing differences that are often experienced between one financial year and the next.

Following the initial approval for a capital project by Tynwald, there will be no requirement for a Department to obtain further Tynwald approval in relation to the project unless there is an expected overspend. In these cases, the Departments will still be required to return to Tynwald to obtain a further approval for any additional spending in excess of £500,000.

The process above only applies to discrete, identifiable capital projects. Rolling schemes, such as ongoing capital maintenance schemes and minor capital works schemes, will be subject to annual approval by Tynwald due to their periodic nature.

The Project Development Fund continues to be available and will be increased by a further £5 million for the 2024-25 financial year.

It is recognised that initial business case proposals are sometimes found to be unfeasible in terms of either cost, deliverability, ability to secure consents or timescales. This can have a significant impact on budget and the timing of delivery. Departments are able to make bids to this Project Development Fund with the bids being considered against the Terms of Reference of the fund and a development budget will be allocated as appropriate.

This allows Departments to fully develop a scheme through investigation, design, planning consents and procurement. Ultimately, this should allow accurate costs and timeline data to be presented within a fully developed business case for consideration by SACIC, Treasury Board, Council of Ministers and ultimately Tynwald, as appropriate.

8.2 2023-24 Performance

There continue to be challenges experienced within the Capital Programme around labour availability, supply chain delays and significant material cost increases.

Again, the actual expected annual capital spend (excluding borrowing authorities and property purchases) has been lower overall than budgeted for 2023-24. The projected overall spend for the current year is £101.3 million compared to the overall budget of £114.5 million (excluding projects that are funded outside of the CFR and CLF). The budget utilisation for 2023-24 is therefore expected to be around 88%.

8.3 2024-25 Budget

The total proposed Central Government funded Capital Programme for 2024-25 is £101.3 million (£68.9 million from the CFR and £32.4 million from the CLF).

Across the period of the indicative financial plan, the Central Government funded Capital Programme totals £429.5 million (£274.7 million from the CFR and £154.8 million from the CLF).

The CFR financed programme includes £67.4 million of new funding for existing schemes and £1.5 million for a new rolling scheme proposed for approval. Across the five years of the indicative financial plan, the existing schemes within the CFR programme total £267.2 million and the new rolling scheme totals £7.5 million.



The 2024-25 CLF financed programme does not include any new schemes. New approvals for existing schemes total £22.7 million. There are £9.7 million of brought forward approvals relating to existing schemes in the 2024-25 financial year.

Despite the forecast increased delivery level in 2023-24, historical trends look likely to continue and it remains unlikely that the full Capital Programme will be delivered during 2024-25 however the full estimated costs have been incorporated into the capital funding plans as this represents the higher cost exposure to Government and is considered to be the most fiscally responsible approach.

TABLE 18 – Total Capital Programme Funding Forecast – Estimated Delivery Basis

TOTAL CAPITAL PROGRAMME (ESTIMATED DELIVERY)								
£'000 (Projections)	Actual	Budget	Probable	Provisional	Indicative financial plan			
	2022-23	2023-24	2023-24	Budgets 2024-25	2025-26	2026-27	2027-28	2028-29
Consolidated Loans Fund Operating Account	1,282	3,691	367	4,399	3,931	3,963	3,495	4,527
Capital Financing Reserve	32,193	507	4,863	2,048	3,233	4,918	8,103	11,288
Total Capital Programme	33,475	4,198	5,230	6,447	7,164	8,881	11,598	15,815

Some capital projects for Manx Utilities are funded through the CLF and this will continue into the future.

As with previous years, the majority of the Capital Programme for 2024-25 will continue to be delivered by the Department of Infrastructure, as they are responsible for the management and maintenance of most of the Government’s infrastructure assets and its own share of the public housing stock.

Table 19A presents a summary of the Capital Programme split by Department and the amounts for Tynwald approval. The detailed Capital Programme showing the budgeted expenditure for 2024-25, in accordance with Section 3 of the Budget Order Paper, is shown in Appendix 5 on a scheme by scheme basis.

The schemes that remain to be financed from the CLF are presented within Table 19B and relate to Manx Utilities Authority and Manx National Heritage.



TABLE 19A – CFR Capital Programme

Discrete Schemes £000 Department	Total Cost	Total Tynwald Approval to 31 March 2024	Total Spend to 31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	Underspent from approvals to 31 March 2024	New Tynwald Approval
Cabinet Office	1,576	1,576	873	435	268	-	-	-	-	-
Department of Education, Sport & Culture	2,387	2,387	1,552	273	562	-	-	-	-	-
Department of Environment, Food & Agriculture	605	605	225	240	80	30	30	-	-	-
Department of Health and Social Care	31,592	32,152	30,557	1,035	-	-	-	-	(560)	-
Department of Home Affairs	3,383	3,383	1,303	1,826	204	50	-	-	-	-
Department of Infrastructure	121,162	120,949	111,872	7,513	1,589	188	-	-	(387)	600
Executive Government	840	840	247	593	-	-	-	-	-	-
IOM Gambling Supervision Commission	500	500	309	191	-	-	-	-	-	-
Isle of Man Financial Services Authority	550	550	469	81	-	-	-	-	-	-
Public Sector Pensions Authority	1,034	1,034	930	104	-	-	-	-	-	-
The Department for Enterprise	12,049	12,500	11,777	272	-	-	-	-	(451)	-
The Treasury	68,466	45,825	13,026	13,983	10,850	10,350	10,257	10,000	(584)	23,225
Total Discrete	244,144	222,301	173,140	26,546	13,553	10,618	10,287	10,000	(1,982)	23,825

Rolling Schemes £000 Department	2024/25	2025/26*	2026/27*	2027/28*	2028/29*	New Tynwald Approval
Cabinet Office	250	250	250	250	250	250
Department of Education, Sport & Culture	525	525	525	525	525	525
Department of Environment, Food & Agriculture	570	495	520	-	-	570
Department of Health and Social Care	1,250	1,250	1,250	1,250	1,250	1,250
Department of Home Affairs	1,562	1,602	1,609	1,661	1,703	1,562
Department of Infrastructure	33,221	31,414	31,414	31,414	31,414	33,221
The Treasury	5,000	5,000	5,000	5,000	5,000	5,000
Total Rolling	42,378	40,536	40,568	40,100	40,142	42,378

* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.

Total Capital Programme	244,144	222,301	173,140	68,924	54,089	51,186	50,387	50,142	(1,982)	66,203
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TABLE 19B – CLF 2024-25 Capital Approvals

CONSOLIDATED LOAN FUND APPROVALS (PROJECTED)							
£'000		Total Expenditure 2024-25	Tynwald Approved C1	To be Approved C2	Future Approvals C3	Loan Sanction C4	Years C5
Manx Utilities Authority							
Advanced Metering Conversion		1,086	1,086	-	-	-	10
Combined Cycle Gas Turbine		7,170	-	7,170	-	-	5
Electricity Network Refurbishment		1,045	-	1,045	-	-	20
Refurbishment of Local Sewage Treatment Works		4,425	136	4,289	-	-	30
Regional Sewage Treatment Works for Peel, Laxey and Baldrine		4,956	4,956	-	-	-	30
Sewer Network Improvements		4,615	-	4,615	-	-	20
Minor Capital Works (CLF funded)		1,031	1,031	-	-	-	10
Renewable Generation		1,067	-	1,067	-	-	20
Raw Water Maintenance Schemes		1,720	1,201	519	-	-	30
Treated Water Schemes		3,750	179	3,571	-	-	30
Total Manx Utilities Authority		30,865	8,589	22,276	-	-	
Manx National Heritage							
MCW - MNH		200	-	200	-	-	10
MCW- Properties		200	-	200	-	-	10
Laxey Wheel Repairs - Phase 2		1,013	1,013	-	-	-	10
Accountancy System & Consultancy		124	124	-	-	-	7
Total Manx National Heritage		1,537	1,137	400	-	-	
Total		32,402	9,726	22,676	-	-	



8.4 The Five Year Capital Programme

The five year Capital Programme on a full delivery basis is presented below.

TABLE 20 – Capital Account Summary

CAPITAL ACCOUNT SUMMARY						
£000	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
			2025-26	2026-27	2027-28	2028-29
RECEIPTS						
Repayment of Capital and Interest	1,076	1,097	1,216	1,244	1,243	962
Capital Financing Transfer	-	20,000	40,000	52,000	70,000	70,000
Consolidated Loans Fund Transfers	-	5,000	10,000	5,000	-	10,000
Capital Receipts	613	608	608	608	608	608
Drawdown from Housing Reserve	1,900	2,735	2,735	2,735	2,735	2,735
MUA Repayment	1,043	2,777	4,686	6,575	7,519	10,146
TOTAL INCOME	4,632	32,217	59,245	68,162	82,105	94,451
PAYMENTS						
CAPITAL FINANCING RESERVE						
Departments						
Cabinet Office	1,137	685	518	250	250	250
Department for Enterprise	3,993	272	-	-	-	-
Department of Education, Sports and Culture	1,975	798	1,087	525	525	525
Department of Environment, Food and Agriculture	925	810	575	550	30	-
Department of Health and Social Care	4,383	2,285	1,250	1,250	1,250	1,250
Department of Home Affairs	2,753	3,388	1,806	1,659	1,661	1,703
Department of Infrastructure	56,399	37,999	30,268	28,867	28,679	28,679
Housing Reserve Funded Schemes	1,900	2,735	2,735	2,735	2,735	2,735
Treasury	3,433	18,983	15,850	15,350	15,257	15,000
Executive Government	189	593	-	-	-	-
Other Bodies						
Financial Intelligence Unit	-	-	-	-	-	-
Financial Services Authority	163	81	-	-	-	-
Gambling Supervision Commission	-	191	-	-	-	-
Public Sector Pensions Authority	930	104	-	-	-	-
TOTAL CAPITAL FINANCING RESERVE	78,180	68,924	54,089	51,186	50,387	50,142
CONSOLIDATED LOANS FUND						
Other Bodies						
Manx National Heritage	621	1,537	400	400	400	400
Manx Utilities Authority	22,576	30,865	50,636	20,889	29,240	20,050
TOTAL CONSOLIDATED LOANS FUND	23,197	32,402	51,036	21,289	29,640	20,450
TOTAL BUDGETED EXPENDITURE	101,377	101,326	105,125	72,475	80,027	70,592



Historically after the end of each financial year, the Treasury has brought to Tynwald a list of Capital Supplementary Authorities for amounts of capital expenditure which form part of the overall approved budget for various capital programme items. Due to the nature and timing of those items over a number of financial years, the actual level of expenditure in any one year may exceed the specific budget approval for that year.

The delegated authority from Tynwald to the Treasury remains in place. This allows the Treasury to approve, where appropriate, the funding of scheme overspends up to £500,000.

Departments will still be required to explain any project overspends where necessary.

8.5 Manx Development Corporation

Manx Development Corporation Limited (MDC), an Isle of Man company, was incorporated on 31 March 2021 as a wholly owned subsidiary of the Treasury.

MDC was established to operate on an arm's length basis from Treasury to make a long term contribution to urban and brownfield regeneration in the Isle of Man.

The MDC board have identified several potential sites for which they would like to conduct feasibility studies in order to bring full business cases forward for consideration. It is anticipated that the feasibility studies will be funded through the injection of further equity capital by Treasury into the MDC.

Where projects are to be taken into development, the MDC will be expected to seek loan funding on commercial terms, either from Treasury or from external sources, to finance any construction costs.

Any further equity or loan funding to the MDC will be considered as and when specific projects are identified and this has not been included within the 2024-25 budget. This funding will be made available from the Consolidated Loans Fund.



9. THE RESERVES

9.1 Overview

Government's reserves are made up of internal and external funds. Summaries of each of the reserve uses is included at Appendix 8.

The internal funds assist with funding costs that are difficult to predict due to their unforeseen nature or due to their high levels of cost volatility year on year. Including these items within the revenue budget would distort the annual forecasts and would create a risk of setting inappropriate budget levels for Departments.

The 2024-25 budget relies on the utilisation of £98 million of reserves, compared to an estimated fund use of £126.5 million for the 2023-24 financial year. This can be used as a proxy for Government's underlying operating deficit. As previously noted, it is planned to reduce the reliance on the use of reserves going forward through the period of the financial plan. Funding for the Capital Programme is included on a maximum exposure basis, being the estimated delivery basis of £70 million per year for the Capital Financing Reserve programme. Planning for the full possible exposure for the Capital Programme is considered to be the most responsible approach to budgetary forecasting.

For the first three years of the financial plan presented the level of revenue funding available to contribute towards capital expenditure remains lower than the planned Capital Programme which leads to the requirement to draw from reserves. In 2024-25 it is planned to make a contribution of £20 million from General Revenue to the Capital Financing Reserve, however the budgeted spending is £70 million. This deficit reduces over the next few years until the Capital Programme is fully funded from General Revenue in 2027-28.

The effects of inflation continue to be felt by departments putting pressure on spending and leading to a continuing internal fund use.

Investment returns on externally invested reserves are forecast at around £62 million, reflecting the revised investment strategy and mandated returns. Future years assume a level of prudence to reflect possible market volatility. It is assumed that markets will return to more stable levels in the medium term and so this prudence measure reduces towards the final years of the financial plan. The returns forecast have also been adjusted to reflect the expected drawdowns on reserves, which will limit the ability to capitalise on improved market conditions.

Actual returns may be in excess or below the planned levels within the indicative financial plan.

A summary of the projected reserves usage is shown within Table 21.



TABLE 21- Use of Reserves

USE OF RESERVES								
£ million	Actual 2022-23	Budget 2023-24	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
					2025-26	2026-27	2027-28	2028-29
Internal Funds	58.5	78.6	40.3	32.3	27.3	22.3	22.3	22.3
Housing Reserve Fund	0.5	1.9	1.9	2.7	2.7	2.7	2.7	2.7
NI Operating Account	(16.5)	(3.0)	(9.8)	8.3	2.7	(2.0)	0.2	2.6
PSEPR	8.3	-	-	-	-	-	-	-
Sub-Total Transfer To Revenue	50.8	77.5	32.4	43.3	32.7	23.0	25.2	27.6
Reserve Fund Interest	6.9	10.1	11.9	10.7	11.0	11.3	11.5	11.8
Capital Accounts (CFR Transfer)	-	48.5	48.5	44.0	28.0	16.5	-	-
Capital Accounts (CFR Spend excluding Transfers)	85.2	21.5	29.7	26.0	42.0	53.5	70.0	70.0
Capital Account (CFR General Revenue Transfer)	(20.0)	-	-	(20.0)	(40.0)	(52.0)	(70.0)	(70.0)
Capital Account (CLF Transfer)	9.9	-	-	(5.0)	(10.0)	(5.0)	-	(10.0)
Revenue Account (Surplus)/Deficit	(38.6)	(0.9)	4.0	(1.0)	(1.1)	(0.7)	(0.9)	(0.8)
Use of Reserves	94.2	156.7	126.5	98.0	62.6	46.6	35.8	28.6

The use of reserves is presented on a consistent basis as the structural deficit at Table 4, rather than in line with Table 3A.

9.2 External Reserves

The purpose of each external fund is set out within the investment mandates and forms part of the formal contract with each of the investment managers. All investment mandates and benchmarks remain on an absolute return basis. Details of the investment mandates are published within the Government Accounts, which can be viewed on the Treasury website.

9.3 Internal Reserves

The Treasury was granted devolved authority to transfer funding between the internal reserves without further recourse to Tynwald as part of the 2018-19 budget process. Through this devolved authority, the Treasury has flexibility to transfer funding to areas where it is needed at short notice.

For the 2024-25 budget, the Treasury has recommended the following transfers to the internal funds:

- **Agriculture and Forestry Fund** - £2 million in order to support the Isle of Man Meat Plant and the Agri-Environment Scheme.
- **Contingency Fund** - £1.5 million to provide funding for unanticipated and unforeseen costs that may arise within Departments. This transfer has been reduced from prior years to reflect the fact that Departments should be returning to a more predictable level of spending following several years of extreme unforeseen volatility.
- **Transformation Fund** - £1.5 million to make funding available to finance initiatives aimed at digitising and automating processes in order to achieve efficiencies and cost savings.
- **Healthcare Transformation Fund** – £3.5 million is proposed to be added to this fund in order to continue to support the ongoing work in this area to implement the recommendations within the Sir Jonathan Michael Report.



- **Legal Costs Reserve** – A further £4.15 million is proposed to be transferred to replenish the fund balance. There is a continued demand for access to this funding from a number of areas of Government. The unpredictable nature of these costs mean that it is difficult to establish accurate budgets in this area.
- **Medical Indemnity Fund** – £3 million top up is proposed to this fund in order to maintain the balance going forward in order to meet future liability demands.
- **Project Development Fund** – A further £5 million is proposed to be added to this fund in order to support the initial capital funding process and allow Departments to complete full design and feasibility activities in order to more accurately scope and cost capital projects.
- **Housing and Communities Fund** – £1 million is to be transferred to this fund to support of work of the Housing and Communities Board going forward.

9.4 2023-24 Reserves Performance

The projected probable income and expenditure for 2023-24 in respect of each of the internally and externally managed funds is presented in Table 22.



TABLE 22 – Probable Income and Expenditure 2023-24

THE RESERVES - PROBABLE INCOME & EXPENDITURE 2023-24							
£000	Balances brought forward at 01/04/23	Projected Income & Expenditure 2023-24					Balances carried forward at 31/03/24
		Transfers (to)/from the Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfer to Revenue & Capital Accounts	Other Expenses	
Managed External Invested Funds:							
Enterprise Development Scheme	1,154	-	1,000	-	-	(3)	2,151
Manx Currency Account - Notes	33,605	-	-	168	-	(84)	33,689
MUA Bond Repayment Fund	56,133	-	12,500	842	-	(140)	69,335
National Insurance Investment Account	871,525	-	-	12,945	(8,542)	(2,179)	873,749
Reserve Fund	496,157	22,261	-	117	(63,350)	(3)	455,182
Reserve Fund (Economic Fund)	62,565	(62,565)	-	-	-	-	-
Reserve Fund Bond Issue	83,260	-	-	1,003	(16,400)	21	67,884
Total - External Funds	1,604,399	(40,304)	13,500	15,075	(88,292)	(2,388)	1,501,990
Invested Funds:							
Academic Business Planning Fund	585	-	500	6	-	-	1,091
Agriculture & Forestry Fund	2,998	2,000	-	30	(3,796)	-	1,232
Contingency Fund	11,658	-	7,500	117	(6,321)	-	12,954
Transformation Fund (formally Digital Strategy Fund)	5,861	260	-	59	(130)	-	6,050
Economic Development Fund	6,719	(6,719)	-	-	-	-	-
Economic Strategy Fund (formerly Economic Fund)	34,750	73,767	-	348	(6,555)	-	102,310
Environmental Protection Fund	11,344	(11,344)	-	-	-	-	-
Healthcare Transformation Fund	11,180	3,500	-	112	(8,518)	-	6,274
Invest to Save Fund	260	(260)	-	-	-	-	-
Legal Costs Reserve	1,788	750	-	18	(4,307)	-	(1,751)
Marketing Initiatives Fund	3,012	(3,012)	-	-	-	-	-
Medical Indemnity Fund	6,774	3,000	-	68	(6,000)	-	3,842
Seized Assets Fund	12,548	-	1,000	125	(1,612)	-	12,061
Town & Village Centre Regeneration Fund	1,471	(1,471)	-	-	-	-	-
Project Development Fund	2,007	8,000	-	20	(200)	-	9,827
Housing & Communities Fund	1,948	1,000	-	19	-	-	2,967
Climate Change Fund	24,679	10,446	-	247	(2,865)	-	32,507
Funds for Revenue reimbursement	139,582	79,917	9,000	1,169	(40,304)	-	189,364
Internal element of external Funds:							
Manx Currency Account - Other	70,570	-	-	353	-	-	70,923
Media Development Fund	413	(413)	-	-	-	-	-
Public Service Employees' Pension	103	-	-	-	(103)	-	-
Enterprise Development Fund	7,061	-	-	-	(313)	-	6,748
Bond Repayment Sinking Fund	26,302	-	13,883	1,700	(6,500)	-	35,385
Internal element of external Funds	104,449	(413)	13,883	2,053	(6,916)	-	113,056
Funds used for capital reimbursement:							
Housing Reserve Fund	8,075	-	1,732	-	(1,900)	-	7,907
Land & Property Acquisition Reserve	6,978	-	-	119	(300)	-	6,797
Capital Financing Reserve	32,193	50,400	-	450	(78,180)	-	4,863
Funds for capital reimbursement	47,246	50,400	1,732	569	(80,380)	-	19,567
Total - Internal Funds	291,277	129,904	24,615	3,791	(127,600)	-	321,987
TOTAL	1,895,676	89,600	38,115	18,866	(215,892)	(2,388)	1,823,977



9.5 2024-25 Reserves Projected Income and Expenditure

The projected income and expenditure for 2024-25 is presented in the table below.

TABLE 23 – Projected Income and Expenditure 2024-25

THE RESERVES - PROJECTED INCOME & EXPENDITURE 2024-25							
£000	Balances brought forward at 01/04/24	Projected Income & Expenditure					Balances carried forward at 31/03/25
		Transfers (to)/from the Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfer to Revenue & Capital Accounts	Other Expenses	
Managed External Invested Funds:							
Enterprise Development Scheme	2,151	-	1,000	-	-	(5)	3,146
Manx Currency Account - Notes	33,689	-	-	337	-	(84)	33,942
MUA Bond Repayment Fund	69,335	-	12,500	2,455	-	(173)	84,117
National Insurance Investment Account	873,749	-	-	26,212	-	(2,184)	897,777
Reserve Fund	455,182	(32,250)	-	7,011	(64,319)	(1,131)	364,493
Reserve Fund Bond Issue	67,884	-	-	2,036	-	(170)	69,750
Total - External Funds	1,501,990	(32,250)	13,500	38,051	(64,319)	(3,747)	1,453,225
Invested Funds:							
Academic Business Planning Fund	1,091	-	-	2	(500)	-	593
Agriculture & Forestry Fund	1,232	2,000	-	2	(3,000)	-	234
Contingency Fund	12,954	1,500	-	26	(1,500)	-	12,980
Transformation Fund	6,050	1,500	-	12	(2,500)	-	5,062
Economic Strategy Fund	102,310	-	-	205	(10,000)	-	92,515
Healthcare Transformation Fund	6,274	3,500	-	13	(5,000)	-	4,787
Legal Costs Reserve	(1,751)	4,150	-	(4)	(500)	-	1,895
Medical Indemnity Fund	3,842	3,000	-	8	(750)	-	6,100
Seized Assets Fund	12,061	-	-	24	(500)	-	11,585
Project Development Fund	9,827	5,000	-	20	(2,000)	-	12,847
Housing & Communities Fund	2,967	1,000	-	6	(1,000)	-	2,973
Climate Change Fund	32,507	-	-	65	(5,000)	-	27,572
Funds for Revenue reimbursement	189,364	21,650	-	379	(32,250)	-	179,143
Internal element of external Funds:							
Manx Currency Account - Other	70,923	-	-	(1,418)	-	-	69,505
Enterprise Development Fund	6,748	-	-	-	-	-	6,748
Bond Repayment Sinking Fund	35,385	-	15,604	2,130	(6,500)	-	46,619
Internal element of external Funds	113,056	-	15,604	712	(6,500)	-	122,872
Funds used for capital reimbursement:							
Housing Reserve Fund	7,907	-	1,700	-	(2,735)	-	6,872
Land & Property Acquisition Reserve	6,797	-	-	123	(500)	-	6,420
Capital Financing Reserve	4,863	-	66,735	450	(70,000)	-	2,048
Funds for capital reimbursement	19,567	-	68,435	573	(73,235)	-	15,340
Total - Internal Funds	321,987	21,650	84,039	1,664	(111,985)	-	317,355
TOTAL	1,823,977	(10,600)	97,539	39,715	(176,304)	(3,747)	1,770,580

Note: The balances of the externally managed investment funds are shown at book rather than market value.

Receipts to the Bond Repayment Sinking Fund include amounts repaid by Manx Utilities Authority and Isle of Man Steam Packet Company.



9.6 Reserves Projected Future Expenditure

The projected future expenditure of each fund for the duration of the five year indicative financial plan is presented in the table below:

TABLE 24 – Probable Future Years’ Expenditure

PROJECTED FUTURE EXPENDITURE FROM RESERVES					
£000	Provisional Budget 2024-25	Indicative Financial Plan			
		2025-26	2026-27	2027-28	2028-29
Managed External Invested Funds:					
Enterprise Development Scheme	5	-	-	-	-
Manx Currency Account - Notes	84	550	550	550	550
MUA Bond Repayment Fund	173	150	150	150	150
Bond Repayment Sinking Fund	6,500	6,500	6,500	6,500	6,500
National Insurance Investment Account	2,184	2,184	2,184	2,184	2,184
Reserve Fund	65,619	28,000	21,500	9,000	100
Total - External Funds	74,565	37,384	30,884	18,384	9,484
Invested Funds:					
Academic Business Planning Fund	500	500	500	500	500
Agriculture & Forestry Fund	3,000	3,000	3,000	3,000	3,000
Contingency Fund	1,500	1,500	1,500	1,500	1,500
Transformation Fund (formally Digital Strategy Fund)	2,500	2,500	2,500	2,500	2,500
Economic Strategy Fund	10,000	5,000	-	-	-
Healthcare Transformation Fund	5,000	5,000	5,000	5,000	5,000
Legal Costs Reserve	500	500	500	500	500
Medical Indemnity Fund	750	750	750	750	750
Seized Assets Fund	500	500	500	500	500
Project Development Fund	2,000	2,000	2,000	2,000	2,000
Housing & Communities Fund	1,000	1,000	1,000	1,000	1,000
Climate Change Fund	5,000	5,000	5,000	5,000	5,000
Funds for Revenue reimbursement	32,250	27,250	22,250	22,250	22,250
Internal element of external Funds:					
Manx Currency Account - Other	-	750	750	750	750
Enterprise Development Fund	-	-	-	-	-
Internal element of external Funds	-	750	750	750	750
Funds used for capital reimbursement:					
Housing Reserve Fund	2,735	2,735	2,735	2,735	2,735
Land & Property Acquisition Reserve	500	500	500	500	500
Capital Financing Reserve	70,000	70,000	70,000	70,000	70,000
Funds for capital reimbursement	73,235	73,235	73,235	73,235	73,235
Total - Internal Funds	105,485	101,235	96,235	96,235	96,235
TOTAL	180,050	138,619	127,119	114,619	105,719



Appendix 1 – Analysis of Treasury Income

APPENDIX 1 – ANALYSIS OF TREASURY INCOME

This table shows the estimated revenue of the Treasury as provided by Customs & Excise, Income Tax and the Treasury investment team.

TABLE 25 – Analysis of Treasury Income

ANALYSIS OF TREASURY INCOME							
Budget 2023-24	Probable 2023-24	£000	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
		CUSTOMS & EXCISE					
		<u>Shared Revenue</u>					
356,047	355,597	Value Added Tax	373,039	385,581	398,572	415,110	428,721
29,900	28,500	Excise Duty – Hydrocarbon Oil	28,500	28,000	27,500	27,000	26,500
23,440	23,100	Excise Duty - Alcohol	23,739	24,115	24,496	24,883	25,276
17,646	17,346	Excise Duty - Tobacco	18,000	18,284	18,573	18,865	19,161
6,500	6,400	Customs Duty	6,600	6,704	6,810	6,918	7,020
640	630	Soft Drinks Industry Levy	649	659	670	681	692
(3,500)	(2,300)	Cost of Collection Adjustment	(3,500)	(3,500)	(3,600)	(3,700)	(3,900)
0	0	<u>Non-Shared Revenue</u>	0	0	0	0	0
4,500	4,500	Gambling Duty	4,500	4,600	4,600	4,600	4,700
3,600	3,900	Air Passenger Duty	4,600	5,500	5,500	5,500	6,000
1,300	1,300	Lottery Duty	1,300	1,400	1,400	1,400	1,400
600	306	Non-Revenue Receipts	600	600	600	600	600
440,673	439,279	TOTAL CUSTOMS & EXCISE	458,027	471,943	485,121	501,857	516,170
		INCOME TAX					
245,555	278,980	Resident Income Tax	313,400	334,615	344,022	361,505	379,543
13,070	15,090	Company Tax	23,400	32,895	30,412	31,013	31,644
20,140	27,550	Non-Resident Tax	30,350	34,012	38,181	38,378	38,584
278,765	321,620	TOTAL INCOME TAX	367,150	401,522	412,615	430,896	449,771
299,415	317,980	NI OPERATING ACCOUNT	315,048	329,742	343,517	350,693	358,070
		OTHER TREASURY INCOME					
250	250	Fines	250	250	250	250	250
10,109	11,885	Investment income (including dividends)	10,686	10,953	11,227	11,507	11,795
47	115	Miscellaneous	383	399	415	432	449
10,406	12,250	TOTAL OTHER TREASURY INCOME	11,319	11,602	11,892	12,189	12,494
1,029,259	1,091,129	TOTAL	1,151,544	1,214,809	1,253,145	1,295,635	1,336,505

The investment income forecasts also include an expectation of a levy from the Isle of Man Post Office and dividend receipts from the Isle of Man Steam Packet Group. As with the prior year, the contributions are £0.5 million and £1 million respectively.



Appendix 3 – Welfare Benefit Payments 2024-25

APPENDIX 2 – WELFARE BENEFIT PAYMENTS

TABLE 26 – Welfare Benefit Payments

Benefit/Payment	Base cost (1) £	Up-rating %	Cost of up-rating £	Up-rated cost £
National Insurance (NI) Benefits				
Retirement Pension (2)	141,000,000	8.0%	11,280,000	152,280,000
Age Addition	275,000	0.0%	-	275,000
Pension Supplement (RP)	27,500,000	0.0%	-	27,500,000
Retirement Pension Premium	900,000	6.7%	60,000	960,000
Old Person's Pension	85,000	8.5%	7,000	92,000
Manx State Pension (3)	41,000,000	8.5%	3,485,000	44,485,000
Pension Supplement (MSP)	8,000,000	0.0%	-	8,000,000
Nursing Care Contribution Scheme	4,674,000	6.7%	313,000	4,987,000
Long Term Incapacity Benefit	10,700,000	6.7%	717,000	11,417,000
Short Term Incapacity Benefit	2,400,000	6.7%	161,000	2,561,000
Incapacity Benefit Youth	39,000	6.7%	3,000	42,000
Pension Supplement (Incap)	190,000	0.0%	-	190,000
Bereavement Support Payment	1,117,000	6.7%	75,000	1,192,000
Bereavement Allowances (legacy)	130,000	6.7%	9,000	139,000
Pension Supplement (Bereavement)	12,000	0.0%	-	12,000
Widows Pension	74,000	6.7%	5,000	79,000
Pension Supplement (Widows Pension)	9,000	0.0%	-	9,000
Guardian's Allowance	9,000	6.7%	1,000	10,000
Funeral Payments	100,000	0.0%	-	100,000
Maternity Allowance	4,000,000	15.0%	600,000	4,600,000
Adoption Allowance	37,000	15.0%	6,000	43,000
Paternity Allowance	85,000	15.0%	13,000	98,000
Carer's Allowance	4,600,000	6.7%	308,000	4,908,000
Industrial Disablement Benefit	1,100,000	6.7%	74,000	1,174,000
Contribution Based Jobseeker's Allowance	275,000	6.7%	18,000	293,000
Redundancy Payments/Rebates	185,000	0.0%	-	185,000
Insolvency Payments	500,000	0.0%	-	500,000
Christmas Bonus	1,000,000	0.0%	-	1,000,000
N.I. Benefits - Total	249,996,000		17,135,000	267,131,000
General Revenue Benefits				
Disability Living Allowance	15,500,000	5.7%	884,000	16,384,000
Attendance Allowance	6,500,000	5.7%	371,000	6,871,000
Severe Disablement Allowance	450,000	6.7%	30,000	480,000
Child Benefit (3)	12,170,000	5.7%	694,000	12,864,000
Income Support	36,500,000	5.7%	2,081,000	38,581,000
Winter Bonus	800,000	0.0%	-	800,000
Exceptional Needs Grants	100,000	0.0%	-	100,000
Maternity Payments	50,000	7.1%	4,000	54,000
Employed Person's Allowance	8,500,000	5.7%	485,000	8,985,000
Income Based Jobseeker's Allowance	1,500,000	5.7%	86,000	1,586,000
T.V. Licences/Payments	1,000,000	0.0%	-	1,000,000
Manx Reskill Scheme	40,000	0.0%	-	40,000
General Revenue Benefits - Total	83,110,000		4,635,000	87,745,000
Grand Total	333,106,000		21,770,000	354,876,000

Notes:

1. Anticipated spend in 2024-25 before uprating.
2. Basic pension to be increased by 8.5% per triple lock. Additional pension to be increased by 6.7%. Assumed 8.0% overall.
3. Includes £1.67m to align the currently lower rate of child benefit for second and subsequent children in a family with the rate applicable for the first or only child in a family.
4. All amounts are rounded to the nearest £000.



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

APPENDIX 3 – REVENUE EXPENDITURE IN DETAIL BY DEPARTMENT, OFFICE OR BOARD

In previous years each Department of Executive Government and Statutory Board has been responsible for providing narrative regarding their plans for the coming year.

All of the main areas of Government now produce separate annual departmental plans which include this information and can be accessed via the relevant departmental website.



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.1 Department for Enterprise (DfE) – Financial Summary

TABLE 27 – DfE – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Chief Executive's Office	205	488	830	2,299	(1,469)
Strategy & Policy	1,572	2,291	2,733	167	2,566
Digital Agency	741	1,253	1,468	-	1,468
Visit Agency	2,044	(30)	2,689	27	2,662
Finance Agency	643	1,143	1,217	-	1,217
Motorsport	7,166	7,240	10,092	4,571	5,521
Ship Registry	368	(139)	3,663	3,117	546
Aircraft Registry	(472)	(137)	3,132	2,872	260
Central Registry	(15,443)	(13,991)	2,208	15,638	(13,430)
Enterprise Support	3,304	2,560	704	-	704
Business Agency	475	941	1,175	-	1,175
Fund Reclaims	1,015	-	-	-	-
NET EXPENDITURE	1,618	1,619	29,911	28,691	1,220

TABLE 28 – DfE – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Taxation Income	28	-	-	-	-	-	-
Operating Income	27,764	25,007	28,691	29,408	30,143	30,897	31,669
Other Non-Trading Income	(2)	-	-	-	-	-	-
TOTAL INCOME	27,790	25,007	28,691	29,408	30,143	30,897	31,669
EXPENDITURE							
Employee Costs	11,049	11,838	13,125	13,388	13,655	13,928	14,207
Infrastructure Costs	1,009	791	871	888	906	924	942
Transport Costs	1	-	-	-	-	-	-
Supplies & Services	17,188	14,058	15,678	15,991	16,311	16,637	16,970
Fund claims	-	(8,373)	-	-	-	-	-
Other	161	8,312	237	237	237	238	237
TOTAL EXPENDITURE	29,408	26,626	29,911	30,504	31,109	31,727	32,356
NET EXPENDITURE	1,618	1,619	1,220	1,096	966	830	687



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

DfE – Financial Summary (continued)

TABLE 29 – DfE – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	11,838	15,271	(27,144)	(35)
Transfer from Cabinet Office	99	-	-	99
Transfer to Cabinet Office	-	(21)	-	(21)
Pay Uplift	1,188	-	-	1,188
Non-Pay Uplift	-	1,536	-	1,536
Income Uplift	-	-	(1,547)	(1,547)
2024-25 BUDGET	13,125	16,786	(28,691)	1,220



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.2 Department of Education, Sport and Culture (DESC) – Financial Summary

TABLE 30 – DESC – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Primary Education	31,630	36,673	38,791	-	38,791
Secondary Education	33,667	41,482	45,008	2,386	42,622
University College IOM	10,978	11,751	14,792	1,779	13,013
Culture Division	-	2,050	3,937	2,589	1,348
Sport, Recreation & Youth Services	-	7,071	8,711	1,838	6,873
Policy, Strategy & Governance	-	15,898	24,750	2,364	22,386
Education Advice & Support Quality Assurance & Inspection	-	17,137	16,491	109	16,382
Fund Claims	-	64	171	-	171
Student Grants	1,841	(180)	-	-	-
Education Works	5,291	-	-	-	-
Education Meals	15,455	-	-	-	-
Youth & Community	13,189	-	-	-	-
Education Improvement	93	-	-	-	-
NET EXPENDITURE	112,144	131,946	152,651	11,065	141,586

TABLE 31 – DESC – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Third Party Contributions	64	69	122	124	127	131	134
Operating Income	8,970	9,684	9,753	9,996	10,246	10,502	10,765
Grant Income	20	20	20	21	21	22	22
Other Non-Trading Income	575	609	1,170	1,202	1,231	1,261	1,293
TOTAL INCOME	9,629	10,382	11,065	11,343	11,625	11,916	12,214
EXPENDITURE							
Employee Costs	97,409	107,506	112,546	114,797	117,093	119,435	121,823
Infrastructure Costs	6,598	8,358	7,845	8,002	8,162	8,325	8,491
Transport Costs	289	211	245	250	255	260	265
Supplies & Services	10,032	9,939	10,681	10,894	11,112	11,335	11,561
Other	7,445	16,314	21,334	24,762	26,257	28,282	30,348
TOTAL EXPENDITURE	121,773	142,328	152,651	158,705	162,879	167,637	172,488
NET EXPENDITURE	112,144	131,946	141,586	147,362	151,254	155,721	160,274



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

DESC – Financial Summary (continued)

TABLE 32 – DESC – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	99,301	34,502	(10,468)	123,335
Transfer to Cabinet Office	-	(1)	-	(1)
Pay Uplift	9,970	-	-	9,970
Non-Pay Uplift	-	2,879	-	2,879
Income Uplift	-	-	(597)	(597)
Budget adjustments	275	(275)	-	-
Additional Funding	3,000	-	-	3,000
Childcare Strategy	-	3,000	-	3,000
2024-25 BUDGET	112,546	40,105	(11,065)	141,586



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.3 Department of Environment, Food and Agriculture (DEFA) – Financial Summary

TABLE 33 – DEFA – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Corporate Services	276	941	880	173	707
Planning & Building Control	(355)	175	1,951	1,625	326
Forestry, Amenity and Lands (formerly Agriculture and Land)	10,389	9,680	4,645	1,665	2,980
Environment Policy	2,132	2,391	3,217	566	2,651
Regulation	3,695	3,913	3,475	377	3,098
Climate Change	594	792	913	-	913
Agriculture and Food	-	-	7,647	88	7,559
Office of Fair Trading	-	-	943	49	894
Road Transport Licensing Committee	-	-	181	70	111
NET EXPENDITURE	16,731	17,892	23,852	4,613	19,239

TABLE 34 – DEFA – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Taxation Income	105	106	117	120	123	126	130
Third Party Contributions	335	357	378	387	397	407	417
Operating Income	4,058	4,027	4,032	4,133	4,236	4,342	4,451
Other Non-Trading Income	41	62	86	88	90	92	94
TOTAL INCOME	4,539	4,552	4,613	4,728	4,846	4,967	5,092
EXPENDITURE							
Employee Costs	10,405	11,924	12,848	13,109	13,372	13,639	13,912
Infrastructure Costs	913	1,484	1,236	1,261	1,286	1,312	1,338
Transport Costs	64	177	84	86	88	90	91
Supplies & Services	6,297	5,413	2,473	2,523	2,573	2,625	2,677
Agency & Contracted Services	-	-	-	1	1	1	1
Other	3,591	3,446	7,211	7,210	7,210	7,210	7,210
TOTAL EXPENDITURE	21,270	22,444	23,852	24,190	24,530	24,877	25,229
NET EXPENDITURE	16,731	17,892	19,239	19,462	19,684	19,910	20,137

TABLE 35 – DEFA – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	11,675	10,658	(4,364)	17,969
Pay Uplift	1,173	-	-	1,173
Non-Pay Uplift	-	346	-	346
Income Uplift	-	-	(249)	(249)
2024-25 BUDGET	12,848	11,004	(4,613)	19,239



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.4 Department of Health and Social Care (DHSC) – Financial Summary

TABLE 36 – DHSC – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
DHSC Corporate Services	(1,970)	166	7,185	124	7,061
NI Contributions	(51,284)	(53,607)	-	52,669	(52,669)
Mandate	283,931	302,975	346,823	-	346,823
Additional Mandate	39,505	45,444	-	-	-
Fund Claims	(22,283)	-	-	-	-
NET EXPENDITURE	247,899	294,978	354,008	52,793	301,215

TABLE 37 – DHSC – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Taxation Income	51,383	53,709	52,777	54,851	57,010	59,259	61,600
Operating Income	44	15	16	17	17	17	18
TOTAL INCOME	51,427	53,724	52,793	54,868	57,027	59,276	61,618
EXPENDITURE							
Employee Costs	2,243	2,709	3,641	3,714	3,788	3,864	3,941
Infrastructure Costs	18	3	3	3	3	3	3
Supplies & Services	704	410	354	361	368	375	383
Agency & Contracted Service	345	223	287	293	299	305	311
Other	(27,420)	(3,062)	2,900	2,900	2,900	2,900	2,900
Mandate	283,931	302,975	346,823	357,513	372,286	387,661	403,663
Additional Mandate	39,505	45,444	-	-	-	-	-
TOTAL EXPENDITURE	299,326	348,702	354,008	364,784	379,644	395,108	411,201
NET EXPENDITURE	247,899	294,978	301,215	309,916	322,617	335,832	349,583

TABLE 38 – DHSC – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	3,309	310,472	(53,724)	260,057
Pay Uplift	332	-	-	332
Non-Pay Uplift	-	60	-	60
Income Uplift	-	-	931	931
Budget adjustments	-	(4,013)	-	(4,013)
Manx Care Mandate Uplift	-	43,848	-	43,848
2024-25 BUDGET	3,641	350,367	(52,793)	301,215



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.5 Manx Care – Financial Summary

TABLE 39 – Manx Care – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Adult Services	34,885	37,436	51,674	10,157	41,517
Child & Families	15,474	17,305	16,936	200	16,736
Mental Health Service	25,260	27,481	30,323	48	30,275
CEO Office	27,874	32,095	15,193	799	14,394
Nobles Hospital	137,629	146,347	152,126	3,251	148,875
UK Referrals & Patient Transport	24,269	26,232	26,345	-	26,345
Primary Healthcare Services	58,045	61,523	71,851	3,170	68,681
Mandate	(283,931)	(302,975)	(346,823)	-	(346,823)
Additional Mandate	(39,505)	(45,444)	-	-	-
NET EXPENDITURE	-	-	17,625	17,625	-

TABLE 40 – Manx Care – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Third Party Contributions	1,972	1,697	1,528	1,559	1,590	1,622	1,654
Operating Income	12,638	13,783	15,901	16,218	16,543	16,874	17,211
Other Non-Trading Income	255	320	196	200	204	208	213
TOTAL INCOME	14,865	15,800	17,625	17,977	18,337	18,704	19,078
EXPENDITURE							
Employee Costs	195,662	211,601	231,709	239,719	249,900	260,517	271,589
Infrastructure Costs	1,865	2,072	1,895	1,933	1,971	2,012	2,051
Transport Costs	5,415	5,225	5,299	5,404	5,513	5,623	5,736
Supplies & Services	34,725	32,350	19,697	20,091	20,493	20,903	21,321
Agency & Contracted Service	98,169	107,434	103,614	106,064	110,421	114,941	119,627
Other	2,465	5,537	2,234	2,279	2,325	2,369	2,417
Mandate	(283,931)	(302,975)	(346,823)	(357,513)	(372,286)	(387,661)	(403,663)
Additional Mandate	(39,505)	(45,444)	-	-	-	-	-
TOTAL EXPENDITURE	14,865	15,800	17,625	17,977	18,337	18,704	19,078
NET EXPENDITURE	-	-	-	-	-	-	-



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

Manx Care – Financial Summary (continued)

TABLE 41 – Manx Care – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	197,639	(182,271)	(15,368)	-
Transfer from Cabinet Office	58	-	-	58
Transfer to Cabinet Office	-	(393)	-	(393)
Pay Uplift	30,897	-	-	30,897
Non-Pay Uplift	-	15,077	-	15,077
Income Uplift	-	-	(1,791)	(1,791)
Mandate Uplift	-	(43,848)	-	(43,848)
Budget adjustments	3,115	(2,649)	(466)	-
2024-25 BUDGET	231,709	(214,084)	(17,625)	-



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.6 Department of Home Affairs (DHA) – Financial Summary

TABLE 42 – DHA – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Chief Executives Office	1,033	1,851	2,174	16	2,158
Civil Defence	196	213	250	5	245
Fire & Rescue Service	5,335	6,203	6,662	121	6,541
Communications Division	1,541	2,072	2,757	631	2,126
IOM Constabulary	18,985	20,066	21,728	293	21,435
Prison & Probation Service	9,348	10,145	10,597	265	10,332
NET EXPENDITURE	36,438	40,550	44,168	1,331	42,837

TABLE 43 – DHA – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Third Party Contributions	121	112	109	112	115	118	120
Operating Income	1,003	780	935	957	981	1,006	1,031
Other Non-Trading Income	278	300	287	295	302	309	317
TOTAL INCOME	1,402	1,192	1,331	1,364	1,398	1,433	1,468
EXPENDITURE							
Employee Costs	34,080	35,373	38,213	38,978	39,757	40,552	41,363
Infrastructure Costs	1,396	1,901	1,328	1,354	1,381	1,409	1,437
Supplies & Services	5,861	4,468	4,627	4,719	4,813	4,910	5,008
Other	(3,497)	-	-	-	-	-	-
TOTAL EXPENDITURE	37,840	41,742	44,168	45,051	45,951	46,871	47,808
NET EXPENDITURE	36,438	40,550	42,837	43,687	44,553	45,438	46,340

TABLE 44 – DHA – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	34,161	5,714	(1,272)	38,603
Transfer to Cabinet Office	-	(35)	-	(35)
Pay Uplift	3,460	-	-	3,460
Non-Pay Uplift	-	544	-	544
Income Uplift	-	-	(72)	(72)
Budget adjustments	255	(268)	13	-
MoneyVal Funding	337	-	-	337
2024-25 BUDGET	38,213	5,955	(1,331)	42,837



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.7 Department of Infrastructure (DOI) – Financial Summary

TABLE 45 – DOI – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Corporate Support & Compliance	5,528	11,473	26,819	12,374	14,445
Airport Division	7,135	7,741	11,819	4,613	7,206
Highway Services Division	(4,131)	(3,632)	15,122	18,363	(3,241)
Public Estates & Housing	21,957	28,055	41,903	14,496	27,407
Transport Services Division	14,712	10,119	17,211	7,418	9,793
Harbours	(3,274)	(2,397)	4,954	7,184	(2,230)
Flood and Coastal Protection	1,302	1,547	1,673	10	1,663
NET EXPENDITURE	43,229	52,906	119,501	64,458	55,043

TABLE 46 – DOI – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Taxation Income	13,410	14,648	15,542	15,931	16,329	16,737	17,156
Third Party Contributions	1,835	2,020	3,845	3,941	4,040	4,141	4,244
Operating Income	40,126	43,537	40,990	42,014	43,065	44,141	45,245
Other Non-Trading Income	3,739	3,187	4,081	4,183	4,288	4,395	4,505
TOTAL INCOME	59,110	63,392	64,458	66,069	67,722	69,414	71,150
EXPENDITURE							
Employee Costs	45,294	47,205	51,396	52,424	53,473	54,542	55,633
Infrastructure Costs	38,091	40,259	39,263	40,047	40,848	41,665	42,498
Transport Costs	8,842	8,877	6,507	6,638	6,770	6,906	7,044
Supplies & Services	12,222	14,178	14,968	15,268	15,573	15,885	16,202
Agency & Contracted Services	1,813	5,054	4,338	4,425	4,513	4,603	4,696
Other	(3,923)	725	3,029	3,029	3,029	3,029	3,029
TOTAL EXPENDITURE	102,339	116,298	119,501	121,831	124,206	126,630	129,102
NET EXPENDITURE	43,229	52,906	55,043	55,762	56,484	57,216	57,952

TABLE 47 – DOI – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	46,707	62,163	(60,982)	47,888
Transfer from Cabinet Office	-	4	-	4
Pay Uplift	4,689	-	-	4,689
Non-Pay Uplift	-	5,938	-	5,938
Income Uplift	-	-	(3,476)	(3,476)
2024-25 BUDGET	51,396	68,105	(64,458)	55,043



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.8 The Treasury – Financial Summary

TABLE 48 – The Treasury – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£'000	Actual Spend	Probable Spend	Gross Spend	Gross Income	Net
	2022-23	2023-24	2024-25	2024-25	2024-25
DIVISION					
Financial Governance Division	16,849	13,669	15,683	10,687	4,996
Financial Advisory Service	3,257	4,136	4,891	318	4,573
Customs & Immigration Division (formerly Customs & Excise)	2,554	3,175	5,191	458,027	(452,836)
Income Tax Division	5,687	6,295	7,066	367,150	(360,084)
Assurance Advisory Division	642	826	918	92	826
Manx Radio Subvention	1,090	1,128	1,334	-	1,334
Treasury Grants	8,521	7,619	7,868	-	7,868
Government Contingency	16,366	5,128	5,169	-	5,169
Lottery Duty Distribution	1,674	1,300	1,400	-	1,400
Non-Contributory Benefits	80,090	90,166	87,745	-	87,745
N I Operating Account	307,585	249,180	315,048	315,048	-
Social Security Administration	5,450	4,052	5,965	222	5,743
NET EXPENDITURE	449,765	386,674	458,278	1,151,544	(693,266)

Note

The Contingency Budget includes £5.2 million of general contingency which will be reallocated on the provision and scrutiny of any viable business case from Departments.

Treasury Grants include £5.0 million for Manx National Heritage and £2.7 million for the Isle of Man Financial Services Authority.

TABLE 49 – The Treasury – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Customs & Excise	451,929	439,279	458,027	471,943	485,121	501,857	516,170
Income Tax	274,968	321,620	367,150	401,522	412,615	430,896	449,771
Other Treasury Income	11,761	11,989	11,319	11,602	11,892	12,189	12,494
NI Operating Account	306,499	259,198	315,048	329,742	343,517	350,693	358,070
TOTAL INCOME	1,045,157	1,032,086	1,151,544	1,214,809	1,253,145	1,295,635	1,336,505
EXPENDITURE							
Employee Costs	17,623	20,152	26,875	27,434	28,005	28,589	29,186
Infrastructure Costs	7	8	11	11	11	12	12
Supplies & Services	7,011	9,663	7,712	9,965	6,879	6,789	7,695
Agency & Contracted Services	3,671	3,324	4,046	4,127	4,210	4,294	4,380
Sinking Fund	3,411	3,500	3,500	3,500	3,500	3,500	3,500
Social Security Clients	375,845	337,717	411,103	421,839	432,698	443,892	455,431
Other	42,196	12,310	5,031	10,323	14,579	11,868	8,957
TOTAL EXPENDITURE	449,764	386,674	458,278	477,199	489,882	498,944	509,161
NET EXPENDITURE	(595,393)	(645,412)	(693,266)	(737,610)	(763,263)	(796,691)	(827,344)



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

The Treasury – Financial Summary (continued)

TABLE 50 – The Treasury – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	20,844	412,872	(1,029,260)	(595,544)
Transfer from Cabinet Office	1,291	207	(1,810)	(312)
Transfer from Attorney General Chambers	66	-	-	66
Pay Uplift	2,113	-	-	2,113
Non-Pay Uplift	-	19,458	-	19,458
Income Uplift	-	-	(120,154)	(120,154)
Budget Adjustments	2,561	(1,134)	(320)	1,107
2024-25 BUDGET	26,875	431,403	(1,151,544)	(693,266)

During 2023-24, Passports, Immigration and Nationality was transferred from Cabinet Office and now forms part of Customs & Immigration within Treasury.



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.9 Cabinet Office – Financial Summary

TABLE 51 – Cabinet Office – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Office of Human Resources	6,320	6,468	7,178	132	7,046
Crown & External Relations	2,382	2,759	3,460	2	3,458
Government Technology Services	20,371	20,401	22,984	116	22,868
Public Health Directorate	1,689	1,757	1,975	-	1,975
Passports, Immigration & Nationality	(692)	(495)	-	-	-
Business Change	639	1,701	1,774	-	1,774
Senior Executive Office	1,294	1,505	1,200	-	1,200
Health and Care Transformation	-	-	-	-	-
Central Policy (formerly Government Reform Team)	2,657	2,320	2,786	67	2,719
NET EXPENDITURE	34,660	36,416	41,357	317	41,040

TABLE 52 – Cabinet Office – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Taxation Income	(7)	-	-	-	-	-	-
Third Party Contributions	105	110	116	119	122	125	128
Operating Income	2,053	1,977	198	203	208	213	218
Other Non-Trading Income	25	2	3	3	3	3	3
TOTAL INCOME	2,176	2,089	317	325	333	341	349
EXPENDITURE							
Employee Costs	25,463	25,820	25,036	25,537	26,048	26,569	27,100
Infrastructure Costs	172	195	169	172	176	179	183
Transport Costs	380	217	6	6	6	6	6
Supplies & Services Agency & Contracted Services	20,668	24,064	16,072	16,393	16,721	17,056	17,397
Other	55	9	74	76	77	79	80
	(9,902)	(11,800)	-	-	-	-	-
TOTAL EXPENDITURE	36,836	38,505	41,357	42,184	43,028	43,889	44,766
NET EXPENDITURE	34,660	36,416	41,040	41,859	42,695	43,548	44,417



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

Cabinet Office – Financial Summary (continued)

TABLE 53 – Cabinet Office – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	23,728	14,812	(2,124)	36,416
Transfer to Enterprise	(99)	-	-	(99)
Transfer from Enterprise	-	21	-	21
Transfer from Home Affairs	-	35	-	35
Transfer to Infrastructure	-	(4)	-	(4)
Transfer to Manx Care	(58)	-	-	(58)
Transfer from Manx Care	-	393	-	393
Transfer from Education, Sport and Culture	-	1	-	1
Transfer to Treasury	(1,291)	(207)	1,810	312
Pay Uplift	2,392	-	-	2,392
Non-Pay Uplift	-	1,478	-	1,478
Income Uplift	-	-	(121)	(121)
Budget adjustments	90	(208)	118	-
MoneyVal Funding	274	-	-	274
2024-25 BUDGET	25,036	16,321	(317)	41,040

During 2023-24, Passports, Immigration and Nationality was transferred from Cabinet Office and now forms part of Customs & Immigration within Treasury.



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.10 Executive Government – Financial Summary

TABLE 54 – Executive Government – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Industrial Relations	316	272	368	-	368
Veterans Welfare Society	107	104	126	-	126
Information Commissioner	153	264	424	147	277
General Registry	2,591	2,889	6,083	2,732	3,351
Attorney General	6,692	7,003	8,369	73	8,296
International Development	2,461	2,500	2,500	-	2,500
Public Service Employees Pension Reserve	28,712	47,015	41,640	-	41,640
Tynwald Auditor General	197	176	545	-	545
NET EXPENDITURE	41,229	60,223	60,055	2,952	57,103

TABLE 55 – Executive Government – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Taxation Income	144	147	146	150	154	157	161
Third Party Contributions	36	69	73	75	77	79	80
Operating Income	2,643	2,694	2,725	2,793	2,863	2,934	3,008
Other Non-Trading Income	(1)	-	8	9	9	9	9
TOTAL INCOME	2,822	2,910	2,952	3,027	3,103	3,179	3,258
EXPENDITURE							
Employee Costs	39,789	58,655	55,334	57,532	57,383	57,201	56,989
Infrastructure Costs	5	10	12	12	13	13	13
Supplies & Services	2,041	1,968	2,209	2,253	2,298	2,344	2,391
Other	2,216	2,500	2,500	2,500	2,500	2,500	2,500
TOTAL EXPENDITURE	44,051	63,133	60,055	62,297	62,194	62,058	61,893
NET EXPENDITURE	41,229	60,223	57,103	59,270	59,091	58,879	58,635



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

TABLE 56 – Executive Government – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	54,622	4,701	(2,793)	56,530
Transfer to Treasury	(66)	-	-	(66)
Pay Uplift	(41)	-	-	(41)
Non-Pay Uplift	-	204	-	204
Income Uplift	-	-	(159)	(159)
Budget adjustments	36	(184)	-	(148)
MoneyVal Funding	355	-	-	355
Additional Funding	428	-	-	428
2024-25 BUDGET	55,334	4,721	(2,952)	57,103



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.11 Legislature (Parliament) - Financial Summary

TABLE 57 – Legislature – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Legislature	4,719	5,149	5,498	10	5,488
Tynwald Commissioner Administration	33	34	36	-	36
NET EXPENDITURE	4,752	5,183	5,534	10	5,524

TABLE 58 – Legislature – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Third Party Contributions	1	-	-	-	-	-	-
Fees & Charges	48	30	10	11	11	11	11
TOTAL INCOME	49	30	10	11	11	11	11
EXPENDITURE							
Employee Costs	4,417	4,713	4,984	5,084	5,185	5,289	5,395
Supplies & Services	455	500	550	561	573	584	596
Other	(71)	-	-	-	-	-	-
TOTAL EXPENDITURE	4,801	5,213	5,534	5,645	5,758	5,873	5,991
NET EXPENDITURE	4,752	5,183	5,524	5,634	5,747	5,862	5,980

TABLE 59 – Legislature – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	4,529	500	(10)	5,019
Pay Uplift	455	-	-	455
Non-Pay Uplift	-	50	-	50
2024-25 BUDGET	4,984	550	(10)	5,524

TABLE 60 – Legislature – Breakdown of Employee Costs

BREAKDOWN OF EMPLOYEE COSTS					
	Actual 2022-23	Budget			
		2023-24	2024-25	2025-26	2026-27
Staff	1,347	1,430	1,575	1,607	1,639
Members' Emoluments	3,037	3,249	3,373	3,440	3,509
Tynwald Commissioner Administration	33	34	36	37	37
NET EXPENDITURE	4,417	4,713	4,984	5,084	5,185



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.12 Statutory Boards and Bodies (Revenue Funded) – Financial Summary

TABLE 61 – Statutory Boards and Bodies – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2022-23	Net Probable 2023-24	Gross Spend 2024-25	Gross Income 2024-25	Net 2024-25
DIVISION					
Communications and Utilities Regulatory Authority	(355)	(683)	1,121	1,452	(331)
Financial Services Authority	-	(48)	10,225	10,225	-
Gambling Supervision Commission	(1,340)	(2,053)	4,878	5,672	(794)
Public Sector Pensions Authority	-	1,858	2,175	-	2,175
Financial Intelligence Unit	896	1,113	1,443	-	1,443
NET EXPENDITURE	(799)	187	19,842	17,349	2,493

TABLE 62 – Statutory Boards and Bodies – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan			
				2025-26	2026-27	2027-28	2028-29
INCOME							
Taxation Income	7,573	10,706	12,575	13,408	14,313	15,297	16,380
Operating Income	1,342	1,444	2,098	2,199	2,307	2,423	2,550
Other Non-Trading Income	8	2	2	2	2	2	2
Grant Income	3,541	2,673	2,674	2,124	1,502	801	-
TOTAL INCOME	12,464	14,825	17,349	17,733	18,124	18,523	18,932
EXPENDITURE							
Employee Costs	10,877	12,010	16,119	16,441	16,770	17,106	17,448
Infrastructure Costs	422	461	525	535	546	557	568
Supplies & Services	1,996	2,843	3,191	3,255	3,320	3,386	3,454
Fund Claims	-	(310)	-	-	-	-	-
Other	(1,630)	8	7	8	8	8	8
TOTAL EXPENDITURE	11,665	15,012	19,842	20,239	20,644	21,057	21,478
NET EXPENDITURE	(799)	187	2,493	2,506	2,520	2,534	2,546

TABLE 63 – Statutory Boards and Bodies – Reconciliation from 2023-24

Budget Movement from 2023-24 to 2024-25				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2023-24 BUDGET	13,157	3,391	(15,203)	1,345
Pay Uplift	1,321	-	-	1,321
Non-Pay Uplift	-	338	-	338
Income Uplift	-	-	(1,234)	(1,234)
Budget adjustments	6	(6)	-	-
MoneyVal Funding	1,635	-	-	1,635
FSA Additional Income Uplift	-	-	(912)	(912)
2024-25 BUDGET	16,119	3,723	(17,349)	2,493



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.13 Inter-Departmental Transfers

To enable greater clarity of departmental transfers, the table below consolidates and provides a description of the nature of the transfers.

Table 64 – Inter-Departmental Transfers

Inter-Departmental Transfers								
£'000	CO	DHA	DFE	DESC	TSY	DOI	Manx Care	AGC
IT Contract Transfer	1			(1)				
Transfer of Passports, Immigration and Nationality	312				(312)			
IT Contract Transfer	35	(35)						
IT Contract Transfer	335						(335)	
IT Contract Transfer	(4)					4		
Staff Cost Transfer					66			(66)
Contract and Staff Transfer	(78)		78					
	601	(35)	78	(1)	(246)	4	(335)	(66)



Appendix 4 – Net Revenue Expenditure by Department, Office or Board

A3.14 Statutory Boards (Non-Revenue Funded) – Financial Summary

Table 65 – Manx Utilities Authority – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY					
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan	
				2025-26	2026-27
INCOME					
Operating Income	173,710	164,678	178,789	180,728	182,669
TOTAL INCOME	173,710	164,678	178,789	180,728	182,669
EXPENDITURE					
Employee Costs	23,604	24,730	26,974	27,513	28,064
Infrastructure Costs	16,098	19,690	23,316	23,616	25,356
Transport Costs	1,191	1,470	1,260	1,318	1,376
Supplies & Services	117,012	72,009	79,033	79,014	79,014
Loan Charges	37,779	23,255	17,960	17,895	17,828
Other	19,926	20,681	24,255	24,630	25,005
TOTAL EXPENDITURE	215,610	161,835	172,798	173,986	176,643
NET EXPENDITURE	41,900	(2,843)	(5,991)	(6,742)	(6,026)

Table 66 – Isle of Man Post Office – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY					
£000	Actual 2022-23	Probable 2023-24	Provisional Budget 2024-25	Indicative financial plan	
				2025-26	2026-27
INCOME					
Operating Income	20,576	20,706	20,402	20,032	18,248
Non-Trading Income	377	929	550	350	300
TOTAL INCOME	20,953	21,635	20,952	20,382	18,548
EXPENDITURE					
Employee Costs	11,613	10,824	10,793	10,798	10,598
Infrastructure Costs	795	947	807	756	791
Transport Costs	1,498	2,041	1,930	1,909	1,896
Supplies & Services	6,124	6,233	5,808	5,662	4,540
TOTAL EXPENDITURE	20,030	20,045	19,338	19,125	17,825
Exceptional Items	381	462	347	439	300
NET (INCOME)/EXPENDITURE	(542)	(1,128)	(1,267)	(818)	(423)



APPENDIX 5 – FULL CAPITAL PROGRAMME

Table 67 – Full Capital Programme - detail

Amounts shown in italics are for future cash flow projections only. Approval is not being sought for these amounts. “Committed” expenditure only is shown within this table. Future schemes are included within Appendix 6.

Capital Financing Reserve

Discrete Schemes £000 Department	Total Cost	Total Tynwald Approval to 31 March 2024	Total Spend to 31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	Underspent from approvals to 31 March 2024	New Tynwald Approval
Cabinet Office	1,576	1,576	873	435	268	-	-	-	-	-
Department of Education, Sport & Culture	2,387	2,387	1,552	273	562	-	-	-	-	-
Department of Environment, Food & Agriculture	605	605	225	240	80	30	30	-	-	-
Department of Health and Social Care	31,592	32,152	30,557	1,035	-	-	-	-	(560)	-
Department of Home Affairs	3,383	3,383	1,303	1,826	204	50	-	-	-	-
Department of Infrastructure	121,162	120,949	111,872	7,513	1,589	188	-	-	(387)	600
Executive Government	840	840	247	593	-	-	-	-	-	-
IOM Gambling Supervision Commission	500	500	309	191	-	-	-	-	-	-
Isle of Man Financial Services Authority	550	550	469	81	-	-	-	-	-	-
Public Sector Pensions Authority	1,034	1,034	930	104	-	-	-	-	-	-
Department for Enterprise	12,049	12,500	11,777	272	-	-	-	-	(451)	-
Treasury	68,466	45,825	13,026	13,983	10,850	10,350	10,257	10,000	(584)	23,225
Total Discrete	244,144	222,301	173,140	26,546	13,553	10,618	10,287	10,000	(1,982)	23,825
Rolling Schemes £000 Department				2024/25	2025/26*	2026/27*	2027/28*	2028/29*		New Tynwald Approval
Cabinet Office				250	250	250	250	250		250
Department of Education, Sport & Culture				525	525	525	525	525		525
Department of Environment, Food & Agriculture				570	495	520	-	-		570
Department of Health and Social Care				1,250	1,250	1,250	1,250	1,250		1,250
Department of Home Affairs				1,562	1,602	1,609	1,661	1,703		1,562
Department of Infrastructure				33,221	31,414	31,414	31,414	31,414		33,221
Treasury				5,000	5,000	5,000	5,000	5,000		5,000
Total Rolling				42,378	40,536	40,568	40,100	40,142		42,378
				<i>* Italics are subject to future annual Tynwald Approval.</i>						
Total Capital Programme	244,144	222,301	173,140	68,924	54,089	51,186	50,387	50,142	(1,982)	66,203



Discrete Schemes £000	Total Estimated Cost	Total Tynwald Approval to 31 March 2024	Total Spend to 31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	Underspent from approvals to 31 March 2024	New Tynwald Approval
Cabinet Office										
DOI Network Migration	895	895	760	135	-	-	-	-	-	-
Smart Services	681	681	113	300	268	-	-	-	-	-
Cabinet Office Total	1,576	1,576	873	435	268	-	-	-	-	-
Department of Education, Sport & Culture										
Covered Play and Teaching Areas - Construction	260	260	130	130	-	-	-	-	-	-
Mobiles for CRHS and Willaston	495	495	495	-	-	-	-	-	-	-
Villa Marina & Gaiety Theatre Light and Sound Equipment Upgrade	1,632	1,632	927	143	562	-	-	-	-	-
Department of Education, Sport & Culture Total	2,387	2,387	1,552	273	562	-	-	-	-	-
Department of Environment, Food & Agriculture										
Peel Marina - River Neb Catchment	605	605	225	240	80	30	30	-	-	-
Department of Environment, Food & Agriculture Total	605	605	225	240	80	30	30	-	-	-
Department of Health and Social Care										
Accommodation for Day Care Services Eastcliffe	5,190	5,750	5,190	-	-	-	-	-	(560)	-
Acute Adult Psychiatric In-Patient Facility	10,365	10,365	9,715	650	-	-	-	-	-	-
Older Persons Residential & Resource Unit East	12,557	12,557	12,272	285	-	-	-	-	-	-
Redevelopment of Grianagh Court	1,650	1,650	1,550	100	-	-	-	-	-	-
Replacement LIM system, Pathology, Noble's Hospital	1,830	1,830	1,830	-	-	-	-	-	-	-
Department of Health and Social Care Total	31,592	32,152	30,557	1,035	-	-	-	-	(560)	-
Department of Home Affairs										
Sexual Assault Referral Centre	3,383	3,383	1,303	1,826	204	50	-	-	-	-
Department of Home Affairs Total	3,383	3,383	1,303	1,826	204	50	-	-	-	-
Department of Infrastructure										
Ash Dieback Mitigation	166	416	66	50	50	-	-	-	(250)	-
Ballasalla Bypass Junction	1,929	1,929	814	1,115	-	-	-	-	-	-
Central Government Offices	771	771	60	284	239	188	-	-	-	-
Dalmeny Structural Refurbishment	118	118	15	103	-	-	-	-	-	-
Douglas Harbour - King Edward VIII Pier Upgrade	6,610	6,610	6,016	594	-	-	-	-	-	-
Douglas Promenade	25,730	25,730	25,730	-	-	-	-	-	-	-
East Quay Peel	2,500	2,526	2,500	-	-	-	-	-	(26)	-



Discrete Schemes £000	Total Estimated Cost	Total Tynwald Approval to 31 March 2024	Total Spend to 31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	Underspent from approvals to 31 March 2024	New Tynwald Approval
Department of Infrastructure (continued)										
Ellerslie Workshop Recladding	12	123	12	-	-	-	-	-	(111)	-
IOM Ferry Terminal – Liverpool *	70,676	70,676	70,676	-	-	-	-	-	-	-
Jurby Development Initiative	1,837	1,837	871	966	-	-	-	-	-	-
MCW - Waste Unit	145	145	145	-	-	-	-	-	-	-
Modernisation works to Visitor Facilities, Sea Terminal	1,000	1,000	196	804	-	-	-	-	-	-
Quarry Plant Replacement	5,030	5,030	4,496	534	-	-	-	-	-	-
Ramsey Shipyard	1,055	455	60	695	300	-	-	-	-	600
Rationalisation of Units in Jurby Ind Estate	198	198	17	181	-	-	-	-	-	-
Secondary Waste Incinerator	3,000	3,000	-	2,000	1,000	-	-	-	-	-
Transport Model	385	385	198	187	-	-	-	-	-	-
Department of Infrastructure Total	121,162	120,949	111,872	7,513	1,589	188	-	-	(387)	600
Executive Government										
Courts Case management System	840	840	247	593	-	-	-	-	-	-
Executive Government Total	840	840	247	593	-	-	-	-	-	-
IOM Gambling Supervision Commission										
Technology - GSC New System	500	500	309	191	-	-	-	-	-	-
IOM Gambling Supervision Commission Total	500	500	309	191	-	-	-	-	-	-
Isle of Man Financial Services Authority										
FSA Infrastructure Costs	50	50	50	-	-	-	-	-	-	-
Technology - FSA New System	500	500	419	81	-	-	-	-	-	-
Isle of Man Financial Services Authority Total	550	550	469	81	-	-	-	-	-	-
Public Sector Pensions Authority										
New Pensions Administration System	1,034	1,034	930	104	-	-	-	-	-	-
Public Sector Pensions Authority Total	1,034	1,034	930	104	-	-	-	-	-	-
Department for Enterprise										
Company Registry System 5AML	461	500	461	-	-	-	-	-	(39)	-
Fibre Optic Network	11,100	11,100	10,978	122	-	-	-	-	-	-
PRO - Climate Control System	150	150	-	150	-	-	-	-	-	-

*Final costs subject to confirmation and separate Tynwald vote



Discrete Schemes £000	Total Estimated Cost	Total Tynwald Approval to 31 March 2024	Total Spend to 31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	Underspent from approvals to 31 March 2024	New Tynwald Approval
Department for Enterprise (continued)										
Public Records Office Digital Archive	338	750	338	-	-	-	-	-	(412)	-
Department for Enterprise Total	12,049	12,500	11,777	272	-	-	-	-	(451)	-
The Treasury										
Benefit Payment System Upgrade (BPS)	975	1,559	975	-	-	-	-	-	(584)	-
Capital Inflation	27,251	13,000	2,251	5,000	5,000	5,000	5,000	5,000	-	14,251
Capital Projects Contingency Fund	25,300	16,826	300	5,000	5,000	5,000	5,000	5,000	-	8,474
Employment Theme	487	487	289	198	-	-	-	-	-	-
Intelligence System (Previously IOM Borders System)	185	185	-	185	-	-	-	-	-	-
Passports System (Previously Passports & Immigration System)	1,101	1,101	144	-	350	350	257	-	-	-
Scanning (replacement of Scanfile)	100	100	100	-	-	-	-	-	-	-
Social Security Transformation	1,259	1,259	547	712	-	-	-	-	-	-
The Enterprise Financial Systems Programme	3,120	2,620	1,398	1,222	500	-	-	-	-	500
Treasury Operational Change Programme	1,666	1,666	-	1,666	-	-	-	-	-	-
VIPS - Customs & Excise System Replacement	7,022	7,022	7,022	-	-	-	-	-	-	-
The Treasury Total	68,466	45,825	13,026	13,983	10,850	10,350	10,257	10,000	(584)	23,225
Discrete Total	244,144	222,301	173,140	26,546	13,553	10,618	10,287	10,000	(1,982)	23,825



Rolling Schemes £000	2024/25	2025/26*	2026/27*	2027/28*	2028/29*	New Tynwald Approval
Cabinet Office						
Minor Capital Works	250	250	250	250	250	250
Cabinet Office Total	250	250	250	250	250	250
Department of Education, Sport & Culture						
DDA Works to Department Sites - Construction	225	225	225	225	225	225
MCW - National Sports Centre	150	150	150	150	150	150
MCW - Regional Pools - Ongoing Scheme	150	150	150	150	150	150
Department of Education, Sport & Culture Total	525	525	525	525	525	525
Department of Environment, Food & Agriculture						
MCW - Rural Infrastructure	450	450	450	-	-	450
Public Analyst Lab	120	45	70	-	-	120
Department of Environment, Food & Agriculture Total	570	495	520	-	-	570
Department of Health and Social Care						
Asset Replacement Scheme	1,000	1,000	1,000	1,000	1,000	1,000
Strategic Development Fund	250	250	250	250	250	250
Department of Health and Social Care Total	1,250	1,250	1,250	1,250	1,250	1,250
Department of Home Affairs						
Communications Development Programme	678	718	749	803	845	678
Equipment Replacement Programme - Fire	280	280	280	280	280	280
Equipment Replacement Programme - Police	189	189	189	189	189	189
Prison Minor Capital Works	415	415	391	389	389	415
Department of Home Affairs Total	1,562	1,602	1,609	1,661	1,703	1,562
Department of Infrastructure						
Ambulance Fleet Replacement	370	-	-	-	-	370
Climate Change Adaption	5,000	5,000	5,000	5,000	5,000	5,000
DHA Vehicle Acquisition	1,300	1,300	1,300	1,300	1,300	1,300
Heritage Rail Budget	2,250	2,250	2,250	2,250	2,250	2,250
House Purchase Assistance Scheme	1,876	1,876	1,876	1,876	1,876	1,876
MCW - Airport Minor Capital	1,500	1,500	1,500	1,500	1,500	1,500
MCW - DfE	150	150	150	150	150	150
MCW - DHA	225	225	225	225	225	225



Rolling Schemes £000		2024/25	2025/26 *	2026/27*	2027/28*	2028/29*		New Tynwald Approval		
Department of Infrastructure (continued)										
MCW - DHSC		500	500	500	500	500		500		
MCW - Education and Children		2,000	2,000	2,000	2,000	2,000		2,000		
MCW - Government Estate		500	500	500	500	500		500		
MCW - Improvements		625	625	625	625	625		625		
MCW - Nobles Hospital (Compliance)		713	713	713	713	713		713		
MCW - Nobles Hospital (Plant & Machinery)		620	620	620	620	620		620		
MCW - Public Transport		1,000	1,000	1,000	1,000	1,000		1,000		
MCW - Villa/Gaiety		200	200	200	200	200		200		
MCW - Wildlife Park		100	100	100	100	100		100		
MCW Housing Planned Works		2,375	2,375	2,375	2,375	2,375		2,375		
Plant & Vehicle Replacement		3,200	3,200	3,200	3,200	3,200		3,200		
Public Transport - Bus Fleet Replacement		1,437	-	-	-	-		1,437		
Strategic Highway Refurbishment		6,125	6,125	6,125	6,125	6,125		6,125		
Strategic Structural Maintenance		1,155	1,155	1,155	1,155	1,155		1,155		
Department of Infrastructure Total		33,221	31,414	31,414	31,414	31,414		33,221		
The Treasury										
Climate Change Mitigation Initiatives		5,000	5,000	5,000	5,000	5,000		5,000		
The Treasury Total		5,000	5,000	5,000	5,000	5,000		5,000		
Rolling Total		42,378	40,536	40,568	40,100	40,142		42,378		
			<i>* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.</i>							
Total - Capital Financing Reserve	244,144	222,301	173,140	68,924	54,089	51,186	50,387	50,142	(1,982)	66,203



Consolidated Loans Fund

CONSOLIDATED LOAN FUND APPROVALS (PROJECTED)											
£000	Total Cost	Amount Approved by Tynwald to 31 March 2024	Actual 2022-23	Forecast 2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	Further	
Manx Utilities Authority											
Advanced Metering Conversion	9,976	11,109	1,745	2,401	1,086	800	320	-	-	-	
Combined Cycle Gas Turbine	48,309	21,788	668	3,742	7,170	1,969	600	10,110	7,550	-	
Electricity Network Refurbishment	9,271	9,877	1,124	1,046	1,045	1,950	1,150	1,450	1,600	-	
Refurbishment of Local Sewage Treatment Works	25,316	9,429	291	2,500	4,425	4,400	4,000	5,000	-	-	
Regional Sewage Treatment Works for Peel, Laxey and Baldrine	49,513	42,375	831	4,000	4,956	25,690	2,329	180	-	-	
Regional Sewerage Strategy 1	29,934	39,984	-	-	-	-	-	-	-	-	
Sewer Network Improvements	24,055	31,429	1,881	2,300	4,615	3,500	2,500	2,500	2,500	-	
Minor Capital Works (CLF funded)	23,489	12,754	759	800	1,031	1,550	1,900	700	400	-	
Interconnector Feasibility Consultancy and Climate Change Planning	2,803	1,126	-	927	-	-	-	-	-	-	
Renewable Generation	32,900	310	-	310	1,067	567	-	-	-	-	
Raw Water Maintenance Schemes	5,320	1,201	-	-	1,720	2,210	90	1,300	-	-	
Treated Water Schemes	40,300	4,729	-	4,550	3,750	8,000	8,000	8,000	8,000	-	
Total Manx Utilities Authority	301,186	186,111	7,299	22,576	30,865	50,636	20,889	29,240	20,050	-	
Manx National Heritage											
MCW - Gallery Redisplay	1,828	2,134	40	110	-	-	-	-	-	-	
MCW - MNH	4,413	3,609	565	200	200	200	200	200	200	-	
MCW- Properties	1,354	400	154	200	200	200	200	200	200	-	
Laxey Wheel Repairs - Phase 2	1,033	1,033	-	20	1,013	-	-	-	-	-	
Accountancy System & Consultancy	125	125	-	1	124	-	-	-	-	-	
Nautical Museum - Project Development Fund	90	90	-	90	-	-	-	-	-	-	
Total Manx National Heritage	8,843	7,391	759	621	1,537	400	400	400	400	-	
Total – Consolidated Loans Fund	310,029	193,502	8,058	23,197	32,402	51,036	21,289	29,640	20,450	-	



Non-Central Government Funded

£000	Total Estimated Cost	Total Spend to 31 March 2024	2024/25	2025/26	2026/27	2027/28	2028/29	Further
Manx Utilities Authority (Self-Funded)								
Jurby Water Infrastructure (funded from the Economic Development Fund)	3,007	1,107	1,425	475	-	-	-	-
Minor Capital Schemes (non CLF-funded)	32,770	12,748	6,583	4,585	3,831	1,958	3,065	-
Total Manx Utilities Authority	35,777	13,855	8,008	5,060	3,831	1,958	3,065	-
Isle of Man Post Office (Self-Funded)								
Refurbishment of POs/New safes	50	50	-	-	-	-	-	-
Retail Development/Strategy	170	70	100	-	-	-	-	-
Navision Replacement	500	100	400	-	-	-	-	-
Sorting Machine Enhancements	902	902	-	-	-	-	-	-
POHQ Buildings Infrastructure	789	139	350	-	300	-	-	-
Provision for Statutory Obligations	410	-	410	-	-	-	-	-
Letter Facing Machine	150	-	150	-	-	-	-	-
Letter Sort Mechanical Upgrade	100	-	100	-	-	-	-	-
Ongoing Schemes **								
Other Machinery/Equipment	N/A	N/A	65	65	65	-	-	-
Vehicle Replacement Programme	N/A	N/A	360	360	360	-	-	-
Total Isle of Man Post Office	3,071	1,261	1,935	425	725	-	-	-

**Isle of Man Post Office ongoing schemes have been active for several years and are continually reviewed and updated. Total costs and total spend to date are therefore not readily available due to the continually changing nature of the schemes.



Local Authority Housing

£000	Total Estimated Cost £'000	Total Spend to 31 March 2024 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Further £'000
Local Authority Housing								
Braddan Parish Commissioners								
Snugborough Farm New Housing	4,976	4,976	-	-	-	-	-	-
Planned Maintenance Programme	2,578	-	-	-	-	-	-	2,578
Castletown Commissioners								
School Hill/West Hill Redevelopment	24,960	7,559	3,626	2,249	2,249	3,459	3,459	2,359
Planned Maintenance Programme	5,531	-	-	-	-	-	-	5,531
Cooil Roi EPHC (Garff)								
Planned Maintenance Programme	615	-	140	-	-	-	-	475
Douglas Borough Council								
Willaston External Refurbishment	20,439	1,094	5,844	4,793	3,157	3,138	2,366	47
Willaston Garden Boundary improvements	4,272	22	50	500	500	500	500	2,200
Willaston New Apartments	15,929	9,474	6,305	150	-	-	-	-
Spring Valley External Refurbishment / Rebuild	53,015	-	-	-	300	1,500	3,000	48,215
Spring Valley External - Enabling Project	8,882	-	-	500	1,500	3,380	3,380	122
Peel Road Apartments	25,243	25,093	150	-	-	-	-	-
Bathroom Framework	13,450	-	1,000	1,300	2,000	2,000	2,000	5,150
Marathon Drive redevelopment	10,003	-	-	175	3,000	4,150	1,793	885
Planned Maintenance Programme	17,230	2,281	2,334	3,340	475	450	450	7,900
Onchan District Commissioners								
Springfield Court Refurbishment	3,174	174	596	1,661	692	51	-	-
Barrule Drive External Refurbishment	3,785	195	413	1,699	1,416	62	-	-
Scheme 15 Heywood Drive & Grove External Refurbishment	3,569	888	156	888	1,587	50	-	-
Planned Maintenance Programme	13,967	3,194	910	1,100	-	-	-	8,763
Peel Town Commissioners								
Planned Maintenance Programme	13,345	65	728	1,750	200	-	-	10,602



	Total Estimated Cost £'000	Total Spend to 31 March 2024 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	Further £'000
Peel & Western District Housing Committee								
Westlands Phase A	6,641	6,641	-	-	-	-	-	-
Westlands Phase B	5,023	5,023	-	-	-	-	-	-
Westlands Phase C	5,324	5,324	-	-	-	-	-	-
Planned Maintenance Programme	2,436	425	-	-	-	-	-	2,011
Port Erin Village Commissioners								
Planned Maintenance Programme	11,100	-	208	3,208	2,480	2,300	-	2,904
Port St Mary Village Commissioners								
Planned Maintenance Programme	3,515	-	-	-	-	-	-	3,515
Ramsey Town Commissioners								
Close Woirrey Apartments (superseded)	120	120	-	-	-	-	-	-
Close Woirrey / Albert Road Apartments	8,516	-	550	1,845	3,500	2,162	459	-
Close Woirrey Demolition	100	100	-	-	-	-	-	-
Ramsey New Units (Provisional Allowance)	1	-	1	-	-	-	-	-
Planned Maintenance Programme	12,846	1,347	63	-	-	-	-	11,436
Ramsey & Northern Districts Housing Committee								
Mayfield Sheltered Housing	5,556	5,556	-	-	-	-	-	-
Cooil ny Marrey Redevelopment	2,456	150	2,000	306	-	-	-	-
Kerroo Glass Apartment refurbishments and conversions	2,183	-	60	50	650	1,200	223	-
Planned Maintenance Programme	2,101	-	551	92	-	-	-	1,458
Southern Sheltered Housing Joint Board								
Planned Maintenance Programme – Former C&M EPHC	2,995	209	-	-	-	-	-	2,786
Planned Maintenance Programme – Former MC EPHC	2,190	71	15	50	50	-	-	2,004
Adaptations								
Planned Maintenance Programme	700	100	100	100	100	100	100	100
LA Schemes								
New Units - to be allocated.	7,000	-	1,000	1,000	1,000	1,000	1,000	2,000
Total - Local Authority Housing	325,766	80,081	26,800	26,756	24,856	25,502	18,730	123,041

Appendix 6 – Capital Programme Future Schemes

APPENDIX 6 – CAPITAL PROGRAMME – DESIGN AND FEASIBILITY

Table 68 – Design and Feasibility

The following schemes are expected to be presented for consideration within the design and feasibility process during the 2024-25 financial year. This will enable the Departments to formulate fully scoped and costed business cases that can then be considered for full project budget allocation within the new quarterly approval process. The design and feasibility studies and activities will be financed through bids to the Project Development Fund.

Project Development Fund – Approved £000	Total Approval	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cabinet Office							
Manx Care Single Patient Record	385	385	-	-	-	-	-
Department of Education, Sport & Culture							
Castle Rushen School Site Master Plan	3,200	1,600	1,600	-	-	-	-
Department of Environment, Food & Agriculture							
Kionslieu Reservoir Works	100	100	-	-	-	-	-
Department of Health and Social Care							
Older Persons Residential & Resource Unit North (Cummal Mooar)	250	250	-	-	-	-	-
Department of Infrastructure							
Ballacubbon Affordable Housing	100	100	-	-	-	-	-
Port security fencing renewal	20	20	-	-	-	-	-
Peel Marina Dredging Phase 1B	100	100	-	-	-	-	-
Peel Marina and River Neb Catchment	395	155	175	65	-	-	-
Manx Utilities Authority							
Onshore Wind	2,100	600	700	800	-	-	-
Total	6,650	3,310	2,475	865	-	-	-

Project Development Fund - Submitted and Pending Decision
None
Project Development Fund - Pending Department Submission
Department of Education, Sport & Culture
QEII STEM Block
Department of Health & Social Care
Ambulance Station
Development of a Containment Level 3 Laboratory for Microbiology
Department of Home Affairs
Blue Light Strategy
Department of Infrastructure
Douglas Link Span
Airport Fire Station
Airport Programme
Airport Training Rig
Douglas Harbour Strategy
Douglas Promenade Walkway
Harbours Rockmount, Poortown Road
Peel Marina Works
International Arrivals facilities
Port St Mary High Street
Raggatt Landfill
Ramsey District Cottage Hospital (RDCH)
Special Waste Landfill Facility
Wrights Pit
Northern Bus Depot
Strategic Waste Landfill Facility



APPENDIX 7 – CAPITAL APPROVALS

Table 69 – Capital Approvals by Scheme

Department	Scheme	Tynwald Approval Request £000	Description of Scheme
DOI	Ramsey Shipyard	600	Increased funding to replace the existing winches due to price inflation
Treasury	Capital Inflation	14,251	These funds are available for departments to bid against where costs of capital projects face unexpected and unavoidable increases due to cost inflation
Treasury	Capital Projects Contingency Fund	8,474	Funding is made available for any emergency or urgent capital works which are not listed as part of the current capital programme
Treasury	Enterprise Financial System	500	Increase in the budget for the discrete scheme to ensure that any possible opportunities to digitise and automate processes are able to be leveraged in full
CO	Minor Capital Works	250	Extension of the rolling scheme for a further year of expenditure to fund smaller projects
DESC	DDA Works to Department Sites- Construction	225	Works linked to Disability Discrimination Act
DESC	MCW – National Sports Centre	150	Minor capital works budget linked to the NSC
DESC	MCW – Regional Pools	150	Minor capital works budget linked to the regional swimming pools
DEFA	MCW – Rural Infrastructure	450	Minor capital works budget linked to assets under the management of DEFA
DEFA	Public Analyst Lab	120	Rolling scheme to support the equipment replacement programme
DHSC	Asset Replacement Scheme	1,000	Budget to support the equipment replacement programme of smaller department assets
DHSC	Strategic Development Fund	250	Budget to support the implementation of small scale change projects
DHA	Communications Development Programme	678	Rolling scheme to support the department's communications equipment and systems



Department	Scheme	Tynwald Approval Request £000	Description of Scheme
DHA	Equipment Replacement Programme – Fire	280	Ongoing scheme for the replacement of equipment for the Fire and Rescue Service
DHA	Equipment Replacement Programme – Police	189	Ongoing scheme for the replacement of equipment for the Police
DHA	Prison Minor Capital Works	415	Ongoing scheme for minor works required at the Isle of Man Prison
DOI	Ambulance Fleet Replacement	370	Ongoing scheme for replacement vehicles
DOI	Climate Change Adaptation	5,000	A 25 year programme of a number of schemes to deliver climate change adaptations across the Island. Significant business cases are presented and approved by Treasury once they are ready to be delivered
DOI	DHA Vehicle Acquisition	1,300	Ongoing scheme for the replacement of vehicles on behalf of the Department of Home Affairs (including Fire and Police)
DOI	Heritage Rail Budget	2,250	Projects to maintain and improve the heritage railways assets
DOI	House Purchase Assistance Scheme	1,876	Ongoing scheme to provide assistance to first time buyers to purchase both publicly developed and privately developed properties subject to certain scheme conditions
DOI	MCW – Airport	1,500	A minor capital works budget to support ongoing works and small projects at the Isle of Man Airport
DOI	MCW - DfE	150	A minor capital works budget for properties owned by the Department for Enterprise. DOI maintain and uphold the properties on behalf of the DfE under a Service Level Agreement
DOI	MCW – DHA	225	A minor capital works budget for properties owned by the Department for Home Affairs. DOI maintain and uphold the properties on behalf of the DHA under a Service Level Agreement



Department	Scheme	Tynwald Approval Request £000	Description of Scheme
DOI	MCW – DHSC	500	This rolling scheme includes expenditure for maintenance and replacement of building and property service related items ranging from £5,000 to £250,000
DOI	MCW – Education and Children	2,000	This rolling scheme includes expenditure for maintenance and replacement of building and property service related items ranging from £5,000 to £250,000
DOI	MCW – Government Estate	500	This rolling scheme includes expenditure for maintenance and replacement of building and property service related items ranging from £5,000 to £250,000
DOI	MCW – Improvements	625	A 10 year scheme starting in 2017-18, to refurbish residential roads. Tackling small-scale neglect to prevent longer term problems for the network but, more importantly, encourage some pride in the roads outside our homes and directly result in a better place to live.
DOI	Nobles Hospital (Compliance)	713	This rolling scheme ensures the hospital's services comply with relevant standards.
DOI	Nobles Hospital (Plant & Machinery)	620	This rolling scheme is related to expenditure for replacement of hospital plant and machinery.
DOI	MCW – Public Transport	1,000	This rolling scheme includes expenditure for maintenance and replacement of building, equipment and property service related items for the Transport Services Division. Title changed to now include Heritage Rail to now reflect a significant amount of this budget is utilised for this purpose
DOI	MCW – Villa/Gaiety	200	Minor capital works for the upkeep and maintenance of the Villa Marina and Gaiety Theatre complex
DOI	MCW – Wildlife Park	100	Minor capital works for the upkeep and maintenance of the Curragh's Wildlife Park



Department	Scheme	Tynwald Approval Request £000	Description of Scheme
DOI	MCW – Housing Planned Works	2,375	This capital budget is used to undertake essential works such as re-roofing, kitchen refurbishments, electrical upgrades, central heating, window/door replacements and estate improvements to the DOI's public sector housing stock of over 1,200 dwellings
DOI	Plant & Vehicle Replacement	3,200	Ongoing programme for the planned replacement of Government's plant and vehicles
DOI	Public Transport – Bus Fleet Replacement	1,437	Ongoing programme for the replacement of public transport bus vehicles
DOI	Strategic Highway Refurbishment	6,125	This year on year scheme includes work on highways resurfacing and reconstruction. The scope of the work ranges in value from £10,000 to £800,000, and includes major maintenance of minor or major roads, up to a complete replacement. From 2018-19 the scheme included £100k p.a. for traffic lights renewal and £500k p.a. for micro asphalt
DOI	Strategic Structural Maintenance	1,155	This year on year scheme includes work on both highways and harbours structures. The scope of the work ranges in value from £30,000 to £300,000, and includes major maintenance of a structure, up to complete replacement of a structure
Treasury	Climate Change Mitigation Initiatives	5,000	Treasury budget to support climate change mitigation schemes
	Total	66,203	



APPENDIX 8 – EXPLANATION OF RESERVES

External Reserves

Enterprise Development Scheme (EDS)

As part of the 2016 budget the Enterprise Development Fund was created with an initial £10m, supporting the £50 million EDS. The scheme has not worked as expected with only £3m invested in the first two years and in 2018 the Department for Enterprise (DfE) and the scheme managers agreed to part company. The DfE has revised the scheme to open it up to a wider range of applicants, to focus on job creation and to strengthen the requirement for co-investment. Investment decisions will be taken by the DfE, the Treasury and an external chair going forward requiring unanimous approval.

DfE will also use the revised EDS to invest in media productions where these create sustainable jobs.

It is difficult to predict what impact these changes will have on overall levels of investment in future years, but the DfE and the Treasury are both committed to supporting businesses that will create jobs in the local economy through a range of financial support options.

Manx Currency Account

The balance on the currency account is maintained to ensure that it more than matches the value of the total Manx currency in circulation (both notes and coins).

MUA Bond Repayment Fund

Responsibility for the management of the Manx Utilities Authority (MUA) bond issues transferred from the MUA to the Treasury on 1 April 2015. The MUA makes annual payments through its Long-Term Financial Plan into a sinking fund in order that the £260 million bond issues can be repaid upon their maturity in 2030 (£75 million) and 2034 (£185 million).

Bond Repayment Sinking Fund

This has been established to provide a fund into which repayments from General Revenue, the Isle of Man Steam Packet and Manx Utilities Authority can be made. These funds will be used to meet the redemption of the Sustainable Bond issued by the Treasury in September 2021, which becomes payable on 14 September 2051. Interest payments to bondholders will be made from this fund. Balances held within the fund will be invested to earn income in accordance with relevant investment mandates.

National Insurance Fund (MNIF)

The MNIF is comprised of both the National Insurance Investment Account (NIIA), which is invested by external investment managers on behalf of the Treasury, and the National Insurance Operating Account (NIOA), which represents the operating balance managed by the Treasury's Social Security Division. The NIOA is used to fund National Insurance funded welfare payments and also makes a significant contribution towards the cost of the Island's health service via the NHS allocation. It is expected that there will be a surplus over the period of the indicative financial plan, therefore the fund will increase in value.

Reserve Fund

The Reserve Fund represents the externally invested central funds of the Isle of Man Government, designed to provide long term stability and protection to Government's finances. The objective of the current financial plan is to grow the balances held within the Reserve Fund through external investment management.

**Reserve Fund Bond Issue**

This element of the Reserve Fund specifically relates to the issue of new Government bonds during 2021. An amount equivalent to the proceeds of the bond issue is available to invest in Government priorities during the specified assessment period in line with the Sustainable Financing Framework.

The Sustainable Financing Framework can be found on the Treasury website.



Internal Reserves

Academic Business Planning Fund (ABPF)

The ABPF was established as part of the 2017-18 budget on a one year trial basis. The reserve allows the Department of Education, Sport and Culture (DESC) to transfer year end underspends into the new financial year, as agreed with the Treasury. This provides DESC with flexibility in its business planning for operations where the financial year does not fit with the academic year. This initiative has proven very successful and therefore was extended on a permanent basis.

Agriculture and Forestry Fund (AFF)

The AFF was originally established in 2007 to assist the Department of Environment, Food and Agriculture (DEFA) in providing funding for additional financial support to the agriculture sector. The fund is utilised to support initiatives that are designed to provide sustainable benefits for the sector in the longer term and to provide support for the sector in the event of unexpected circumstances. The Treasury has agreed to add £2 million in 2024-25 to support the Isle of Man meat plant and the agri-environment scheme.

Contingency Fund

Established in 2016-17 with a £5 million injection from the Revenue Account's Operating Balance, this fund arose from a need to ensure that funding is provided to meet any unexpected, unavoidable or unplanned occurrences that are not included in the departmental revenue targets. Items granted funding from here must be of a temporary nature or self-sustainable from ongoing savings generated. Recurring expenditure is not eligible. It is proposed to add a further £1.5 million to this fund for the 2024-25 financial year.

Transformation Fund

The purpose of this fund is to enable departments to implement schemes that are aimed at achieving efficiencies through cost savings and streamlining of processes. It is proposed to add a further £1.5 million to this fund for the 2024-25 financial year.

Economic Strategy Fund (ESF)

In support of the Island's Economic Strategy, the Treasury allocated £100 million to the ESF in the 2023-24 financial year to help deliver this strategy.

Healthcare Transformation Fund (HCTF)

The HCTF is designed to provide financing for the implementation of healthcare project initiatives that are of a transformational nature. It is intended that any surplus National Insurance receipts due for allocation into the NHS are redirected into this fund to support future projects. Following completion of Sir Jonathan Michael's Independent Review of the Isle of Man Health and Social Care System, delivered to Tynwald in 2019, this fund is being utilised to provide support to the Health and Care Transformation Team with the ongoing process of establishing Manx Care and other healthcare transformation projects. The Treasury has approved a further transfer into the fund in 2024-25 of £3.5 million to ensure that there are adequate resources available.

Legal Costs Reserve

The Isle of Man Government has previously been subject to several large and complex legal cases which have placed a strain on the resources of the departments involved. Given the ad-hoc nature of these cases, this reserve provides funding to meet the costs of agreed and exceptional legal cases. Due to the significant level of these costs the Treasury has approved a transfer of £0.75 million to the fund in 2024-25 in order to maintain the balance.



Medical Indemnity Fund

Established in 1994, this reserve acts as a cash-limited self-insurance fund to meet valid claims for damages on behalf of patients against health and care staff working in the Island's hospitals. A transfer of £3 million is recommended into the fund in 2024-25 in order to be able to meet future demands.

Seized Assets Fund (SAF)

The purpose of this fund has been to enable the proceeds of drug seizures and other crimes to be applied to counter criminal activities as well as to promote and implement community safety initiatives including grant assistance to counter the undesirable effects of drugs and alcohol.

On 1 November 2017, the Fund became a statutory Fund by virtue of The Statute Law Revision Act 2017, which inserted Section 222 ZA to the Proceeds of Crime Act 2008. Statutory responsibility for approvals is held by the board of the Financial Intelligence Unit Board subject to Treasury concurrence.

Project Development Fund (PDF)

This fund was established as part of the 2022-23 budget. Departments are able to make bids for funding to complete initial feasibility and development work in relation to capital projects before detailed business cases are submitted. This allows departments to present accurate costing and timeline information to Treasury to assist with the consideration of capital project business cases. A further £5 million is being transferred to this fund for 2024-25.

Housing and Communities Fund (HCF)

The HCF was established in the prior year to support the work of the Housing and Communities Board. A further £1 million of funding is being allocated to the fund for 2024-25.

Climate Change Fund (CCF)

This fund was established in 2022-23 with an initial balance of £25 million being transferred from general reserves to support climate change initiatives on the Island. A further £11 million was added to this fund in 2023-24 through the transfer of the balance from the Environmental Protection Fund, to create a single climate change fund.

Housing Reserve Fund (HRF)

Established in 2002, the Housing Reserve Fund was designed to provide finance for housing related projects, in particular the delivery of the Government's social housing policy. Amounts from this fund are transferred into the Capital Fund to meet the cost of any housing projects that are approved by Tynwald.

Land and Property Acquisition Reserve

This reserve was established in 2000 to provide additional funding to meet the costs of acquiring land for land bank and other purposes. The reserve enables Government to react swiftly when land and buildings required for public services become available. Land bank transactions, both planned and unplanned, are made through the Capital Account. The expenditure on unplanned land and building transactions are met by transfers from the Land and Property Acquisition Reserve.



APPENDIX 9 – FEES & CHARGES

Departments determine their relevant fees and charges, which are subject to Tynwald approval.

Please refer to the individual websites for departments and other bodies for fees and charges information.



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