



Isle of Man Government

Reiltys Ellan Vannin

**ISLE OF MAN GOVERNMENT
ANNUAL REPORT 2010
ON THE
GOVERNMENT STRATEGIC PLAN 2007 - 2011**

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FOREWORD BY THE CHIEF MINISTER

This is the third annual report on the actions being taken to deliver the policy aims set out in the Government Strategic Plan 2007-2011 presented to Tynwald in October 2007.

In my foreword to last year's annual report I wrote of the extraordinary turmoil in global financial systems. As this report shows, the Isle of Man's well-regulated, diverse and resilient economy has weathered the storm well, but as a Government we have felt the effects of a change in the fiscal climate.

In September 2009 the United Kingdom initiated a revision of its VAT sharing arrangements with the Isle of Man, resulting in a significant loss of income to the Manx Government from April 2010 onwards.

This unwelcome and unprecedented development compelled Government to re-examine its activities and spending, while retaining as its number one priority the protection of the most vulnerable in our society and support for those most in need.

All Departments, Boards and Offices have scrutinised their budgets and working practices with a view to greater efficiency and effectiveness in delivering services to the public. Government is taking a careful, phased approach to this major challenge and the 2010 Budget was the first step in a five year strategy to rebalance our finances. Work is continuing across Government towards delivery of the next instalment in February 2011.

The need for more economic growth and diversification to counteract the revenue shortfall added urgency to questions about the structure of Government. Towards the end of the reporting period, the Council of Ministers agreed proposals to re-structure Departments which were subsequently approved by Tynwald in February 2010.

At the centre of the restructuring was the creation of the Department of Economic Development. This important new Department will spearhead a renewed drive for the growth and diversification necessary to sustain employment and public services in the future.

Unilateral action by the United Kingdom Government presented another challenge with its continued insistence on ending the Reciprocal Health Agreement between our two countries. After negotiation on the part of the Isle of Man Government, strongly supported by lobbying from Parliamentarians and members of the public in both the Isle of Man and the UK, the new UK Secretary of State for Health announced in March 2010 that the UK Government would extend the existing Agreement for a period

of six months after the 31st March 2010, with a view to establishing a new Reciprocal Health Agreement on the same basis as the previous Agreement, but with the proviso that each country would fund the healthcare provided within their country. I am very pleased to note that the new Agreement has recently been signed by both countries.

Meanwhile the 'Foot Review', established by the United Kingdom Chancellor Alistair Darling, reported in October 2009 and provided a positive independent assessment of the Isle of Man. Its constructive comments were followed in March 2010 by an equally encouraging Report from the House of Commons Justice Committee which supported the Isle of Man's aspirations for enhancing its international profile and developing further opportunities to represent itself on the world stage.

Such endorsements reinforce the Island's credentials as an internationally responsible nation as we face further challenges ahead. I have no doubt that our reputation, resourcefulness and resilience will stand us in good stead as we respond to the ever changing external environment.

The past year has been a particularly momentous one for a number of reasons but I am pleased that steady progress continues to be made in relation to the Strategic Plan actions.

Finally, I would like to take this opportunity to thank Ministers and Members of Government for their commitment during the year; I would also wish to extend a special thank you to everyone involved in the public service for their understanding, and for all the hard work they undertook to ensure that the high standards of public service were maintained during this unusually demanding past twelve months.

A handwritten signature in black ink, appearing to read 'J A Brown', enclosed within a thin, horizontal oval border.

Hon J A Brown MHK
Chief Minister

GD 52/10



ISLE OF MAN GOVERNMENT

ANNUAL REPORT 2010

To: The Hon. Noel Q. Cringle, President of Tynwald, and the Honourable Council and Keys in Tynwald assembled.

PART ONE

1.1 GOVERNMENT'S AIMS AND OBJECTIVES

STRATEGIC VISION: The Family and the Community

The Government Strategic Plan presented to Tynwald in October 2007 states that the overall strategic aim of Government is:

“To protect and promote the well-being of the family and provide for the economic and social inclusion of all the Island’s community”



The Isle of Man is a unique place in which to live and work. It provides a safe environment for the family and the community to live and for business to prosper and flourish. The Council of Ministers has determined that the overall aim of this Government is *to protect and promote the well-being of the family and provide for the economic and social inclusion of all in our community.*

The Council of Ministers has further determined there are four main strategic themes which all contribute to achieving that overall aim and it is on those four strategic themes that this Government will focus its policy priorities.

Those four strategic themes are:

Income, Employment and the Economy

Policy: To raise the standard of living of all the people of the Island through the ongoing development of a successful economy and the sharing of its benefits with all in our community

Government Spending and Revenues

Policy: To raise revenues and allocate resources for the provision of services in a way that:

- meets the needs of the community
- ensures that people are healthy and secure
- assists those most in need
- distributes the benefits of economic growth

Legislation and Regulation

Policy: To introduce and enforce legislation and regulations which provide for the protection, safety and personal development of the individual whilst minimising the burden of compliance to employers and the community at large

Quality of Life

Policy: To continue to give people the freedom and opportunity to live and prosper in a safe and caring community, whilst protecting the Island's unique natural and cultural heritage and way of life

This Annual Report highlights Government's achievements and progress to date with regard to these four main policies.

1.2 THE ECONOMY

Overview

- 1.2.1 The aftershock of the global financial crisis continued to resonate over the last year, though with concerns transferring away from the financial world and more towards the real economy.
- 1.2.2 Whilst the last IMF economic report saw an upgraded forecast for 2010 global growth from 4.2% to 4.5% (with only the UK and France of the advanced economies seeing their forecasted growth rates revised downwards from the previous report), it also emphasised the heightened risks now deriving from concerns over sovereign debt and the possibility of defaults. In terms of where the forecasted growth is going to come from, the IMF sees growth in emerging and developing economies being at the fore (at almost 7%), the USA achieving growth of over 3%, but with the eurozone coming in at just 1%.
- 1.2.3 The views of the authorities in the USA are now however tending towards the possibility of a slowdown after the initial bounce back. The most recent US data show reducing consumer spending and increasing unemployment, leading to the Federal Reserve Bank reducing its growth forecasts.
- 1.2.4 In Europe, the strains in the eurozone are constraining growth prospects. In the heavily indebted Member States, enforced corrective fiscal measures are deflating already weak economies. In the stronger economies, their financing of the recent sovereign debt guarantee package, initially established to deal primarily with the risk of default by Greece, is hindering faster growth. There is little prospect of these tensions diminishing in the short term, since the imbalances between eurozone economies are a fundamental consequence of when a common currency comes under stress. The European Central Bank (ECB) has held eurozone interest rates at a record low of 1% for almost a year and will keep the rate unchanged for a while yet.
- 1.2.5 The UK emergency Budget in June addressed the dual challenge of maintaining economic recovery whilst making sufficient savings as to satisfy the financial markets. It is this downward pressure on growth from fiscal measures that will likely delay any tightening of monetary policy in the form of a base interest rate increase until well into 2011, particularly as bank lending and the housing market remain weak.
- 1.2.6 Despite the spare capacity in the UK economy there is some continuing concern that inflation appears downwardly stubborn. The now most commonly quoted annual inflation measure, using the CPI, is 3.1%, compared to an average EU rate of 1.9%. But with falls in producer costs still to work through to final prices there is sufficient likelihood that inflation will not

worry the Bank's Monetary Policy Committee sufficiently for it to consider any immediate tightening of monetary policy yet.

- 1.2.7 The Island's own inflation situation mirrors that of the UK. So if expectations of a falling UK rate are fulfilled then we can expect the same overall trend here. As of mid-August the Island's RPI inflation rate stood at 4.4% and the CPI rate at 3.9%. Although housing costs were relatively stable over the year, fuel costs rose 9%. Food prices rose 4.8%.
- 1.2.8 House prices on the Island have remained virtually unchanged over the last twelve months. In the twelve months to the end of June this year the average price of a house sold on the Island was £283,880. But sale volumes are markedly down, running at only around two-thirds of typical levels before the onset of the global crisis.
- 1.2.9 When unemployment on the Island rocketed in the immediate fallout from the global financial and economic crisis in 2008 (unemployment rose from 605 to 947 in the six months to March 2009) there were genuine concerns that the numbers would increase well into four figures. The experience of the early nineties (between September 1990 and June 1992 unemployment rose from 590 to 1184, to peak eventually at 1892 in January 1993) supported the prospect. That the Island's labour market data for June 2010 revealed the largest fall in unemployment over any twelve month period (128) for over a decade is therefore testimony to the continuing resilience of the local economy in the face of tough market conditions and to the success in developing new sectors less affected by current global financial issues.
- 1.2.10 Despite continuing global economic uncertainty and sluggishness the Island's financial services sector has continued to perform well:
- total deposits held with the Island's bank have held up well, falling just 5¾% over the year to March, which compares favourably with the scale of decline in certain other jurisdictions.
 - the life insurance industry has borne the global recession well. Business levels are reported to be on the increase again after the decline in 2009. Stock market performance as well as business retention has meant that total funds under management in the life sector continued to rise.
 - the captive insurance industry is stable and the IOM Captive Association strategy is being implemented to ensure that the IOM is at least in a positive position to take advantage of a future hard market in insurance premiums. At present, in line with global trends,

business levels presently remain fairly constant, with new captive formations replacing those being closed.

- company formations have been buoyant, with the first three months of 2010 having seen a record number of 2006 Act incorporations for any quarter.

- 1.2.11 Of all the sub-sectors of the Manx financial services industry, the global meltdown impacted greatest on funds. The world funds industry has recovered and is now back to pre Lehman levels of US\$1.8 trillion under management and administration. Institutional investors are starting to allocate capital again. The Isle of Man however appears to lag behind this recovery trend at the moment. The latest figures from the FSC to end March 2010 suggest that at US\$32bn the IOM market is still flat. But the sector is regaining its confidence in its ability to secure future expansion.
- 1.2.12 Away from finance related business, the manufacturing sector is beginning to see the first signs of recovery after a difficult couple of years. Even in these years though, local businesses have managed full order books and maintained staffing numbers. This last year has seen companies in aerospace, defence and hi-tech production winning sizeable new business.
- 1.2.13 The e-gaming sector has continued to flourish. The Island now has 24 licence holders, with others in the pipeline. Job creation in e-gaming has been particularly strong over the last year.
- 1.2.14 The shipping register shows increased activity in the majority of vessel types, in particular commercial ships, where significant tonnage has been added this year. Interest in the register continues to grow as the clear message of quality and service at a reasonable cost becomes known to the new market of the Far East as well as the traditional European client base.
- 1.2.15 The Island's aircraft register also continues to expand. The number of registered aircraft increased by 63% over its third year of operation ending on 30 April 2010.
- 1.2.16 The size, structure and performance of the Isle of Man economy is reflected in the Treasury's estimates of national income. The national income accounts provide a measure of overall growth and development of the Manx economy and indicate the changing importance of its component sectors. The main national accounting measures, Gross Domestic Product (GDP) and Gross National Product or Income (GNI), provide a monetary valuation of the Manx economy as a whole. GDP represents the monetary value of all goods and a service produced

within the Island's economy over a one year period, and provides a measure of both personal and corporate income derived from economic activity on the Island. GNI also takes account of net income received from abroad in the form of interest, rents, profits and dividends.

- 1.2.17 Over the last year the Department's Economic Affairs Division has been working with the United Kingdom Office for National Statistics (ONS) to modernise its national accounting methods and data coverage and so bring the Island's national income accounts on to a basis consistent with those of the UK and other countries that use the European System of Accounts (ESA).
- 1.2.18 Whilst the Treasury in the past has generally been more concerned with measuring the Island's national income on a consistent basis so as to allow for the calculation of annual economic growth, recent changes in the ESA were making Treasury's traditional practices increasingly outdated, and were having the effect of serving to understate the Island's total gross domestic product and income.
- 1.2.19 The exact degree to which Manx national income has been understated in recent years compared to other countries using the ESA has now been identified through the exercise with the ONS. Taking the reporting year 2007/08 as that for consideration, the study concluded that Isle of Man GDP, when calculated under the latest ESA standards, would be approximately 30% higher than previously reported.
- 1.2.20 Using the new basis for calculation, economic growth in 2008/09 has been provisionally estimated at 11.6%, or by 4.7% after general inflation is removed in the calculation. This means the Island's economic performance was marginally above that assumed within Government's central planning assumptions (in which real growth had previously been scaled down from 6% to 4.5%). Taking this alongside movements in general economic indicators over the last year suggests that economic growth over the year to March 2010 will likely also have been above that previously assumed (the current central planning assumptions have growth in 2009/10 as being around just 2.5%).

1.3 POPULATION

1.3.1 The Population Census of April 2006 enumerated the Island's resident population at 80,058. This represents an increase of 3,743 (or 4.9%) since 2001. The next Census is scheduled for April 2011.

1.3.2 The population inflow that has helped sustain the Island's economic performance has also ensured a stable Dependency Ratio (broadly the ratio of school and pre-school children plus the retired to the population of working age) at 62%. But this ratio masks the increasing number of residents of retirement age (as currently defined), after several decades of decline in their numbers. The table below shows the age distribution of the population compared to 2001:

	2001		2006	
Age group	Number	Percentage of Total	Number	Percentage of Total
0-15 years	14,509	19.0	14,571	18.2
16-59 years (women) 16-64 years (men)	47,081	61.7	49,485	61.8
Over 59 years (women) Over 64 years (men)	14,725	19.3	16,002	20.0
Total	76,315	100.0	80,058	100.0

1.3.3 The current estimate is of a resident population of around 82,800. It is anticipated that population expansion will continue over the next few years but at a slower rate than experienced for most of the last decade, a consequence of reduced demand for off-Island labour in a slower growing economy.

1.4 GOVERNMENT SERVICES

The Capital Programme

- 1.4.1 The general policy has remained consistent with previous years, namely that in framing the Capital Programme, the Council of Ministers will:-
- a) Fundamentally and continually assess the need, priorities, scale and required standards of all capital projects and determine an upper limit of capital spending;
 - b) Examine the scheduling of the commencement and progression of the major schemes with a view to avoiding "peaks" in the capital programme; and
 - c) Investigate and develop the means of achieving alternative methods of delivering major schemes in order to reduce the burden on tax revenue, such investigations to be initiated by the Departments involved, with advice and guidance from the Treasury as appropriate.
- 1.4.2 The upper spending limit quoted in (a) refers to actual spending, excluding Statutory Boards and Local Authority Sewerage and Housing Programmes.
- 1.4.3 In implementing its policy the Council of Ministers has particular regard at present to the level of work available to the construction industry and acknowledges that Government's capital programme has become increasingly important to many firms, particularly in the current financial climate. However, the Government has to balance the use of private contractors against the necessity to fully utilise in an efficient and effective manner its directly employed workforce.
- 1.4.4 The policy remains to fund the capital programme for Government Departments without external borrowing, either from the commercial markets or from the public. The policy allows external borrowing to be undertaken in the name of the Treasury for onward lending to Statutory Boards. The rationale for this policy is that the cost of financing such borrowing is met by users of the services provided by those Statutory Boards, not out of taxation, although as a result of the additional recent borrowing by the Manx Electricity Authority taxpayers are still required to service some of the authority's borrowing costs.

2009/10 Capital Spending

- 1.4.5 The original estimate for capital spending for Government Departments and other bodies for 2009/10, set out in the Budget approved by Tynwald at its February 2009 sitting was £126,797,482. This included an estimated borrowing by the Manx Electricity Authority of £10,291,000.
- 1.4.6 During the year supplementary capital votes of £1,620,000 were approved by Tynwald.

- 1.4.7 Actual Spending by Government Departments amounted to £92,541,607, which was 79% of the original estimate and 78% of the revised estimate including supplementary votes.
- 1.4.8 Including borrowing by the Manx Electricity Authority, spending totalled £100,321,607 or 78% of the revised estimate of £128,912,482.
- 1.4.9 The historical performance comparing actual spending within the capital programme to estimated spending including supplementary votes is demonstrated in Table 1 below:-

Table 1.

Year	Actual Spending £	Estimated spending including supplementary votes £	Actual as a percentage of estimated spending
1992-93	26,173,752	55,083,760	48%
1993-94	30,447,636	49,417,020	62%
1994-95	25,387,185	45,886,410	55%
1995-96	31,595,470	48,449,505	65%
1996-97	32,112,880	57,439,430	56%
1997-98	35,955,757	61,361,800	59%
1998-99	40,889,100	62,543,760	65%
1999-00	48,565,211	76,247,153	64%
2000-01	51,339,993	81,925,300	63%
2001-02	74,816,054	113,974,763	66%
2002-03	97,569,180	161,338,386	60%
2003-04	91,138,420	115,931,933	79%
2004-05	43,023,383	104,496,700	41%
2005-06	101,547,147	152,691,704	67%
2006-07	69,009,319	105,796,560	65%
2007-08	67,777,357	114,081,371	59%
2008-09	113,780,544	175,340,401	65%
2009-10	100,321,607	128,912,482	78%

1.4.10 The breakdown by Department comparing actual spending within the capital programme to estimated spending including supplementary votes for 2009/10 is demonstrated in Table 2 below:-

Table 2

Department	Actual Spending 2009-10 £	Estimated spending including supplementary votes £	Actual as a percentage of estimated spending %
DAFF	6,562,137	6,286,750	104
Education	9,844,924	13,358,196	74
DHSS	9,229,110	12,021,708	77
Home Affairs	1,475,916	1,866,000	79
DLGE	18,134,870	20,976,458	86
Tourism & Leisure	5,683,091	8,328,043	68
Trade & Industry	286,901	2,679,531	11
Transport	39,776,698	50,669,909	79
Treasury	50,000	50,000	100
Manx National Heritage	1,486,864	2,234,887	67
Expenses of the Legislature	11,096	150,000	7
Sub-total	92,541,607	118,621,482	78
Borrowing Authorities	7,780,000	10,291,000	76
Grand Total	100,321,607	128,912,482	78

1.4.11 Part of the difficulty in delivering the whole of the annual estimate in accordance with the programme is the unforeseen difficulties that can arise in relation to particular schemes. It should be recognised that in the early stages of a project in particular there are a number of unpredictable factors influencing progress. Such factors would include planning and environmental impacts, but there can also be legal and contractual issues. There will always be uncertainties and unforeseen events that deflect the most carefully prepared plans.

1.4.12 The Isle of Man Government continues to invest in the Island's infrastructure, putting in place the key assets that will allow the Island to be well prepared for the future.

Within the year 2009/10 there was substantial expenditure as shown in Table 3 below:

Table 3

DAFF New Headquarters	£4,202,660
Bemahague Secondary School	£6,000,913
DOE Minor Capital Works	£2,018,389
Central Community Healthcare phase 2	£1,915,406
Community Care Support System	£3,013,084
Janet's Corner Project 3	£4,841,022
House Purchase Assistance Scheme	£2,909,029
DLGE Planned Maintenance	£1,718,347
Land Acquisition (DAFF, DOE, DHSS, DLGE)	£7,556,920
Ballafletcher Pitch Development	£1,217,120
Bus Purchases	£2,061,911
Airport Pavement Refurbishment	£3,055,226
Airport Control Tower	£3,788,479
Runway End Safety Area/Runway	£24,061,104
All Island Refurbishment of Infrastructure	£1,288,726
Outer Link Stage 3	£1,011,472
Strategic Highway Refurbishment	£1,683,474

Revenue Spending

General Revenue Account – Year ended 31 March 2010

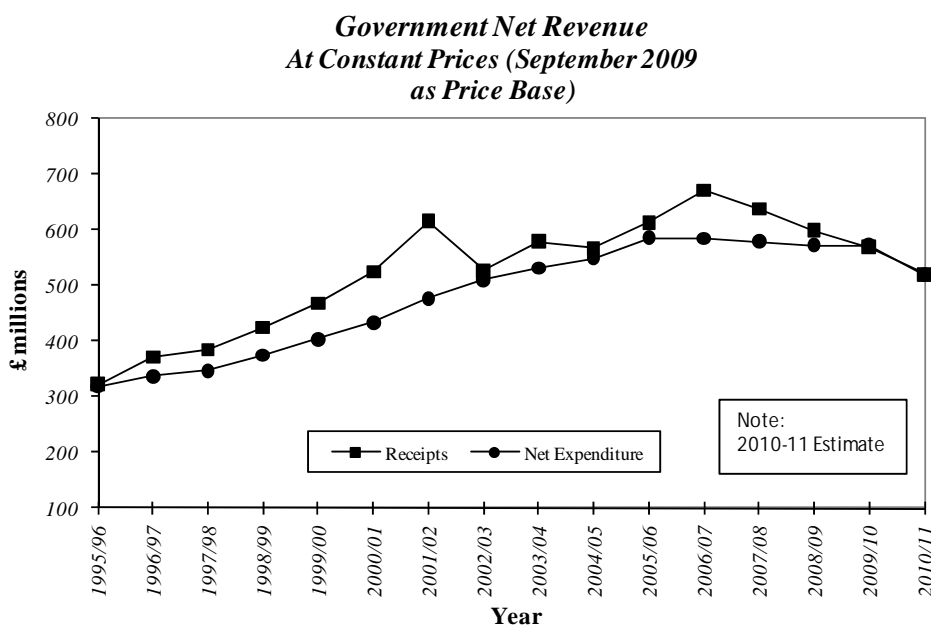
1.4.13 Revenue spending continues to finance the vast majority of Government's public services. After a number of years increase at around 9% per annum, and an increase of 5% in 2008/09 the outturn net expenditure for 2009/10 has been held at the same level as the previous year. This has been necessary in order to respond to not only the wholly exceptional circumstances of the downturn in the world economy and consequent turmoil in the banking industry but the additional pressures created by the unilateral revision of the revenue sharing arrangement within the Customs and Excise Agreement.

1.4.14 Personal and corporate rates of tax were held constant during the year and the level of Personal Allowance Credit introduced for lower earners was enhanced further. The future budget strategy is directed towards spending that will generate growth in the economy for it

is only by doing this that receipts can be increased and public services improved. The increase in the higher rate of personal income tax from 18% to 20% introduced from April 2010 is part of the Government's medium term strategy to re-balance the budget.

1.4.15 The growth in Government spending closely follows changes in Government income as shown in Figure 1 (below). In periods of slow growth, taxation and other income is used predominately to maintain services, rather than to reduce taxation or increase reserves. Only in times of buoyant income does the opportunity exist to consider taxation reductions or increases to reserves. The reduction in receipts from indirect taxation has been mitigated through a combination of measures aimed at rebalancing the fiscal position incorporating reductions in capital expenditure, reductions in revenue spending, increasing income tax and general charges and through the use of reserves.

Figure 1



1.4.16 In financial terms, the outturn for 2009/10 was negative with a deficit of £2.8million (surplus of £26.4million in 2008/09). This deficit was £3million adverse to the original budget surplus forecast for the year of just £200,000. Income was down some £2.7 million whilst overall spending exceeded the original budget estimates by £0.3 million, largely as a result of savings in other Government Departmental expenditure compensating for the supplementary vote within the DHSS of an extra £8.5 million.

1.4.17 In summary, total expenditure was in line with 2008/09. Government revenues fell by £29.1million (4.9%) over 2008/09. Increased spending above the previous year included:-

Health and Social Security	£ 9.8million
Education	£ 0.3million
Executive Government	£ 3.2million

Reductions in spending below the previous year included:-

Local Government	£ 2.9million
Trade & Industry	£ 1.3million
Transport	£ 3.6million
Treasury	£ 3.0million

1.4.18 The services making the biggest call on general revenue remain Health and Social Security (£255million) and Education (£104million). Between them these Departments account for 63% of Government's revenue spending. The restructure of Government implemented from April 2010 and the transfer of functions between Departments has consequently reallocated resources and net spending in respect of the new structure. The restructured Budget approved by Tynwald is set out at Annex 4 (Table 3).

1.4.19 On the following page is a summary of the General Revenue Account for the year ended 31 March 2010.

GENERAL REVENUE ACCOUNT – SUMMARY - Year ended 31 March 2010

Actual 2008-09 £000		Note	Actual 2009-10 £000	Revised Estimate 2009-10 £000
	Income	2		
408,470	Customs and Excise		372,922	398,580
184,487	Income and Other Taxes		186,469	160,500
5,771	Other Treasury Income		10,196	13,250
598,728	Total Voted Income		569,587	572,330
	Expenditure - Voted Services	3		
	Government Departments			
15,990	Agriculture, Fisheries & Forestry		15,897	15,969
103,802	Education		104,089	104,252
245,519	Health & Social Security		255,281	255,288
37,679	Home Affairs		37,475	37,475
29,371	Local Government & Environment		26,509	29,502
27,115	Tourism And Leisure		25,477	25,477
10,705	Trade and Industry		9,417	11,053
41,201	Transport		37,579	38,274
34,558	Treasury (Gross Expenditure)		31,559	32,400
545,940			543,283	549,690
	Other Bodies			
22,964	Executive Government		26,173	26,179
5,428	Manx National Heritage		4,913	5,217
110	Road Transport Licensing Committee		119	184
(7,213)	Statutory Boards (Revenue Funded)		(7,040)	(5,773)
21,289			24,165	25,807
5,141	Expenses of the Legislature		4,950	5,112
572,370	Total Voted Expenditure		572,398	580,609
26,358	Surplus/(Deficit) for the year		(2,811)	(8,279)
45,399	Balance Brought Forward	1	41,757	29,380
(30,000)	Transfer to Reserves	5	-	-
41,757	Balance Carried Forward	4, 6	38,946	21,101

Notes**1. Net General Revenue Account – Balance Brought Forward**

The actual balance brought forward at 1 April 2009 of £41.8 million (2009 : £45.4 million) was £12.4 million (2009 : £11.9 million) more than the "Probable" shown at the Budget in February 2009, with income £11.3 million (2009 : £1.9 million) up and expenditure £1.1 million (2009 : £10.0 million) down. The out-turn for 2008-09 was shown in the audited Government Accounts that were laid before the October 2009 sitting of Tynwald.

2. Income

Gross income from all sources at £877.3 million (2009 : £888.0 million) was generally in line with the various estimates for Departments and Other Bodies but in aggregate exceeded them by £1.5 million (2009 : £2.3 million), mainly due to higher Department receipts and lower Treasury income. Treasury income at £569.6 million (2009 : £598.7 million) was below estimate by £2.7 million (2009 : £0.2 million). Within this higher Income Tax receipts (up £26.0 million, 2009 : up £25.1 million) offset lower Customs receipts (down £25.7 million, 2009 : down £21.4 million) and Other Treasury Income (down £3.1 million, 2009 : up £1.9 million).

3. Expenditure

Net expenditure at £572.4m (2009 : £572.4 million) was £8.2 million (2009 : £7.8 million) less than the revised estimate (the original estimate of £572.1 million plus a Supplementary Revenue Vote of £8.5 million). The Supplementary Revenue Vote of £8.5 million (2009 : £13.7 million) was for the Department of Health & Social Security (£3.5M for the cost of pay awards, £1M for preparing for an outbreak of H1N1, £1M in relation to a shortfall in National Insurance Income, £1M for the increased cost of Revenue Funded Benefits and £2M for the increased cost of referring patients to the UK for treatment).

Expenditure under most heads was close to or within the approved Votes.

4. Net General Revenue Account – Balance Carried Forward

In the 2009-10 Budget it was originally envisaged that the General Revenue Account would produce a surplus for the year before appropriation to reserves of £0.2 million (2009 : £32.4 million). This estimated surplus was reduced to a deficit of £8.3 million (2009 : surplus of £21.8 million) after allowing for the Supplementary Votes approved during the year. However the actual gross income of £877.3 million (2009 : £888.0 million) and the actual gross expenditure of £880.1 million (2009 : £861.7 million) resulted in a deficit for the year before appropriations of £2.8 million (2009 : surplus of £26.4 million). As a consequence of that deficit, no funds were available for transfer to reserves (2009 : £30.0 million), leaving a net deficit on the year of £2.8 million (2009 : £3.6 million).

The net deficit of £2.8 million reduced the balance brought forward of £41.8 million and resulted in a carried forward balance on General Revenue Account at 31 March 2010 of £38.9 million.

5. Reserve Funds

There were no transfers to reserves made for 2009/10.

Treasury's investment strategies for the larger funds (which are externally invested) include exposure to equities and, although their market values can and have fluctuated downwards from time to time, the broad and long term trend has been upwards. In 2009-10 the market value of the investments was £1,683.9 million (2009 : £1,574.8 million), an increase (net of transfers into and out of the funds) of £109.1 million (2009 : decrease of £495.1 million, of which £422.9 million was due to repayment in 2008-09 of excess payments on account received from the United Kingdom HM Revenue & Customs during 2007-08).

The market value of external investments (excluding cash managed by Treasury) increased by £266.6 million an increase of 22.5%, net of transfers (2009 : decrease of 6% when Customs repayment excluded). Net transfers

include transfers to external investments from internal funds, including £30.0 million in respect of the National Insurance Investment Account.

The value of internally invested reserve funds (excluding the Capital Fund) was £105.4 million (2009 : £133.4 million), a reduction of £28.1 million (2009 : £5.1 million, both net of expenditure and transfers) as transfers out of the internal funds exceeded transfers into the funds.

On 9 October 2008 a petition was presented to the High Court in the Isle of Man to appoint a Liquidator Provisionally in respect of Kaupthing Singer & Friedlander (Isle of Man) Limited (KSFIOML). Since this date the Liquidator's appointment has been confirmed and has forecast an expected dividend estimate of between 83-94p/£. On 9 October 2008, Government had a total of £10.7 million deposited with KSFIOML, £8.0 million in respect of Reserve Funds. It is unclear at present what proportion of these deposits will be recovered but, based on the Liquidator's low estimate, a potential loss of £1.8 million may be realised for which a provision will be made in the Government's audited Annual Accounts .

6. Other Balances

During 2008-09 Tynwald approved two Early Payment Schemes to advance a total of up to £10,000 per depositor for qualifying depositors of KSFIOML. In 2009-10 the Isle of Man Depositors' Compensation Scheme declared an event of default when the Isle of Man High Court placed KSFIOML into Liquidation granting compensation of up to £50,000 per depositor. Government provided advances to the Depositors' Compensation Scheme to enable compensation to be paid to depositors prior to proceeds from the liquidation and annual bank levies (for future years) being received by the Scheme Manager. Amounts advanced under these schemes are recoverable by Government from future liquidation distributions and bank levies.

As at 31 March 2010, a total of £214.4 million had been advanced under these schemes (2009 : £17.6 million) and £116.4 million (2009 : £nil) had been recovered, leaving an outstanding balance due to Government of £98.0 million (2009 : £17.6 million). These advances are anticipated to be substantially recoverable from future liquidation distributions. As at 31 March 2010 the anticipated shortfall in liquidation distributions (based on the Liquidator's low outcome estimate) was £5.0 million.

1.5 PERSONNEL

- 1.5.1 The Council of Ministers recognises the importance of staff across the Public Service and the valuable contribution they make to the achievement of Government's aims and objectives and the delivery of high quality and cost effective public services.
- 1.5.2 In overall terms Government's personnel policies and underpinning frameworks, in respect of which the Council of Ministers retains overall responsibility, are designed to promote fairness and flexibility of working, and to encourage all members of staff to give of their best thereby maximising their contribution to the work of Government.
- 1.5.3 The Personnel Office, acting on behalf of the Council of Ministers, co-ordinates developments in personnel policy, practice and procedure, and monitors implementation across Government. With effect from 1 April 2009, and in conjunction with the corporate Human Resources Forum, a People Strategy and a Learning and Development Strategy for the Public Service were implemented. In addition to these strategy documents, a Code of Conduct for Public Servants was also implemented.
- 1.5.4 Following review, revised versions of established corporate policies relating to the Prevention of Bullying, Harassment and Victimisation at Work and Confidential Reporting (Whistleblowing) were implemented during the year. In addition, a corporate policy in relation to the Prevention and Management of Workplace Stress was developed for introduction in 2010/11.
- 1.5.5 In the delivery of quality public services it is essential that the health and safety of all those involved, whether service deliverers or recipients, is maintained as far as is reasonably practicable. To this end, consideration must be given, on a continuing basis, to the health and safety implications of those activities necessary in delivering or receiving such services.
- 1.5.6 Accepting and managing health and safety related risks appropriately, and in accordance with best practice, continues to be a challenge faced by all organisations. To this end The Personnel Office, through its Principal Health and Safety Adviser, encourages, educates and supports Departments, Boards and Offices to achieve this. The well established Corporate Health and Safety Group is the mechanism through which general information is disseminated, issues are discussed and best practice shared.
- 1.5.7 During the year considerable work was done to develop arrangements for the management of Government personnel during an influenza pandemic outbreak. While such arrangements have not had to be implemented, as the threat of pandemic has for the moment receded,

they were approved by the Council of Ministers early in 2010 and will be further developed in 2010/11 as a framework for the management of Government staff during any significant emergency situation.

- 1.5.8 Following approval by the Council of Ministers, a working group has been established comprising representatives of central Government, local authorities, the Whitley Council and the Trades Council to develop an approach to improving health and safety co-ordination across the Public Service. Since inception this group has met regularly and has now initiated a survey across central Government and the local authorities as a means of identifying how such organisations currently manage their health and safety related responsibilities. Once the survey is completed and the data collected has been analysed the Group will develop recommendations for improving health and safety co-ordination across the Public Service for consideration by the Council of Ministers.
- 1.5.9 Performance management across the Public Service can only be effective if proper individual performance assessment mechanisms are in place. Across the Civil Service the Performance and Development Review Scheme is fully operational and annual increments are now subject to formal confirmation, by a job holder's Reporting Officer, that a level of performance has been achieved which is, at least, commensurate with an acceptable standard appropriate to the relevant grade.
- 1.5.10 The availability of accurate performance related data is fundamental to effective management and to this end The Personnel Office compiles corporate management information relating to the sickness absence of staff across Government (Civil Service and Public Service) from data provided by each Department, Board and Office. This indicates that an average of 7.4 days sickness per person was recorded during 2009/10 (7.7 in 2008/09) which equates to 10.5 days per full time equivalent (10.9 in 2008/09) or 4.8% of working time (5% in 2008/09). A detailed breakdown of sickness absence across the Public Service is set out at Annex 6.
- 1.5.11 Statistics produced by the United Kingdom CBI provide a useful indicator of levels of sick absence in the UK during 2009 and they show that across the UK public and private sectors there was an average of 6.4 days sick absence per member of staff equating to 3.9% of working time. In the UK public sector the average level of absence during 2009 was 8.3 days per member of staff.
- 1.5.12 During the year the Council of Ministers approved recommendations for the further development of the framework of corporate statistical information relating to public service staff in order to facilitate performance monitoring, decision making and reporting. In future,

in addition to sick absence, corporate statistics relating to learning and development, staff turnover, age and gender profiles, and staff subject to performance appraisal mechanisms will be collated.

- 1.5.13 Following on from the publication of a Council of Ministers commissioned independent review of public service pensions, Tynwald, at its May 2008 sitting, agreed four overarching principles for the design of a unified final salary scheme. In December 2008 a further report was published by the Council of Ministers which set out a proposed unified scheme for the Public Service. In February 2009, a six month consultation process began with scheme members and other key stakeholders which ended in July 2009. The consultation process was facilitated by The Personnel Office and involved working with consultants and a Working Group established under the auspices of the Council of Ministers to develop and issue written guides and leaflets and to arrange and host presentations for members of Tynwald, representatives of trade unions, employers, employees and private sector organisations and lobby groups – in total 50 such presentations were given. As a result of the consultation, a revised scheme design was determined which was taken forward by the Council of Ministers for a further period of comment in early 2010. In April 2010 Tynwald supported the recommendation put forward by the Council of Ministers to take forward the detailed design of a unified scheme. Further consultation will be required, however once a detailed scheme has been agreed, negotiations for implementation can progress through the normal joint negotiating bodies. The target date for implementation is April 2012.
- 1.5.14 On behalf of the Council of Ministers, The Personnel Office has taken forward a review of the Superannuation Act 1984. Consultation on the proposals for a new Public Sector Pensions Bill ran for a three month period between November 2009 and January 2010 eliciting twenty two responses, most of which were broadly in favour of the Bill. The Bill is now being moved forward by the Council of Ministers who continue to be supported by The Personnel Office.
- 1.5.15 Over the course of the last 12 months, The Personnel Office has continued to progress the major changes in the UK pensions schemes to which a number of the Isle of Man schemes are linked including the UK Principal Civil Service Pension Scheme, (PCSPS) and the implementation of the new National Health Service Superannuation Scheme 2008.
- 1.5.16 The Personnel Office has assisted with the consideration of new governance and cost sharing arrangements for the ten schemes in the Island which are analogous to the UK PCSPS. These changes have already been introduced in the UK and will have a wide ranging impact on the equivalent Isle of Man schemes. In view of this, in November 2009, Tynwald approved a scheme amendment to defer the changes for the analogous Isle of Man schemes for twelve months until 31 March 2011. This will give time for all parties to consider the most

appropriate way forward in respect of the changes.

- 1.5.17 In addition, Tynwald also approved a scheme amendment for the Manual Workers (No 1) Scheme 1973 in respect of the equalisation of retirement ages to bring the scheme in line with the Manual Workers Superannuation Scheme 1977.
- 1.5.18 With regard to the ongoing administration of schemes, on behalf of pension schemes' managers, the Pensions Division of The Personnel Office issued over 9,500 benefit statements, made 235 retirement awards and 97 death benefit awards during 2009/10.
- 1.5.19 Following approval of proposals, at the February 2010 sitting of Tynwald, for the restructuring of the Departments of Government considerable work was undertaken by relevant Departments, Boards and Offices, against tight deadlines, to implement the new structure and to give effect to all necessary transfers of staff. All such staff transfers were facilitated and the new departmental structure came into effect, as scheduled, on 1 April 2010.
- 1.5.20 As part of Government's response to managing its revenue shortfall arising from changes in the revenue sharing arrangement with the United Kingdom, the Council of Ministers, during the year, announced a target of a 10% reduction in Government's total staffing costs in 2010/11. In addition, and as part of the five year strategy to rebalance Government's budgets the Treasury Minister, during his Budget speech delivered at the February 2010 sitting of Tynwald, announced a freeze on salary budgets for 2010/11. Progress towards achieving these targets began during 2009/10 with Departments, Boards and Offices, amongst other things, utilising the opportunities presented by ongoing staff turnover to reduce the number of staff in post by leaving vacancies in abeyance, wherever practicable.

PART TWO

2.1 POLICY PRIORITIES AS SET OUT IN GOVERNMENT'S STRATEGIC PLAN 2007-2011

2.1.1 This section of the report highlights the performance of Government against the aims and objectives set out in the Government Strategic Plan 2007-2011 presented at the October 2007 sitting of Tynwald, under the four key policies of Government:

- Income, Employment and the Economy
- Government Spending and Revenues
- Legislation and Regulations
- Quality of Life

2.1.2 It provides examples of progress made during the 2009/2010 year on the 132 actions which were assigned to Departments in order to contribute to the effective delivery of Government's four key policies. The restructure of Government, which took effect from 1st April 2010, changed the Departmental assignment of a number of these actions bringing greater focus in particular to the work linked to economic growth and social policies.

2.2 REPORT ON THE ACHIEVEMENT OF GOVERNMENT'S AIMS AND OBJECTIVES

Policy 1: Income, Employment and the Economy

Purpose: To raise the standard of living of all the people of the Island through the ongoing development of a successful economy and the sharing of its benefits with all in our community

Economic Growth and Diversification:

Aim: To facilitate a dynamic, modern and diverse economy

Action: To develop and increase the resourcing of a more co-ordinated and proficient approach to attracting and developing business opportunities:

- The creation of the Business Development Agency from the Department of Trade and Industry (DTI) brought together for the first time the various commercial facing responsibilities of Government including tourism, financial services, manufacturing, retail, space and e-business under one senior manager. Coordination of resources and their allocation is underway to achieve more efficient and effective deployment and additional resources are currently in planning in regard to marketing communications strategy and international representation.
- The DTI, in partnership with the Chamber of Commerce, continued to make significant progress in co-ordinating the development of a new strategy for the manufacturing sector and in particular, to capitalise on the significant growth opportunities identified by those high-tech businesses that make up the Isle of Man Aerospace Cluster (the sector wishes to grow by doubling turnover and adding more than 200 employees over the next 5 years). The Department has in place a formal arrangement with the North West Aerospace Alliance and this has delivered a programme of workshops, seminars and initiatives to encourage the raising of standards, learning best practice and better links to the main customers such as Rolls Royce, Airbus etc.
- The DTI successfully established a Business Incubator at Ronaldsway Industrial Estate designed to help individuals and entrepreneurs wishing to progress a new business idea or through a soft landing zone help existing businesses start to establish a presence on the Island. This has had a number of successes including helping Bladon Jets to progress. Under the Department of Economic Development (DED) the Business Incubator programme is currently being reassessed led now by Capital Select Ltd with a view to broadening its activities and the geographic location of incubator facilities.
- The DTI, in conjunction with the Gambling Supervision Commission, continued to grow the e-gaming sector to the extent that there are now 25 licensed operators and over 600 people

are employed in the industry locally. This is on the back of strong marketing and brand building converting to a good pipeline of prospective companies. The DED are looking to see if further manpower resource can be made available to convert the level of interest into economic benefit for the Isle of Man and to begin to progress looking at potential new markets, notably South America.

- On 1st September 2009 the DTI launched a new project to assist independent retailers set up a web site to sell on line and create an IOM online shopping directory www.shopiom.com. Currently, 43 websites have been built and are live. A total of 109 retailers are using www.shopiom.com as their online directory. Data confirms that, apart from a growing trend in online sales, web sites are also driving much needed footfall to the high streets' stores.
- Treasury was a key player within the Business Development Group working with the DTI in a number of areas such as exploring market access, shipping etc. Specifically work also continued with the DTI on the Gambling Forum instigated to develop E-Gambling business opportunities. Recent work examples include examining the opening of European markets and simplifying activity licensing structures through regulation and guidance. The Customs and Excise Division also has a specific Customer Relationship Unit which supports existing and new businesses.
- The Chief Secretary's Office (CSO), Treasury, and the DTI continued to work together to deliver a successful joint public relations strategy to raise awareness of the IOM and promote its economic opportunities internationally.
- The Island became the first nation in the British Isles to switch off analogue TV transmissions and convert to digital, mobile number portability was successfully introduced and the Island played host to more than 100 delegates from up to 48 countries for a week of meetings held by the Electronic Communications Committee.
- The Communications Commission, in conjunction with the Department of eBusiness and Space Commerce and ManSat, hosted a reception for delegates attending a prestigious European communications conference on the Island. On Monday 22 June 2009 more than 100 delegates from up to 48 countries arrived on the Island for a week of meetings being held by the Electronic Communications Committee (ECC) of the European Conference of Postal and Telecommunications Administrations (CEPT).
- The purpose of the ECC, which acts in close cooperation and consultation with the European Commission and the European Free Trade Association, is to develop policies on electronic communications activities in a European context and forward plan and harmonise the efficient use of the radio spectrum, satellite orbits and numbering resources within Europe. The meeting mainly focused on radio spectrum, the natural resource which is the basis for mobile phone, mobile broadband, terrestrial broadcasting, TETRA, satellite communications and all existing and yet to be imagined wireless technologies. The ECC considered the results of important work on a whole range of issues and the outcome of the meetings will have a

major impact on how the deployment of new wireless broadband and satellite communications services across Europe takes place.

Action: To invest in developing and enhancing future markets for Isle of Man financial products and services particularly the City of London and emerging markets:

- Through Isle of Man Finance relationships with UK International Financial Services, London and the UK Indian Business Council (IBC) respectively associated with London and India, have been brought into DED and are being developed through planning of country strategies and overseas representation. Additionally, business promotion events have continued to be held in the UK, while exploratory trips have also been made by DED and Treasury representatives to China, picking up on former DTI work.
- The Treasury's continued strategy of Tax Information Exchange Agreements / Double Taxation Agreements form a cornerstone for market development opportunities. In addition the London Office venture saw 100 corporate users utilising facilities to increase marketing efforts in the City.

Action: To work harder at all levels to establish and build on relationships with key players and decision makers within markets identified for priority attention:

- During 2009/10 the UK continued to be the DTI's number one market priority and was the subject of numerous events covering a wide range of both financial and other offerings. Through the UK IBC, work has continued on the India market through its UK connections. Further elevation of this work will depend on formulation and agreement of new country focused strategies, which is in hand under the new Department.
- The DTI continued to promote the IOM film industry during a difficult economic period and the reduced availability of funding. While only one film production took place during the year (plus one ongoing animation project) work continued with CinemaNX to build closer links with the industry. Since April 2010 three film projects have been made on the IOM and more are in the pipeline.
- The DTI has pursued building positive relationships with key players in the Island's leading manufacturing businesses. DTI has used its financial assistance schemes to encourage developments to take place on Island and to promote productivity and efficiency improvements.
- DTI successfully built relationships with the leading London gaming lawyers, convincing them that the Isle of Man is a good place to base a gaming company. Regular liaison took place with Corporate Service Providers, hosting companies and other businesses based on the Island with the common aim of trying to grow the sector. Work has also progressed with

operators to generate 'Business to Business' opportunities. The Department's financial support schemes were used to attract jobs to be based on the Island.

- Work within the Business Development Group strongly supported the building of key relationships both locally and internationally. Various areas of opportunity were established and explored, for example within India and China.
- Through an enhanced political contact programme, the Chief Secretary's Office worked to build relationships with UK politicians through attendance at UK party conferences in autumn 2009 and spring 2010, and meetings with UK politicians and representatives of the City of London. The External Relations Division assumed control of the Secretariat function of the British-Manx All-Party Parliamentary Group, ensuring the Group remained active and was kept up to date with Isle of Man issues. The Chief Minister supported the Ship Registry and the Island's shipping industry in building relationships with business leaders in Asia.

Action: To identify and encourage decision makers to operate from the Isle of Man:

- Isle of Man Finance has been active during the year in targeting both High Value Individuals and businesses (especially fund managers) to visit and relocate to the Island.
- The DTI engaged the services of a Swedish national who lives on the Island to market the Isle of Man in Sweden. New business has been secured and a pipeline of new leads has been created. These are actively being pursued. DED is reviewing the means of engaging consultants for this type of work.
- Effective fostering of e-gaming leads through the initial decision making/licence application process has built relationships and encouraged decision makers to locate to the IOM rather than merely have a brass plaque business. As a result a leading gaming company is building a global HQ on the Island and others are in the process of doing the same or moving the CEO to the Island.
- The work of the IOM Aerospace Cluster has attracted complementary new businesses to consider the IOM as a location for their Research and Development and/or manufacturing operation. A number of relocations are in the pipeline.
- A large number of inspection visits were arranged and meetings were held with key players and High Value Individuals. A number of these have resulted in a tax cap individual or a business moving to the Isle of Man.

Action: To ensure that the Treasury, Department of Trade and Industry, Department of Tourism and Leisure and Department of Agriculture Fisheries and Forestry are supported (within their respective areas of responsibility), to diversify, develop and encourage the economy and generate revenue through existing and new business opportunities:

- To support various departmental initiatives, the Chief Secretary's Office provided advice, assistance, and led negotiations with the UK where necessary. Treasury was supported on taxation matters (including Information Exchange and Double Taxation Agreements, the OECD "White Listing" and Automatic Exchange of Information within EU) and space issues; the Department of Agriculture Fisheries and Forestry (DAFF) received assistance with the renegotiation of the Fisheries Management Agreement, and discussions with the DEFRA and European Commission (DG AGRI) regarding potential transitional arrangements for the ending of the red-meat derogation; DTI's initiatives on shipping (pursuing associate membership of the International Maritime Organisation, participation in the voluntary IMO Member State Audit Scheme, and joining the Long-Range Identification and Tracking System - LRITs) and e-Gaming were also supported. Government's initiative to encourage the development of electric motorcycles was supported by CSO through an international media campaign focussed on the 2009 TT races.

Action: To give priority to Government resources aimed at the generation of revenues from economic development initiatives:

- During the year, in the wake of the current financial constraints, the cost of service provision was more closely scrutinised with economies being made wherever possible.
- The Policy continued to assist and encourage applications from the Marketing Initiatives and Economic Development Funds based on such criteria.
- All Departments have been required to demonstrate the link to essential services, economic development or generation of revenue streams when preparing business cases to secure additional resources.

Action: To create a climate for commercial success and economic growth through implementing business friendly legislation:

- All areas of Treasury consider business requirements as a key factor in implementing new legislation. Examples can be found within e-business/e-gaming, Financial Services and direct/indirect taxation regimes.
- A key aim for the next few years will be modernising the Communications Commission's regulatory approach. Communications networks and services have evolved significantly in the Isle of Man over recent years, but the legislation available to the Commission has not kept pace. Competition has increased dramatically and as mobile, digital, and internet technologies have become widely adopted, a new regulatory philosophy is required, together with new forward-looking legislation, which will allow the Commission to facilitate and encourage innovation in these sectors.
- The Communications Commission began a strategic review of communications last year and

completed its first public consultation in February 2010. The Consultation considered three broad approaches to communications regulation:

1. continue with the existing regulatory arrangements;
 2. move to a standard EU approach; or
 3. develop a distinctly Isle of Man approach to communications regulation.
- The Commission recommended an approach tailored to the Island's unique position modelled around two central principles:
 1. regulation focussed on developing a communications infrastructure that will maximise the Island's social and economic potential; and
 2. a regulatory approach that emphasises cooperation as the first approach to tackling disputes or areas of concern.
 - This approach was supported by the majority of the 22 respondents to the consultation. In July 2010 the Commission published a second report from Perspective entitled "The Isle of Man Approach to Telecommunications Regulation and Spectrum Awards", the report will form the basis of the new communications regulation.

Action: To maximise the use of local procurement subject to obtaining quality and value for money:

- The Government's Procurement Policy has been approved by the Council of Ministers with aspects of "buy local" and value for money at the centre of the policy. The full policy can be viewed at: www.gov.im/treasury/procurement.xml.

Action: To target support and encourage improvements in efficiency within traditional and new businesses to provide for the long term viability of all sectors:

- The DTI continued to use its Business Support Scheme to help businesses implement efficiency projects across a range of disciplines such as marketing, business planning and IT. 40 projects were completed during the year. Under the DED 13 consultancy projects have been completed so far this year.
- The DTI's Small Business Start-Up Scheme (SBSUS) supported a wide range of new businesses during the year. Fundamental to the long term viability of a fledgling business is the planning that goes into starting a venture. 143 individuals benefited from attending an intensive 5 day training course and of this number 63 went on to successfully secure financial assistance and establish their own small business.
- Through the DTI's *Investors In People* initiative improvements have been made to build a motivated engaged workforce across business sectors. In 2009/10, 13 businesses were

assessed and achieved the IIP standard with the ultimate aim of improving their overall business performance.

- The proposed new Visitor Facility Improvement Scheme was presented to and approved by Tynwald in July 2009. The Department of Tourism and Leisure (DTL) actively encouraged promotion of the Scheme through regular meetings with the industry and local partners.

Action: To invest in the regeneration of the Island's towns, villages and countryside in order to help the Island become a more attractive location for future businesses:

- In April 2009, the Government established a Town and Village Regeneration Scheme of £8m for the purpose of enhancing and regenerating towns and villages. Over £61,000 has been invested in regeneration to date in order to develop regeneration strategies and proposals and to ensure that the community has the opportunity to be fully consulted and involved. In order to progress the Scheme a Chief Minister's Regeneration Steering Group was established. The Group is responsible for:
 - Developing the regeneration strategy across the Island and overseeing the implementation of the regeneration of the Island's town centres and villages;
 - Determining areas to be designated as "the regeneration area";
 - Agreeing the allocation of funds from the Town and Village Centre Regeneration Fund.
- Six Local Regeneration Committees have been established in Douglas, Laxey, Ramsey, Peel, the South West and Castletown. Three regeneration zones in Douglas, Ramsey and Castletown have been agreed. Consultation and the development of regeneration concepts are now being undertaken.

Action: To encourage the planning system to reflect Government's policies for economic development:

- The Cooil Road Development Order, which would grant planning permission for the development of approximately 20ha of employment land, progressed to Public Inquiry in October 2010.
- The Employment Land Availability Update is to be published.
- A paper making proposals for accommodating new dwellings for High Value Individuals is being prepared for the Council of Ministers in order that it can report to November Tynwald.

Action: To maximise the reference to our quality of life when promoting the Island as a business location:

- The DTL's 'Island Lives' television advertising campaign benefitted from £750,000 from the Marketing Initiatives Fund. The first part of the campaign ran from 13 February until 14 March 2010 and comprised a rotation of the three Island Lives commercials. The Commercials were seen by 81% of the UK population at least once.
- A range of factsheets, consistent with Freedom to Flourish were developed to promote our high quality of life alongside our business sectors and generic information for business.
- Part of the communications strategy developed with Lansons and one of DTI's key messages for off-Island PR was that the "The Isle of Man offers an unrivalled work/life balance and quality of life".
- Our high quality of life was one of our key messages and stated in articles whenever appropriate e.g. "Island life" section on Invest in IOM website.
- Quality of life was one of the 10 reasons to Invest in Isle of Man, as featured on a scrolling Flash presentation on the Invest in IOM website.
- The coordinated public relations strategy delivered by Treasury, the DTI and Chief Secretary's Office ensured that important key messages about the Isle of Man's quality of life were delivered by Island politicians, senior officers, Isle of Man Champions and business and community leaders using various communications tools such as speeches and interviews, news releases, articles, websites, brochures and presentations.

International Relations:

Aim: *To protect and promote the Island's international relationships*

Action: To defend and develop our formal relationships with the UK and Europe:

- The Isle of Man was able to drive forward its views on how our relationship with the UK government could be further developed through its submission to the House of Commons Justice Committee which was examining how the UK Ministry of Justice fulfilled its constitutional responsibilities for Crown Dependencies. The Committee's Report acknowledged that the Crown Dependencies are "democratic, self-governing communities with free press and open debate" and recognised their "essential independence from the UK, their independence from each other and the fact that their interests need to be considered routinely by all government Departments in any area of policy-making likely to impact on them." The Committee's recommendations reflected the suggestions made by the Isle of Man Government in its submission and during the course of subsequent meetings with the Committee Chairman.

- Seeking to further strengthen the Island's ability to represent its own interests, the Chief Secretary's Office led discussions with the UK Ministry of Justice on key strategic issues including, among others, associate membership in the International Maritime Organisation, fisheries management, the mechanism for the signing of international tax agreements and the constitutional advancement which saw the recruitment of the Lieutenant Governor become the responsibility of the Isle of Man.
- The United Kingdom's Borders, Citizenship and Immigration Bill contained a clause which had a significant impact on the free movement of Island's residents travelling between the Isle of Man and the UK. The Isle of Man expressed its opposition to the inclusion of this clause and it was subsequently removed from the Bill as a result.
- Strategic and routine developments in the European Union have continued to be monitored and where necessary considered in detail for their potential impact on the Island. Constitutional developments in the UK and the devolved administrations continued to be monitored for their potential relevance to the Isle of Man.
- As part of a continuing programme to develop relationships and mutual understanding between the Isle of Man and key international audiences, the Chief Minister and Minister for Transport visited Brussels in June 2009. The delegation gained insights into a range of European Union issues, including transport and energy policies, during a series of meetings. These included a briefing with the European Commission Ambassador to the US, former Irish Taoiseach John Bruton, and meetings with Scottish and United Kingdom government representatives in Brussels; as well as with European Commission Directorates General in respect of internal markets, energy transport, and the Cabinet of President Barroso.
- A review of the Isle of Man's requirements for representation in Europe concluded that the Island would be best served by establishing an office in Brussels, and work is underway to implement that decision in the most cost effective manner.
- The Government has continued to firmly defend the right of Island residents to travel freely between the Isle of Man and the United Kingdom and vice versa and Government's policy to safeguard this freedom of movement by determining that the Isle of Man should be included within the UK e-Border, was approved by Tynwald in July 2010.
- Considerable work has been undertaken, and indeed is ongoing, in relation to providing the legislative framework by which the Isle of Man can be included within the UK e-Border. This work included drafting an Order in Council, extending to the Isle of Man, the information sharing provisions of the Immigration, Asylum and Nationality Act 2006 (an Act of the United Kingdom Parliament), identifying secondary legislation needed to support the Act and developing a Memorandum of Understanding.
- In September 2009 the International Monetary Fund ("IMF") published its Financial Sector Assessment Programme Report on the Isle of Man, following its assessment visit carried out in the prior year. Such assessment visits are the most fundamental benchmark of the

regulatory framework in place in the Isle of Man and are crucial in maintaining the Island's respected reputation within the international community. The Report affirmed the strong regulatory and supervisory regime in place on the Island. It noted that "The IOM has maintained and improved on the generally high standard of compliance with the Insurance Core Principles, which was noted in the previous assessment. The Insurance and Pensions Authority was commended for its proactive stance in establishing and enforcing high standards for supervision, which have contributed to the maintenance of the IOM's good reputation as an international financial centre". Nonetheless, the report contained a number of recommendations upon which the IPA worked during the year and will continue to do so in the coming period.

- The Insurance and Pensions Authority has continued its work to foster co-operation with key external parties. As well as maintaining membership of international bodies such as the International Association of Insurance Supervisors, the Offshore Group of Insurance Supervisors and the International Organisation of Pensions Supervisors, the Authority has performed significant work in relation to the European Union's Solvency II initiative. Solvency II represents the largest single change to European insurance capital and solvency regulations, and the Island's stance in relation to it will have a significant impact upon the future development of the insurance industry on the Island. During the year the Authority worked with representative bodies within the industry and with other Government bodies to plan the Island's optimal approach to Solvency II and it will continue to do so.

Action: To continue to foster positive relationships with our immediate neighbours:

- As a country located at the heart of the British Isles, the Isle of Man continued to work towards building positive relationships with its neighbours. A prime means of doing so is through the British-Irish Council (BIC) which comprises, as equal partners, the governments of England, Ireland, Scotland, Wales, Northern Ireland, Jersey, Guernsey and the Isle of Man.
- On an ongoing basis, the Isle of Man contributed to several workstreams on issues of mutual interest, and participated through the BIC Secretariat's coordinators forum. Building on our own initiative to make the best use of digital technology in providing services to the public, the Isle of Man took the lead in establishing a new work stream on "Digital Inclusion" for examination by the Council members.
- The Chief Minister and Minister of Education represented the Isle of Man at the BIC summit in Jersey in November 2009 which discussed economic issues and examined progress among the Council members on initiatives supporting minority languages. In June this year, the Isle of Man contributed to Summit discussions in Guernsey which lead to a commitment to work together in accelerating the exploitation of marine renewable energy.
- The Isle of Man continued to maintain good relations with Jersey and Guernsey through the

Inter-Island Crown Dependencies annual meeting which was held in Guernsey in September 2009. The meeting provided a forum for discussion on matters of mutual interest.

- The Isle of Man works closely with the Channel Islands to protect our mutual interests in relation to the Common Travel Area and e-Borders. The Isle of Man hosted a successful meeting in May 2009 to which Channel Island and United Kingdom officials were invited to consider these important matters, and ongoing constructive dialogue between the parties has continued.
- Among the many dignitaries visiting the Isle of Man during the past year was Lord Bach who had been invited to deliver the Chief Minister's International Lecture. As Parliamentary Under-Secretary of State in the UK Ministry of Justice, Lord Bach was at the time responsible for the UK's relationship with the Isle of Man.
- In August 2009 the House of Commons Justice Committee announced that it was to conduct a brief inquiry into the role and performance of the Ministry of Justice in relation to the Crown Dependencies. A detailed written submission was made to the Committee in October 2009. Representatives from the Committee visited the Island in February 2010 when they met the Chief Minister, politicians and senior officers. The Committee's report, published in March 2010, supported the Isle of Man's aspirations for enhancing its international profile and developing further opportunities to represent itself on the world stage. The report can be found at: www.publications.parliament.uk/pa/cm200910/cmselect/cmjust/56/56i.pdf.

Action: To continue to strengthen our relationship with key international players:

- A sound international reputation is important to the Isle of Man both as a matter of national pride and as a means of paving the way for future prosperity. The Island's image as an enterprising, responsible nation is in good shape after a number of further external endorsements.
- This year there have been additional reminders of how the Isle of Man is recognised as leading the way amongst small nations. In June 2010 the head of an influential taxation agency in the USA – Dr Joe Huddleston of the Multistate Tax Commission – praised the Island for its role in developing standards of tax transparency and co-operation in a speech delivered to the Chief Minister's International Lecture. In July the Island hosted the second year of Small Countries Financial Management Programme. It is a pioneering project in which the Island, in partnership with the World Bank, the Commonwealth Secretariat, the Small States Network for Economic Development, and the University of Oxford, shares its financial expertise with small developing countries from around the world.
- The Isle of Man's reputation for commitment to transparency in taxation matters was further strengthened by the signing of bilateral tax agreements with Portugal, New Zealand, Estonia, Belgium and Malta over the past year.

- As part of the Island's ongoing engagement with decision makers in the United States, the Chief Minister lead a delegation to Washington in July 2009, reinforcing messages about the Isle of Man with key advisors and officials in the areas of tax and financial crime.
- To extend the Island's engagement with North America, the Canadian High Commissioner, His Excellency James Wright was welcomed to the Island in November 2009, meeting many politicians, senior officers and local business people to discuss economic opportunities between our two countries. This visit was followed up by a further meeting at the High Commission in London in July 2010.
- The Isle of Man continued its participation in the Conference of Peripheral Maritime Regions, building relations and sharing experiences with Islands and regions around the edges of Europe which are confronted by many of the same issues as the Isle of Man in transport, tourism, renewable energy and the maritime environment.
- The Isle of Man's support network of Honorary Representatives continued to work to promote the Island's cultural and business profile internationally in their locations around the world.

Action: To establish relationships with Overseas Governments to develop and improve potential markets for the future:

- Early in 2009 Isle of Man Finance conducted an Indian trip which was used to help foster relationships and created an opportunity for key introductions to the tax authorities in respect of subsequent TIEA negotiations. This has been followed up in London in respect of meetings with visiting Indian dignitaries at both officer and political level.
- In June 2009, the Treasury Minister announced at a meeting of the Organisation for Economic Cooperation and Development that the Isle of Man would be adopting automatic exchange of information under the EU Savings Directive from July 2011 The Isle of Man Government has also hosted the Indian High Commissioner (June 2009) and the Belarus Ambassador (May 2010) to promote political and economic links with their respective countries, as well as building on established relations with the Russian Ambassador.

Action: To further develop the Island's influence and representation in international organisations such as the United Nations (UN), the World Trade Organisation (WTO) and the Organisation for Economic Co-operation and Development (OECD):

- As a result of the Island's leadership on developing and signing tax information exchange agreements, the Isle of Man was recognised as a "co-operative" jurisdiction and included in the OECD "White List" published in April 2009. To build on its well-deserved reputation, the Isle of Man continued to engage with the OECD through its Global Forum and the OECD's Peer Review process.

- Efforts to attain associate membership in the International Maritime Organisation (IMO) have continued. Work to formalise the Isle of Man's membership in the World Trade Organisation (WTO) continued through the UK Ministry of Justice.
- The Overseas Aid Committee focused on projects which addressed the United Nations Millennium Goals and continued to target aid towards those countries which are ranked as "low" on the UN Human Development Index, and also launched a new 'Multi-Year Grant' funding stream which is aimed at larger, longer term projects.

Education and Training:

Aim: *To maximise the productivity of the workforce*

Action: **To continue to co-operate with the business community to identify and plan for future skills needs from within the resident population:**

- The 5 Sector Skills Groups (Retail and Hospitality, ICT, Construction, Engineering and Finance) continued to meet in 2009-10 to advise on skills shortages and future needs. They met 30 times and key outcomes and training needs were established and courses organised to suit.
- The Department of Education (DoE) has provided a more inclusive programme for young people who are not in employment, education or training (NEETs) and has coordinated the work of Careers Education, Youth, Schools and the IOM College to facilitate this. The Department of Education and Children works closely with the sector skills groups, the 14-19 Education Forum, Junior Achievement and individual companies on a variety of projects. The Department provides grant assistance to Junior Achievement. The sector skills groups offer taster classes to students at a variety of levels. Currently, a number of other groups work with the Department of Education and Children to help plan curriculum changes so that the employment needs of the Island are better addressed.

Action: **To encourage the provision of opportunities to meet the career aspirations of individuals:**

- The Job Club within the Job Centre continued to develop throughout 2009-10. Individuals were provided with personalised support with CV writing and interview preparation. 471 people used the job club during this period with each individual receiving support with employment related requirements, including CV preparation, interview techniques, confidence and motivation, phone techniques, usage of software to improve skills such as typing speeds and general assistance in finding appropriate roles for their skill set.
- In April 2010 the Careers Service joined the Employment and Skills Group within DED.

- The Manx Graduate Database (www.manxgraduates.com), which was launched in 2008, allows local employers and individuals seeking work to communicate. This innovative approach to career promotion has been very popular with over 750 individuals registered. The system allows employers and candidates to be matched according to skill requirements offering additional tools to Manx workers seeking employment. Several business leaders are fully involved in an active capacity as Governors of the International Business School.

Action: To encourage people to pursue learning opportunities and the development of life skills to attain meaningful employment and fulfilling lives:

- DTI's Training Services Team provided financial assistance for training programmes which support economic growth in accordance with the Vocational Training Strategy. A wide range of short courses have also been supported with 1,009 participants having taken part in 143 courses.
- Despite some small changes to regulations, financial support still exists from within the DoE for adults to continue or return to education. There was access to funding for adults up to the age of 40 years through non-means tested grant aid. The Department maintained a focus on supporting the full range of people, including those with additional learning needs. The schools have developed a more robust careers education programme.

Action: To put greater emphasis on the importance of partnerships between parents and teachers in ensuring young people maximise their potential:

- All schools constantly improved their information to parents on a range of subjects. They were encouraged and supported to work closely with parents through central training. The DoE consulted the entire population on provision for Early Years and continued to work with and promote training by the Children's Centre.

Action: To reform and develop our further and higher education facilities to match more effectively the skill needs of the economy:

- The transformation of the Nunnery Site to the University Centre has continued. Provision of a tiered lecture theatre and improved IT infrastructure has helped this development. Courses in Higher Education have been transferred from the Isle of Man College to this site. The Higher Education Council continues its work to rationalise provision.

Action: To introduce measures and initiatives to maximise the effectiveness and efficiency of Government's workforce:

- A Succession Management Group, chaired by the Chief Secretary, continued to take forward priority matters relating to succession planning and management in the Civil Service. Age profiling has identified a particular need to manage succession at the most senior levels in the Civil Service which is being addressed through a variety of approaches – including career development profiling, development centres and secondments for development purposes.
- The Civil Service Performance & Development Review Scheme is now fully implemented. In respect of the year 2009/10 year end provisions have been completed in relation to more than 99% of those for whom a performance assessment was due (as at 30th July, 2010). Across the Civil Service annual incremental progression is now subject to formal confirmation by a job holder's Reporting Officer based on the achievement of a level of performance which is, at least, commensurate with an acceptable standard appropriate to the relevant grade.
- In the DHSS, revisions to the terms and conditions for professional, technical and support staff providing health care include provisions which will, when implemented support more transparent performance assessment and more effective means of improving staff knowledge and skills.
- During the year corporate working has continued to be developed across the Public Service with increasing evidence of a more cohesive and coordinated approach to policy making and service delivery improvement.
- Coaching has been increasingly established as a key management approach across the Civil Service. Two levels of training programme are now in place – one providing accredited internal coaches to undertake formal 1 to 1 coaching in a variety of situations and the second a skills based approach which enables line managers to enhance their existing staff coaching skills.
- On an ongoing basis information and advice provided by The Personnel Office to managers across the Public Service in relation to the handling of sub-standard performance and misconduct continued to be refined. As a key part of the work of the Office the provision of information and advice, focused briefings for managers are continuing to be delivered, when requested by Departments, Boards and Offices.
- During the year a People Strategy and a Learning and Development Strategy for the Public Service were implemented along with revised versions of established corporate policies relating to the Prevention of Bullying, Harassment and Victimisation at Work and Confidential Reporting (Whistleblowing). A Code of Conduct for Public Servants was also implemented.
- A corporate policy in relation to the Prevention and Management of Workplace Stress has been developed for introduction in 2010/11.

- During the year an independent review of Whitley Council was undertaken and a review of the Human Resource Management Function within the public service commenced.

Employment:

Aim: *To maintain full and rewarded employment*

Action: **To provide a Work Permit System that ensures its operation is more responsive and effective in supporting employment and growth of the economy:**

- During the year, the DTI undertook an ambitious programme to reform existing work permit legislation.
- In December 2009 a range of exemptions were unanimously approved by Tynwald to make the work permit system more responsive to the short term needs of employers and less bureaucratic for straightforward cases where there was no threat to Isle of Man workers. These changes were introduced on 1st January 2010. 8,750 work permits were issued between April 2009 and March 2010. It is anticipated that in the annual figures the total number of approvals will fall by approximately 2500 as a result of this liberalisation, saving employers time and money. At the time of writing (September 2010), this prediction was on target.

Action: **To encourage more family friendly working practices to increase the proportion of the economically active population taking up employment:**

- The statutory right to request flexible working was put in place for eligible employees via the Employment Act 2006. Procedures and guidelines were made available on the Internet and support and guidance available from the DTI and Manx Industrial Relations.

Action: **To encourage and facilitate an increase in more flexible work practices, such as home working, both in the public and private sectors:**

- The DTI continued to support employers and employees in the adoption of flexible working practices. There are now many examples of public service roles where working from home, job sharing or flexible hours of work help to accommodate and balance both employees' and employers' requirements.

Action: **To expand the range of appropriate employment opportunities for people with a disability to include vocational training, job placements, voluntary community work and permanent employment:**

- The DTI's Disability Employment Service (DES) worked closely with Department of Health and Social Security (DHSS) Social Services, employers and the third sector to provide tailored support programmes for those with disabilities who are in work or looking for work. As a result 131 individuals entered employment during 2009/10.
- The cross-Departmental strategy for the young unemployed will further expand opportunities for people with a disability.

Action: To ensure that the Benefit System does not discourage the taking up of employment:

- Following a review, two important changes were agreed by Tynwald in 2009/10 which took effect from 1 April 2010. Firstly, the minimum work requirement for family income supplement was amended for two-parent families so that (unless exceptional circumstances exist) at least one member of the couple must now work at least 30 hours a week in order to qualify (previously they had to work just 16 hours a week). Secondly, the income support higher rate lone parent premium was abolished. This premium gave lone parents £25 a week extra for staying on income support for more than a year and was seen as a clear disincentive for lone parents to leave benefit and take up employment. In addition, DHSS worked on further proposals to create appropriate incentives, including in relation to the levels of benefits payable to younger people, increased conditionality for lone parents claiming income support, and the minimum work requirement for lone parents claiming family income supplement whose youngest or only child is settled into secondary school.
- The DTI's Job Centre worked closely with the Benefits section in DHSS to inform them when those on Job Seekers allowance did not fulfil requirements requested by the Job Centre. Training Services also worked closely with the Benefits Section to support individuals receiving Training Allowances to minimise disruption for clients.

Transport and Access:

Aim: *To ensure the Island is attractive and accessible to business and visitors*

Action: To encourage the maintenance of regular and reliable air and sea services:

- Appalling weather conditions at UK airports during the lead up to Christmas 2009 and the economic climate in general, meant the Airport reported a 3.04% decline on the previous financial year's passenger figures, resulting at 718,328 passenger throughput for 2009/2010. Whilst VLM and Eastern Airways stopped operating to/from the Island in 2009, at the end of the financial year no routes were lost, with Manx2.com picking up the Newcastle service. Figures at Ronaldsway were positive at the turn of the year compared to air traffic volumes in the UK.

- Flybe started its 4 times a week IOM/Bristol service in March 2010 and resumed its summer Southampton route to the Island.
- Following the return of winter ski flights to Geneva, travel companies Freedom and Regency teamed up with Flybe and Aer Arann respectively to operate direct charter flight routes to Paris and Palma during 2010.
- By keeping in close contact with the IoM Steam Packet Company and the freight company Mezeron Ltd., and monitoring its performance against the current schedule and the User Agreement requirements, the DOT encouraged the maintenance of regular and reliable sea services. There was a reported decrease in passenger numbers of 1.1% and a decline in numbers for vehicle traffic of 3.2% compared to the same period in the previous year.

Action: To provide high quality facilities at ports and the airport:

- A number of key projects were progressed over the past year to continue upgrading facilities at the Isle of Man Airport. These included: the Airport Runway Project which was completed in April 2010, five months ahead of the contractual completion date; the new control tower building capital project which was completed on time and on budget and staff have successfully transferred to the new facility; the refurbishment of taxiways and hangar forecourts and the new perimeter security fence project which is on target for completion on time and on budget in Autumn 2010.
- The official opening of Peel Marina was performed by the Chief Minister on 14th September 2009. To date the majority of the 110 berths have been let on annual contracts. Eight berths are kept for visitors. Initial design work and public consultations were completed this year on the proposed Port St Mary Harbour Improvement Scheme. Public consultations on the proposed Ramsey Inner Harbour Marina development scheme were completed with approximately 620 feedback forms being received from members of the public and interested parties to help inform future schemes.

Action: To consider the options for reviewing port charges for freight carriers:

- The DOT approved options and recommendations for reviewing freight harbour dues in November 2008. It was agreed that any further work on this matter will be done through an appropriately experienced economist.

Action: To encourage realistic competition by retaining the Open Skies Policy:

- The DOT's review of the Open Skies Policy was completed in 2009. The Department has concurred with the Isle of Man Government Strategic Plan 2007 – 2011 to retain an Open Skies policy to bring continuing economic benefits to the Island.

Action: To encourage route development:

- The DOT continued to monitor and apply the Yield Driven Charging System (YDS) and Route Development System (RDS) during the year to encourage and retain air routes. The RDS has been designed to offer low charges for new services and to also assist airlines when passenger numbers reduce. Meanwhile the YDS, which is based upon the air fare charged by the airlines, is used to encourage lower fares and thus higher volumes of passengers – essentially lower cost air travel. The schemes ensured the Department continued to support airlines and operators through the economic downturn.
- The Airport reported increased services to Liverpool and an additional Saturday Jersey service was delivered throughout the Summer of 2010. New direct routes to Paris and Palma were also delivered providing more flexibility and choice for local people wishing to travel. Manx2.com introduced a Newcastle service following the exit of Eastern from the Island and a new Bristol service was set up for summer 2010 with Flybe. Despite the reduction of routes at UK regional airports, the Island has retained its existing destinations to date, with the exception of East Midlands which ceased during the year.

2.3 Policy 2: Government Spending and Revenues

Purpose: To raise revenues and allocate resources for the provision of

Services in a way that:

- meets the needs of the community
- ensures that people are healthy and secure
- assists those most in need and
- distributes the benefits of economic growth

Children and Young People:

Aim: *To improve the lives and health of all children and young people recognizing that some will need extra support*

Action: To integrate and jointly deliver childcare services:

- Much progress has been made to ensure good cross-Government cooperation and thus achieve effective, integrated delivery of child care services.
- In April 2009, Multi-Agency Teams (MATs) were introduced, based in the five neighbourhood policing areas, each intended to complement mainstream services by providing early interventions, additional support, advice and practical assistance where appropriate.
- To support an integrated approach to working across Government and the third sector, training has taken place on the Common Assessment Framework and Lead Professional to ensure effective and timely assessment of children who may be at risk.
- In May 2009 the Children's Plan was issued which sets out the strategic direction for children and young people on the Island.
- In July 2009 the Pledge to Children and Young People in Care was launched following consultation with many of the young people currently in care.
- In October 2009 the Safeguarding Children Board issued "Information Sharing Guidance for Managers and Practitioners" offering clarity on when and how information can be shared legally and professionally, in order to achieve improved outcomes.
- The full cycle of School Self Review Validation (Primary) neared completion. All schools have self-assessed against the 5 key outcomes and none have been judged inadequate. The Commission of Inquiry recommendations have almost all been met and the Department of Education and Children has gained finance for a comprehensive pupil database. The Head of Children's Services within the Department of Education and Children has been in post since September 2009. Over 95% of staff in all schools have been trained on Safeguarding.

Action: To establish a Minister for Education and Children to oversee improvements to children and young people's outcomes of being healthy, staying safe, enjoying and achieving, positively contributing and prospering:

- The need for legislation to create a Minister for Education and Children has been superseded by the restructuring of government which created the Department for Education and Children on 1 April 2010. The Department is a full partner in the establishment of Children Services and has appointed a Head of Children's Services from within existing budgets and staffing allocations.

Action: To ensure more looked-after children stay in a home environment by increasing foster care placements:

- DHSS Social Services increased fostering placements from 40 to 55 in 2009-2010. Growing up in a family setting is shown to give better outcomes for children, hence this expansion is making a valuable contribution for the children concerned. Additionally, based on average costings each fostering placement saves £87,000 annually per child compared to residential setting, which resulted in £1.3 million cost avoidance in 2009-2010. As a result, these improvements are delivering much better value for money.

Action: To provide families with support to improve their parenting skills:

- Family Centres and outreach services are providing targeted support to 117 families, 63 of whom are deemed to be on the edge of care. Should this preventative service not be provided the cost of care would be £4.7million annually.

Action: In partnership with Local Authorities and others, continue to provide and support the provision of leisure facilities to meet the needs of our young people:

- DTL continued to provide a wide range of sporting and active opportunities and services through the NSC, regional facilities and Sports/Arts Development. The Department worked closely with DoE and in particular their Youth & Community Service which made a valuable contribution. The DTL and DoE also worked closely to maximise the benefit of the new school at Bemahague and promote the proposed regional activity halls.
- The redevelopment of the Bowl was a priority for the Department in time for the Commonwealth Youth Games in 2011. Ownership of the Bowl Complex has transferred to the Department of Community Culture & Leisure (DCCL).

- The Capital Scheme for the Redevelopment of the Bowl was approved at the July 2010 sitting of Tynwald. The developers are now on-site and early progress is good.
- A Northern Community Sports Development Officer was appointed based on a successful pilot scheme in the South with the objective of achieving the same impact in terms of participation by children within three years.
- The DoE opened Café Laare in Lord Street in January 2010 as a centrally located meeting place for young people where they can access relevant information. The café has proved to be a great success, popular with young people, and very good relationships have been established with other agencies who are now an accepted support at the Café. The recently reviewed Lettings Policy offers enhanced opportunities for local groups to meet.
- The Young Persons Working Group reviewed social leisure facilities for 14-23 year olds on the Island. Local Authorities were requested to feed back information on informal social leisure places in their areas and consider further development and provision of casual leisure facilities.

Action: To review the regulatory burden and compliance cost on private and voluntary childcare providers, to enable improvement in variety and choice of services within the community without affecting standards:

- The minimum standards for children's residential homes were reviewed by DHSS Social Services in order to provide greater choice and to reduce unit cost.

Public Services:

Aim: *To provide high quality public services at maximum efficiency, whilst having regard to the cost to the community*

Action: Whilst recognising our reciprocal agreements, review the benefits and social care systems to ensure that they target and support those in need:

- Many benefits on the Isle of Man remained substantially higher than the UK equivalent. For example, child benefit for second and subsequent children is £20.40 a week locally compared to £13.40 in the UK. For over-16s it is £30 a week locally compared to at most £20.30 in the UK. The minimum income guarantee for pensioners continued to be more than 10% greater on the Island than in the UK. The rate of the Christmas Bonus on the Island is £82.50 compared to £10 in the UK. In total, this means the DHSS paid millions of pounds a year more than if UK rates were applied locally. In addition, generally speaking, the rates of social security benefits and allowances increased each April having regard to UK inflation for those benefits covered by the reciprocal agreement on social security with the UK and the IOM

inflation for those benefits which fall outside that agreement. Given the substantial pressures on Government expenditure and that social security is by far the largest item of Government expenditure, this situation may not be tenable in the future. DHSS undertook a review of all options to ensure resources are directed to those most in need, including a review of eligibility criteria. The DSC will continue to review benefit entitlements and levels carefully.

Action: Examine options for financing services, other than through general revenue, particularly in relation to universally supplied services:

- In addition to the Working Group established to consider alternatives to the existing Water Rates (see below), the requirement to rebalance Government finances in light of the revenue shortfall has provided Departments with further opportunities to consider options for the future financing of universally supplied services.

Action: To encourage all Departments, Boards and Offices to be aware of the benefits of policies and decisions that sustain or create supply linkages involving on-Island companies:

- A Procurement Policy has been approved by the Council of Ministers with aspects of "buy local" and value for money at the centre of the policy. The full policy can be viewed at: www.gov.im/treasury/procurement.xml.

Action: To actively encourage improved efficiency within Departments, Boards and Offices and develop corporate standards for customer service and reduce Government bureaucracy:

- The Business Change Steering Group sponsored a major review of front line customer service operations in the (former) Departments of DHSS, DLGE and DOT. This report provided a great deal of qualitative and quantitative information which allowed us to identify and prioritise services which could be easily provided through the Government website or a One Stop Shop, but also gave valuable customer insight on areas where services could be improved or better joined up. From this report, an initial list of service improvement projects was agreed ranging from a restructure of www.gov.im to organise information by services rather than Departments to a project to improve signage in Government buildings.

Action: To review budget allocation processes to reflect more closely Government's key priorities:

- The Treasury continued to meet with Departments, Boards and Offices to ensure that a coordinated approach was maintained when agreeing budget allocation in line with the corporate policy priorities and the new challenges presented by changes in the revenue

sharing arrangements.

Action: To consider the abolition of the current systems of domestic and business rates and their replacement with fairer systems of funding services at a local level:

- The Working Group to consider Water Rates set up by the Chief Minister and chaired by Hon A V Craine MHK, continued its deliberations throughout the year and reported to the Council of Ministers in July 2010. The Council of Ministers requested further information which is currently being sourced.
- On receipt of this further information, Council of Ministers will consider the Working Group's recommendations alongside a paper from Treasury regarding its consideration of the abolition of the current systems of domestic and business rates.
- The Council of Ministers initially considered a report from Treasury in February 2010 and reviewed the position in July 2010 when the Water Rates Working Group report was presented. Further information has been sought by Council and Treasury is to report back in during 2010.

Action: To develop a local government structure that will provide quality and cost effective services:

- The Department of Local Government and the Environment (DLGE) continued to provide Local Authority Induction Courses, financial training with regard to the requirements of the Audit Act 2006 as well as rolling out Corporate Governance Principles and a Code of Conduct for Elected Members and officers of local authorities.

Action: To invest in Information and Communications Technology ensuring clear and specific benefit opportunities are identified and met and which improve access to Government by our community:

- The 'Customer First' programme, led by the Business Change Manager and comprising officers from across Government, has been given responsibility for the restructuring of the gov.im website and the prioritisation of services to be made available online. This programme will also drive forward the provision of 'one stop shop' type service counters and a central call centre for Government.
- Digital Switchover was one of the main events in the Isle of Man in 2009 and is ongoing in the UK until its completion in 2012. Even though Island residents were well prepared to 'go digital', with approximately 90% of homes already receiving satellite TV and many watching digital transmissions from off-island transmitters, it was important to communicate the message that action may be needed. Communications Commission staff worked hard with

colleagues in, the DHSS, Age Concern IOM, the BBC, Digital UK and the Switchover Help Scheme team to help deliver Switchover in June and July 2009. Digital UK reported fewer numbers of Isle of Man callers to their helpline phone number than any other area that had switched.

- The Communications Commission works closely with Ofcom the UK Regulator that manages spectrum on our behalf and issues Wireless Telegraphy Act licences to users of spectrum on-Island. The Commission confirmed earlier decisions that spectrum trading is not to be extended to the Isle of Man and that the Island will conduct its own separate award process for the spectrum released from Digital Switchover (known as the Digital Dividend). There is a surplus of unused spectrum on the Island over and above the digital dividend which could be used to develop and deliver new services. The Commission is addressing the mechanisms for awarding this spectrum as part of its Strategic Review.
- The Communications Commission continued to work with colleagues in Government and ManSat to secure satellite filings and support the Island's space industry.

Action: To ensure that the central management of Government's personnel resources is efficient, flexible and capable of meeting both the needs of Government and the economy:

- Since October 2007, the Succession Management Group has met regularly to look at succession management across the Isle of Man Public Service. The Group has commissioned and run two Development Centres to benchmark potential for senior and Corporate Leadership Posts at a corporate level and is now developing two more to be run internally.
- All individuals at a senior level are invited by the Group on an annual basis to share their career aspirations, with support then being provided on an individual basis to meet their identified development needs.
- A number of successful secondments have taken place which have broadened the experience, knowledge and skills of individuals, supported individuals in achieving their career aspirations, and improved the calibre of applicants in subsequent recruitment processes at Chief Officer level.
- Both coaching and mentoring have been supported by the Group as effective and resource efficient activities to maximise contribution and potential and support greater knowledge management across the organisation. Use of these activities continued to increase with benefits such as greater self awareness, improved career development and promotion and enhancement of leadership skills being realised.
- The Civil Service Commission and Chief Officers received regular reports on the work of the Group and are represented on it.

Action: To develop a fair and consistent public sector pay policy:

- Work continued to develop a draft public sector pay policy, subject to appropriate consultation prior to being considered by the Council of Ministers. A public sector pay policy would inform future pay negotiations through established collective bargaining forums.
- With regard to staffing costs more generally, and as part of Government's response to managing its revenue shortfall, the Council of Ministers announced a target of a 10% reduction in Government's total staffing costs in 2010/11.
- As part of the five year strategy to rebalance Government's budgets the Treasury Minister, during his Budget speech delivered at the February 2010 sitting of Tynwald, announced a freeze on salary budgets for 2010/11. Progress towards achieving these targets began during 2009/10 with Departments, Boards and Offices, as far as practicable, utilised the opportunities presented by ongoing staff turnover to reduce the number of staff in post by leaving vacancies in abeyance.

Action: To determine a long term solution to the provision of public sector pensions which is affordable yet enables Government to remain competitive in the employment market:

- At the May 2008 sitting of Tynwald the Council of Ministers put forward proposals which identified four overarching principles as the basis for the future development of public service pension policy:
 - Simplicity – pension arrangements should be both simple to understand and administer;
 - Affordability – public service pension provision should be affordable;
 - Total Remuneration – public service pensions should follow a total remuneration approach to pay and benefits;
 - Governance – public service pension arrangements should be administered according to best practice by either a statutory authority or another appropriate body.
- Between February and July 2009 Hymans Robertson undertook a six month consultation exercise based on a 2-tier design for a unified pension scheme for both new and existing employees. Written guides and leaflets were published on the internet and also sent directly to members' home addresses. Around 50 presentations were given to members of Tynwald, trade unions, employers, employees and private sector organisations and lobby groups. As a result, around 800 consultation responses were submitted to Hymans Robertson.
- A revised high level design was approved at the April 2010 sitting of Tynwald and a project has been established to take the proposal forward to detailed design stage with a target date for implementation of April 2012.
- Council of Ministers is also aware of the potential changes to public service pensions in the UK

and that such changes may be imposed on the Island's schemes without any consultation. This emphasises the need for the Isle of Man to take control of this issue.

Action: To consider rationalising the system of waste collection, to provide economies of scale:

- The DLGE identified that by restructuring the Island's waste collection services, significant economies of scale and financial savings could be achieved. The Department continued to work with Local Authorities to identify opportunities to realise some of these savings and ensure that these services are delivered by the most effective, economic and efficient means available.

Action: Review the charging policy for waste disposal:

- The DLGE reviewed the charging policy for waste disposal which brought about an increase in the charge levied to Local Authorities for disposing of waste via the Energy from Waste Facility. During the forthcoming review of the Island's Waste Policy and Strategy, consideration will be given towards the merits of adopting an all Island waste charge.

Education and Training:

Aim: *To create opportunities for self development through lifelong learning, training and education*

Action: To put greater emphasis on early years education to enable families to be better equipped to deal with life's challenges:

- The DoE continued to review its Early Years provision. In January 2010 the Department went out to consultation on the organisation of pre-school education. The Department managed the accredited program for the quality assurance of all early years settings and the first group gained their awards; 'Step into Quality' at the end of 2009.

Action: To support the implementation of the Healthy Futures criteria in all schools:

- The DoE appointed a Healthy Futures Coordinator to replace the Life Education work. This role specifically focuses on the Healthy Futures agenda.
- The DHSS supported the healthy futures agenda by supporting the primary and secondary schools and early years settings with safe in the sun policy and ongoing advice. Public Health representatives have attended secondary school assemblies with Offwatch/ambulance/police to inform students of the harms from alcohol misuse.

- The Public Health Directorate worked with Skimmee Gien Mie at the Crucial Crew event to inform year 6's across the Island about safe drinking.
- The Public Health Directorate provided resources and materials regarding tobacco for use in schools. School Nurses and Nursery Nurses organised events and information regarding tobacco and quitting smoking in each of the 5 Secondary Schools for No Smoking Day (March 2010).
- The Public Health Directorate set up skipping clubs and the Celebration of Skipping event to encourage physical activity.
- A Stop Smoking Stand was held by Quit4You Advisors at St Ninian's Secondary School on 14th June 2010 as part of the Drug and Alcohol Road Show.
- Quit4You Advisors provided stop smoking support to students wishing to stop smoking at IOM College and St Ninians, and School Nurses offered stop smoking support to students in Secondary Schools.

Action: To develop a creative and flexible curriculum which enables all students to achieve success across a full range of subjects and areas of personal development:

- The Isle of Man Curriculum, now well embedded in the Island's schools was reviewed. Creativity and thinking skills were at the heart of the curriculum but the DoE was critically aware of the need to focus on employability as well as academic and personal success. Closer links were forged with such organisations as Junior Achievement and those programs are now very successful.

Action: To ensure the quality of the learning environment is maintained:

- Programmed maintenance and development continued throughout this period. The development of the new St Ninian's Lower School at Bemahague began and is on schedule and on budget. The vast majority of classrooms now have an IT projection.

Welfare:

Aim: *To provide a comprehensive programme of benefits which meets genuine needs, encourages independence and provides incentives to work*

Action: To encourage individuals to make better personal financial provision for their retirement:

- Initial scoping was undertaken by the DHSS and Treasury into the options available and further action will be carried forward to 2010-11 by the DSC and Treasury.

- Following the significant updating in 2008 of legislation dealing with the taxation of pensions which provided improved incentives, an increase in people making provision for their retirement, with personal pension contributions of £9.45 million made in the 2006/07 tax year rising to almost £13 million in 2008/09.

Action: As part of a review of charges and benefits consider whether the continued provision of universal benefits is fair and sustainable:

- DHSS remained concerned that universal non-contributory benefits did not represent effective targeting of resources, especially in light of the need to address the shortfall in Government income. A number of options for reform are being considered by DSC, for example in relation to child benefit.

Health and Social Services:

Aim: *To promote the benefits of a healthy lifestyle and provide high quality programmes of health and social care*

Action: To develop and target programmes which help to ensure that people have the opportunity to reach their full potential in health terms:

- Cervical Screening and Breast Screening programmes were put in place. A business case for the introduction of Bowel Cancer Screening was approved and is awaiting identification of funding.
- DHSS Social Services opened a purpose built, state of the art rehabilitation centre for people recovering from mental illness, with input into the design from service users. By improving the facilities and services, Social Services is now able to help a significantly larger number of people within the same budget.
- DHSS Social Services launched a new Hospital to Home Scheme which enables people to return home with support successfully and so prevent the need for long term residential or nursing care. This is both better for the patient and offers substantial cost savings.
- DHSS Social Services launched a new Dementia Home Care Team to help people to remain in familiar surroundings at home despite Dementia. This is both better clinically and avoids residential care costs.
- DHSS Social Services developed a Supported Living initiative to enable adults with learning disabilities to move on from residential care or their parental home and take up their own tenancies with support. This is better for their quality of life and avoids residential care costs.

Action: To review the charges and benefits across the health and social services sectors:

- DHSS raised fees charged to registered care homes. From 1st April 2010 parity of charging for residential care for older people in both public and private sectors was introduced.
- The DHSS Adult Services Strategy was approved by Tynwald and as a result, the DSC will consider introducing charges for people with a learning disability in residential care during 2010/2011.
- A review of charges for Health Services underway as part of Rebalancing the Budget proposals.

Action: To put renewed efforts into the management and reduction of hospital waiting lists:

- In certain specialties, but by no means universally, waiting times are greater than the Department of Health would wish and there is a determination to address this. One illustration of an approach to bring about improvements is that the Department agreed with Internal Audit to examine the use of operating theatres and to provide the Department with a report. This audit report in respect of the matter is due to be presented to hospital management by the Chief Internal auditor in mid-October 2010.
- There will be detailed further analysis of clinical productivity over the next year. This is a complex matter with a number of clinical variables which require sophisticated analysis and cannot be reduced to matter of 'count and compare'. Review processes to enable us to better verify the position and address matters will be improved with the imminent introduction of enhanced management information systems. Lead clinical overview will be driven from "the top" by the Medical Director of the hospital.
- Where matters of demand and capacity are found to be a particular feature of waiting lists, there will be direct further focus on the role of Integrated Care Pathways in establishing that a patient receives the correct care, at the correct time, from the correct clinician or healthcare specialist so that this component of mitigating waiting lists is also handled as effectively as possible.

Housing:

Aim: *To do all that is possible to enable the provision of affordable and appropriate housing*

Action: To strive to provide sufficient and appropriate homes to meet the needs of the community:

- Since the General Election in 2006, this Government has expanded investment in housing (both public sector rented and first time buyer homes) such that by the next General Election it is on course to have completed more than 750 houses, more than any previous administration for over 30 years. This investment is set to continue: DSC is leading an

ambitious public sector house building programme worth £130m over the next 5 years. During the year 2009/10, 30 first time buyer homes and 120 new and replacement public sector homes were completed.

- Specific housing developments in the year included the following:-
- Major redevelopment of Janet's Corner in Castletown and Clagh Vane in Ballasalla.
- Replacement doors and new central heating completed to 56 existing properties in Clagh Vane.
- Planned maintenance programme for public sector housing delivered to plan.
- Redevelopment of Lezayre estate progressing to programme.
- Refurbishment of Cooil Roi Laxey on schedule and almost completed.
- Jurby Bretney Project 5 (environmental works) completed.

Action: To develop clear strategies for sheltered, residential and nursing care home provision, to recognise the impact of an ageing population:

- The updated DHSS Social Services Adult Services Strategy recognised the impact of an ageing population and emphasised the need for flexible community based services as well as providing existing residential care provision.
- In July 2009 DHSS Social Services opened the purpose built residential and day care centre for older people who are mentally infirm at Thie Meanagh in Farmhill, Douglas. In 2010 construction commenced of a similar facility to serve the North of the Island at Gardners Lane in Ramsey. These positive steps will ensure that, by 2011, modern EMI facilities are available across the Island, which is a key element of the Adult Services strategy.
- The DHSS investigated the feasibility of establishing a long-term care fund for the Island. It is estimated that to achieve this through the National Insurance scheme would require an increase in the rate of NI contributions of between 4% and 5%, which represents a large tax increase. The UK Government has also been struggling with this emotive issue for decades and is still no closer to finding an appropriate solution. The DHSS continued to monitor developments in the UK and considered policy options for the IOM. The creation of the DSC will help Government to develop integrated policies that maximise value for money by linking provision of suitable housing with provision of appropriate Social Services with the most cost-effective funding by Social Security.
- The development of a House Purchase Assistance Scheme for elderly home owners was not completed in 2009/10 as there was little interest received, hence DLGE focused resources on meeting first time buyer demand, which was substantial and growing. An opportunity for new sheltered housing in Ramsey identified at Albert Road was put on hold pending a review of public transport and car parking, which is currently in hand by DSC.

Action: To ensure consistent management arrangements for public sector housing:

- Regular (quarterly) meetings with housing officers from all public sector housing providers were held by DLGE to ensure effective coordination of public housing. The annual public sector housing conference was held in March 2010. The annual report of key housing management statistics is being compiled for publication to Tynwald.

Asset Management:

Aim: *To ensure that Government's assets are bought, sold and used in a way which gives value for money*

Action: To develop a planned land purchase programme to ensure sufficient land is available to meet the Government's future development needs:

- A land bank policy is in the process of being written following the restructure of Government. The current financial climate dictates the importance of strategic acquisitions for the Government.

Action: To produce a register of Government owned assets:

- The DLGE (now Department of Infrastructure (DoI)) worked with the project officer from Treasury who is leading the exercise to create a register and valuation of Government owned assets. The exercise is due for completion in 2010. A register of Government Property has now been compiled to help with this exercise.
- Work has progressed on the development of Asset Registers which were scheduled for completion by June 2010. Refinement to this work has been overtaken by the Shared Services Programme for property and the Estates Management Forum.

Action: To improve the delivery of the capital spend:

- Delivery of capital projects are led separately within Government Departments. The focus for this period centred on a renewed emphasis for maintaining delivery from officers and political members through regular contact with the construction forum and driving identified capital schemes for Tynwald approval. In addition, the Political direction of the Capital Projects Unit continued to push Departments to deliver their commitment and bring forward essential schemes within the 5 year programme to mitigate any slippage.

Action: To prioritise the planned maintenance of Government owned buildings:

- A rolling programme of prioritised maintenance works was put in place and funding agreed with Treasury to deliver a programme of investment in the core stock.

Action: Develop an effective Government Estates Strategy:

- An Estates Strategy for the combined DLGE and DOT property holdings is being drafted. Officers assisted in considerations as to the future of estates management provision across Government through the recently established Estates Management Forum.

2.4 Policy Three: Legislation and Regulation

Purpose: To introduce and enforce legislation and regulations which provide for the care, protection, safety and personal development of the individual whilst minimising the burden of compliance to employers and the community

Legislation and Regulation:

Aim: To provide a legislative and regulatory framework that strikes a balance between the interests of all stakeholders within the community

- The Office of Fair Trading's (OFT) strategic aim in support of this Government Policy Priority is to provide an effective and appropriate legislative framework for consumer protection. Work was carried out during the year with the aim of extending the Financial Services Ombudsman Scheme, for which it has responsibility, to include money transmission services. The Financial Services Disputes (Definition) (Amendment) Order 2010 providing for the extension came into operation on 1st August 2010.
- A project to modernise and consolidate trading standards legislation was commenced towards the end of the year. This will involve reviewing current legislation, researching existing or imminent legislation in other jurisdictions, drafting new subordinate legislation and working with the Attorney General's Office together with the OFT's sponsoring Department, the Department of Community Culture and Leisure, to draft any new primary legislation.
- Within the Insurance and Pensions Authority (IPA) work continued during the year on new provisions in respect of corporate governance for insurance entities. This resulted in the release for consultation of the Corporate Governance Code of Practice for Regulated Insurance Entities in November 2009. Due to the extensive nature of the provisions of the code, an extended period of consultation was allowed and significant comment was received. Having taken account of feedback received a revised version of the code was published following the year end and a second, more limited period of consultation commenced.
- During the year the IPA introduced new primary legislation to provide for the establishment of Incorporated Cell Companies. The Incorporated Cell Companies Bill 2010 completed its passage through Tynwald in February 2010 and is currently awaiting Royal Assent.
- In addition, the IPA continued to work on secondary legislation in respect of a number of other matters including implementation of the new primary legislation in respect of incorporated cell companies and amendments to existing legislation including revised reporting requirements.
- The General Registry continued to contribute to the effective regulation of charities. All statutory submissions made by registered charities within the General Registry are scanned and shared with the Attorney General's Chambers. A review will be undertaken to ensure that the technology used is appropriately updated to enable broader direct access to the General

Public. However, implementation will be directly dependent upon the scope of technical solution required.

- General Registry continued to provide transaction registration and dispute resolution systems which underpin a quality environment for business.
- The three year plan for the controlled development of the existing Land Registration system was concluded on target. Reports have been produced by both a partner agency and supplier and will be considered in consultation with Information Services Division (ISD) with a view to agreeing medium and long term support and development requirements. The extension of compulsory Land Registration to cover the whole Island was also concluded on target. The development of a Strategy to capture additional "trigger" events into the Land Register by March 2012 will be considered.
- The Financial Supervision Commission (FSC) continued to work in order to provide a legislative and regulatory framework that strikes a balance between the interests of all stakeholders within the community, the Commission has:
 - Kept under review its Supervisory Approach ensuring that it remains relevant for changing market conditions.
 - Prepared updated information for consumers for the Commission's web-site which will be published shortly.
 - Assisted Treasury in considering Depositor Compensation arrangements .
 - Delivered a themed on-site supervisory programme covering:
 - Clients' Money
 - Adoption of new Rulebook
 - Credit quality
 - Bank liquidity
 - Reviewed contingency arrangements for licenceholder failures and enhanced its internal procedures for managing issues that arise.
 - Upgraded e-money regulatory requirements.
 - Liaised with the UK Professional Bodies and the Institute of Chartered Accountants in England and Wales in relation to the EU 8th Directive of Statutory Audits in order to introduce an equivalent regime for Manx auditors to continue to enable them to continue to audit listed Manx companies.
 - Reviewed the supervisory policy for banks and deposit-taking institutions taking account of market conditions.
 - Monitored and managed the current financial crisis and its impact on financial institutions licensed by the Commission.
 - Reviewed the IMF report and in conjunction with other parts of Government is implementing recommendations as appropriate.
 - Undertaken a review of authorised collective investment schemes.

- Undertaken a review of full international collective investment schemes.
- Undertaken its annual review and update of the Financial Services Rule Book and related secondary legislation.
- Replaced secondary legislation under previous collective investment schemes regime with new legislation under Collective Investment Schemes Act 2008
- Undertaken disqualifications under the newly implemented Company Officers (Disqualification) Act 2009 which came into operation on 18 June 2009.
- Implemented the Companies (Amendment) Act 2009 which came into effect on 1 September 2009.

Action: To comply with our international obligations and ensure that our regulatory environment is independently verified and assessed:

- In April 2009 political and officer level meetings were held in Douglas and London with Michael Foot who was leading the review of British offshore financial centres for the UK Government, which had been announced by the then UK Chancellor of the Exchequer in December 2008. Mr Foot's report, which was published in October 2009, was welcomed by the Chief Minister as a "positive, constructive, and independent assessment of the Isle of Man's status as a well-regulated and co-operative jurisdiction with a sound and diverse economy able to cope with and adjust to global economic crises". The full report can be found at: http://www.hm-treasury.gov.uk/indreview_brit_offshore_fin_centres.htm.
- As stated in the Government Annual Report 2009, in September 2009 the IMF published its regulatory assessment report on the Isle of Man. The report found the Island's compliance with the Financial Action Task Force (FATF) anti-money laundering and countering terrorist financial (AML/CFT) Recommendations to be very good and comparable with that of the United Kingdom. It also said that the Island had a generally high standard of financial sector regulation and supervision, and a very high standard of compliance with the Basel Core Principles for effective banking supervision. Whilst the report was generally very positive, the IMF did make a number of recommendations for actions the Island should take to further strengthen its compliance with the evolving international standards. In the area of AML/CFT a cross-Government Working Group led by the Chief Secretary is examining how the Island should address the IMF's recommendations.
- The Gender Recognition Act, which was required to ensure that the Island complied with obligations under the European Convention on Human Rights, received Royal Assent in November 2009 (and was brought fully into operation by July 2010). The Human Rights (Amendment) Bill completed its passage of the Branches in December 2009 (receiving Royal Assent and coming into operation in July 2010).

- The Organised and International Crime Act was passed and the following Bills have been drafted that go to meet our international obligations: Endangered Species Bill, Civil Partnerships Bill, (these 2 currently before the Branches) European Union (Amendment) Bill, Anti-Terrorism and Crime Bill and Extradition Bill (drafting complete on these 3, awaiting consultation). The Tynwald Auditor General Bill and the Tynwald Commissioner for Administration Bills are measures that afford a degree of independent regulation, plus the Children's Commissioner provisions in the Children Bill. These Bills have been drafted but not yet reached the Branches.
- Chambers' Financial Crime Division continued to be highly active internationally in terms of the investigation and prosecution of crime and in representing Chambers.
- A number of annual compliance reports on international instruments that apply to the Isle of Man were submitted during the year. These included reports on certain International Labour Organisation (ILO) conventions and some articles of the European Social Charter.

Action: To provide a comprehensive social legislation programme:

- The Social Services Bill and Housing (Miscellaneous Provisions) Bill were both progressed such that they are on course to pass through the Branches prior to the General Election. The Regulation of Care Bill was also progressed by DHSS. This will be drafted and then put out to consultation by DSC, following which it is expected to enter the Branches in legislative year 2011/12.
- The Civil Partnership Bill and the Marriage and Civil Registration (Amendment) Bill continue to progress through the Legislative Branches and the Human Rights (Amendment) Bill has received Royal Assent and is currently awaiting promulgation.

Action: To ensure that all new legislation proposals are accompanied by an Impact Assessment:

- The inclusion of an impact assessment is now an integral part of the legislative drafting process to help inform political decision making. The Chief Secretary's Office, through the Legislation Working Group, keeps the matter under review to ensure consistency of approach across Government.

Action: To look at reducing the regulatory burden on business by removing redundant or undesirable requirements:

- The Control of Employment (Exemptions) Order 2009 approved by Tynwald in December 2009 removed the previous requirement for many temporary and intermittent workers to have permits.
- Attention to and possible revision of individual regulatory structures as administered by each Department, Statutory Board or Office were matters which the Attorney General's Chambers could be called upon to advise and assist as and when required. Chambers' ambition to instigate a comprehensive consolidation of legislation – which would be expected to have an effect on reducing regulatory burden on business where appropriate – was not progressed due to resource issues (maternity leave), priority work associated with the restructuring of Government Departments and the legislative demands in view of a forthcoming General Election.

Action: To consider reducing or removing legislation and regulations where it can be clearly demonstrated that the costs outweigh the social and economic benefits:

- All Departments are encouraged to consider removal of overly complex and costly legislation.

Action: To review the effectiveness of existing legislation and identify priority areas where enforcement levels can be improved:

- Work continued on the determination and implementation of the second phase of a multi-agency strategy to improve recovery of court imposed financial penalties by March 2011.
- The General Registry was key in assisting the Treasury in its re-establishment of the Fines Working Group to review and progress the implementation of the recommendations made by the Standing Committee on Public Accounts. An interim report was submitted for formal Treasury review in February 2010, drafting instructions have been provided for the drafting of certain legislative changes and the final report of the group is on schedule to be submitted by November 2010.
- The General Registry has been progressing the resolution of issues regarding Courts and Tribunals accommodation in order to facilitate effective service delivery and worked with the DLGE to address both immediate and longer term accommodation needs effectively with minimal financial input.
- The General Registry took the lead in a feasibility study into the progression of the Insolvency Services Office Bill on behalf of the Treasury and in conjunction with the Coroners. The conclusions and recommendations arising from that study were approved in July 2010 by the Council of Ministers. Drafting instructions are currently being prepared and the appointment of an Official Receiver on a limited term basis now being considered by The Treasury.
- In conjunction with major changes to Rules of Court for Civil and Family business, new business practice and procedures have been produced and were implemented on target.

- Further progression on the introduction of a Legal Aid (Amendment) Bill has been achieved. Both the statutory authority (The Legal Aid Committee) and the Treasury have approved drafting instructions produced by the division. The first draft of the Bill has very recently been received for consideration.
- The Criminal Justice (Miscellaneous Provisions) Bill 2009 and the Gambling Supervision Bill 2009 are further examples of legislation which aim to improve enforcement and effectiveness. Both Bills are currently before the Branches. Also being drafted, which contribute to these aims, are the Gambling Duties Bill and the Road Traffic and Highways (Miscellaneous Amendments) Bill.
- The Treasury, Income Tax Division constantly monitors compliance levels and seek ways to improve compliance generally. For example, the introduction of penalties for the late submission of individual tax returns improved the percentage of returns not filed on time from 9.9% in 2005 to 5.9% in 2009.

Action: To develop a more responsive and flexible planning system which does not act as a barrier to economic development, but maintains a sensitive approach towards the protection of buildings and areas of special architectural or historic interest:

- Progress on implementing the Review of the Planning System was reported to Tynwald in July 2010. This includes prioritisation of planning proposals and applications which would involve or stimulate economic activity.

Action: To continue the development of a simplified system of personal and company income tax:

- Work has continued throughout the period to develop and enhance the provision of on online services for employers and the facility to submit return forms for individuals.
- Significant resource was applied to the ongoing EU assessment of the 0/10 corporate income tax system, although no policy decisions regarding change have been taken yet. As regards simplification of the income tax system for individuals, policy areas will be considered in detail during the preparatory work leading to the 2011 budget.

Governance:

Aim: *To ensure that Government complies with the principles of corporate governance*

- In order to develop accountability and risk management measures, the General Registry is to consider the options available for the electronic capture of significant existing documents in

relation to Deeds and Probates Registration. This review is to be concluded by the end of 2011.

Action: To improve and develop communications with the public:

- In August 2009, CSO launched the 'Looking Local' service which allowed Government services and information to be provided through the Sky satellite network which meant that people who did not have access to the internet were not excluded from using the large amount of information previously only available online. This service has been expanded and can now be accessed through mobile phones, the Nintendo Wii and the iPhone. This allows a broader range of people to access Government services and information in a way that is convenient for them.
- The Chief Secretary's Office Communications Unit continued to support government communications and public relations activities with the public, providing advice and training on media relations and providing leadership to officers with communications responsibilities across government. Specific initiatives included improving accessibility of information on the Chief Secretary's webpage, supporting opportunities for the Chief Minister to convey information to the community through news releases, interviews, press conferences and speeches to such organisations as the Chamber of Commerce, Rotary Club, many local businesses and through the Freedom to Flourish Champions.
- The Communications Unit took the lead in communicating with the public about the restructuring of government departments in April 2010.
- The Unit also developed an E-newsletter which was first introduced in January 2010 and has been produced on a monthly basis since that date. E-news is issued from the office of the Chief Minister and is intended as a monthly round-up of important on-Island and international stories. It also features links to media items of interest. It provides brief 'tasters' of a wide range of articles with links to the full text if readers want to view a particular story in more depth.
- E-news was initially developed to offer Tynwald Members and Chief Officers a handy summary of Government news – with emphasis on work being developed by CSO/External Relations to raise awareness of the Isle of Man. Distribution has grown in recent months to include Isle of Man Champions, local authorities etc. and continues to expand.

Action: To establish standards and guidance for public consultation:

- The Government's consultation website www.gov.im/consultations, launched in December 2008, has proved to be a valuable tool in improving awareness of, and access to, Government consultations. The consolidated site which lists all current consultations as well as those which

have closed, builds upon the Code of Practice on Consultation and seeks to encourage greater public participation in the development of government policy. A report on consultations during the past year can be found at Annex 13 of this Report.

Action: To provide to the public right of access to Government information:

- Progress has continued on a draft Bill providing the public the right to access Government Information. The purpose of the Bill is to put on a statutory basis the general obligation of Government bodies under the voluntary Code of Practice on Access to Government Information which was introduced in 1996. The principle on which the Code is based is that the public interest in general demands that information held by Government should be accessible by members of the public, unless in the particular case it is in the public interest that it should not be disclosed. After further consideration by the Council of Ministers, the draft Bill was renamed from "Access" to "Freedom" of Information to better reflect the spirit of the Bill. The Consultation period closed in September 2010 and once the responses have been collated and assessed, appropriate revisions will be considered and a Bill will be introduced into the Branches.
- The General Registry also reviewed the need for effective records management in the Public Service. This review led to recommendations for change which have been fed into the corporate Service Transformation Group for Document Management Standards. This Group which includes General Registry membership will look to lead policy development in this area for the Public Service.

Local Government:

Aim: *To delegate the responsibility to local government for the provision of services*

Action: To ensure there are effective systems of accountability within local government:

- Recent legislation regarding Audit requirements and Standards of Performance provided for certain criteria to be introduced for efficient and standard provision of services by local authorities. Functions such as waste collection and street lighting have been highlighted as services that could be benchmarked. Corporate Governance Principles and a Code of Conduct for Elected Members and officers was rolled out to all local authorities last autumn. Although not mandatory the Department encouraged local authorities to adopt the Code and Principles as policy.

Action: To ensure the system and structure of local government meets the needs of communities:

- The current structure of local government on the Island has not been reviewed by the Government for a number of years. However DLGE continued to provide advice and support to local authorities through appropriate training courses including new legislative requirements. DLGE encouraged shared services by local authorities for functions such as waste collection and the sharing of Litter and Bye-Law Officers.

Action: To encourage greater participation in local democracy, giving people more say over their locally provided services:

- Local elections continued to have a low turn-out, with some elections uncontested. DLGE has previously promoted local elections and suggested that local authorities should look at their membership with a view to reducing the number of Elected Members. This would make decision making less unwieldy and encourage contested elections, however only Laxey Village Commissioners have taken this step so far.

Action: To consider transferring responsibility for certain local services from central government to local authorities appropriate to their structure:

- Consideration to transferring certain local services from Central Government to local authorities can only be undertaken when they are of a size and structure to be able to take on additional services and staff.

2.5 Policy Four: Quality of Life

Purpose: To continue to give people the freedom and opportunity to live and prosper in a safe and caring community, whilst protecting the Island's unique natural and cultural heritage and way of life

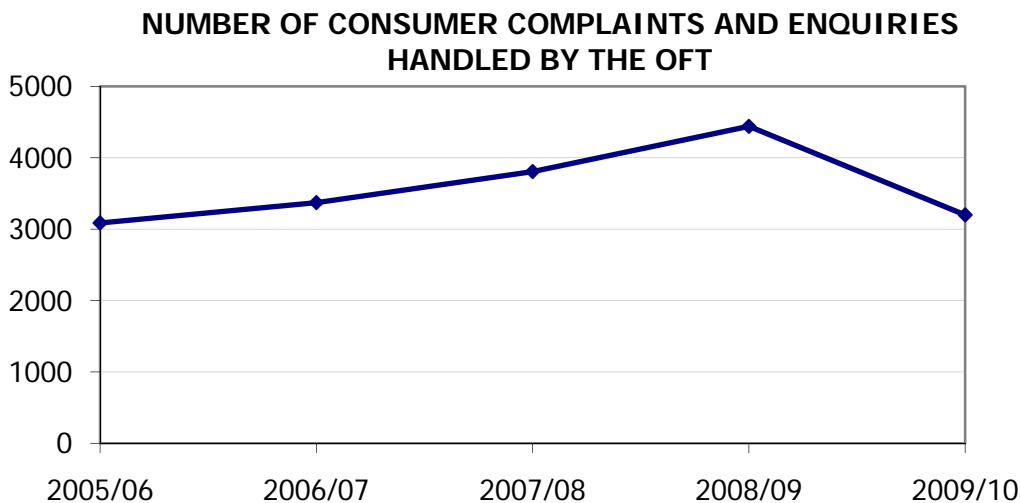
Social Inclusion:

Aim: *To ensure equality of opportunity and fair treatment for all*

- Ensuring equality of opportunity and fair treatment for all extends to every area of the public service. Improvements made to employment law and human rights related law continue to be monitored to ensure any necessary developments are considered.
- Other public sector work ensures that consumers are protected and fairly treated. For example, the Isle of Man Office of Fair Trading's (OFT) strategic aim in support of this Government Policy Priority is to provide high quality services protecting consumers from unfair trading practices. Examples of its work during the period included:
 - 'High risk' premises and businesses e.g. weighbridges and large supermarkets, were inspected to assess compliance with trading standards law and no major problems were identified.
 - Servicing and advertising standards in the motor trade were monitored. Six cars were submitted for services, seven forecourt inspections were undertaken and advertising in the local media was monitored. Test purchases were made to minimise sales of cigarettes to young people and the OFT continued to actively contribute to Government's Drug & Alcohol Strategy. Shops and licensed premises were visited to reinforce compliance with the age restriction on sales of cigarettes.

The OFT handled a total of 3,199 consumer complaints and enquiries in 2009/10 (see Figure 1). This number represented the first decrease in recent years, however, this may have resulted from a change in procedure regarding how complaints and enquiries were recorded. It may also be that the number of consumer complaints and enquiries handled decreased in part due to consumers and traders becoming more aware of their statutory rights and obligations and/or due to a general reduction in spending in the current economic climate. As in previous years, complaints concerning home maintenance, repairs and improvements were the most numerous, accounting for 13% of the total number of complaints and enquiries handled. Tenancy issues and secondhand car sales were next largest categories of concern accounting for 7% and 6.6 % of the total number of complaints and enquiries handled respectively.

Figure 1



- The OFT's Debt Counselling service assisted 194 new clients in 2009/10, a slight increase on the previous year (see Figure 2). In contrast to this, the total debt managed (secured plus unsecured) increased from £3,585,086 to £5,356,134. This is a significant increase of nearly 50%. A small number of clients have been assisted with personal debts resulting from the failure of their businesses. The amounts owed to creditors in these cases made a significant contribution to the disproportionate increase in the total debt managed.

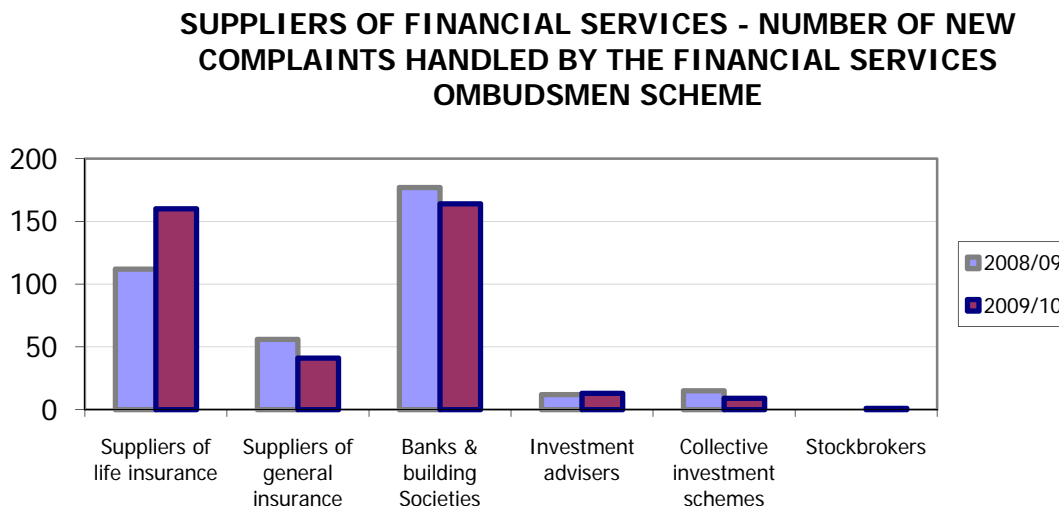
Figure 2



- The Financial Services Ombudsman Scheme, for which the OFT has responsibility, handled a total of 388 new complaints concerning suppliers of financial services in 2009/10 compared with 372 in 2008/09 (see Figure 3).
- The number of complaints concerning banks fell slightly; there were 164 such complaints

in 2009/10 compared to 177 complaints in 2008/09. The number of complaints concerning general insurers also fell as one specific issue between a local insurance provider and its agent was resolved. In contrast, the number of complaints concerning offshore life insurance providers increased.

Figure 3



- To protect consumers and businesses from abuse of market position and anti-competitive practice the OFT has:
 - Completed two investigations, one into the prices charged for liquid fuels in the Isle of Man (published in April 2010) and the other into whether any anti-competitive practices occurred in the tendering process for a public sector housing project (published in February 2010). Each report having been considered by the Council of Ministers was laid before Tynwald. Following publication of the report into anti-competitive practice, the OFT produced guidance material and a presentation to increase awareness of those responsible for procurement within the public sector with regard to bid-rigging and collusive tendering.

- To support businesses that wish to trade fairly the OFT has:
 - Undertaken two anti-counterfeiting operations jointly with Customs and Excise concerning the authenticity of spirits and cigarettes.
 - Undertaken a joint operation with the police and other enforcement agencies to curtail the activities of cowboy builders which resulted in two individuals providing written assurances to trade fairly in the future.
 - Developed and promoted the “Good Trader Scheme”, which was officially launched in June 2010 for the local motor trade, i.e. car sales, servicing and repairs.

- Issued a further 149 'proof of age' cards. These cards are designed to help young people over the age of 18 prove their age when buying age restricted goods such as cigarettes and alcohol. The total number of cards issued since the introduction of the scheme in 2004 now stands at 1288.

Action: To ensure full utilisation, where appropriate, of public facilities for the benefit of the community:

- The draft Plan for the South included reference to those proposals of other Government Departments to provide additional or improved community facilities. In addition, it includes a number of proposals to improve open space provision, some of which may include built facilities in due course.
- There was a complete review of the lettings policy to ensure that there was improved, cost-effective use of government premises within the management of the DoE. The Department continued to promote the use of its facilities inside and outside of school hours.
- Existing DTL facilities were well utilised and as new facilities (Bemahague & regional activity halls) come on stream every effort will be made to maximise the benefits across the breadth of the community. The Sports Development Unit (SDU) continues to work with other agencies to target groups with special needs (e.g. looked after children) and areas with low participation rates. A member of the SDU represents the DCCL on the Corporate parent group, and an action plan regarding more opportunities for children in care to take part in sport and physical activity is in place.
- The DTL's facilities continued to enjoy strong patronage:
 - Number of attendances at Villa and Gaiety Productions in 2009/10 was 224,366 (2008/09 165,243)
 - Number of attendances at NSC and Regional Pitches was 685,034 (2008/9 684,342)
 - Number of attendances at Sports Development Activities was 83,066 (2008/9 75,615)
 - The National Sports Centre was assessed as well above the UK average by the QUEST scheme, the UK Quality Scheme for Sport and Leisure.

Action: To continue to provide facilities for residents to be equipped with the skills necessary to contribute positively to the Island's economy and society:

- DTI's Training Services team worked with a range of training providers to ensure that quality training which is relevant to the needs of the local economy was available on the Island. Where it was not appropriate for necessary training to be provided on-Island, individuals could apply for support to attend specialist training in the UK.

- The Isle of Man College provided a wide range of training opportunities for pupils and adults of all ages. The DoE supported the development of the population to the youth and community service, the family library, and the mobile library service.
- The Government has enhanced the co-ordinated approach to NEETs (those young people Not in Education, Employment or Training) with one to one guidance and advice on practical issues such as how to write a CV and how to prepare for an interview. By August 2010, 106 young people had undertaken DTI funded training and approximately 65% of those had gone on to gain employment or enter further training.

Action: To establish a body that brings together community leaders to research and identify future actions Government could take to promote integration and social inclusion:

- The Government established and strengthened links with the third sector of voluntary, faith and community organisations in order to promote social inclusion and support community cohesion. The third sector / Government liaison group has:
 - Produced an improved approach to collaboration and joint work through a partnership agreement entitled "Together we can achieve".
 - Planned a programme for joint training and development.
 - Sought ways to enable the resources of the third sector to be shared to provide the most cost effective community services.

Action: To consider the establishment of a small number of community liaison officers to enable new residents to integrate more readily into our community:

- The third sector / Government liaison group has:
 - Established local pilot partnership initiatives which enable community needs to be addressed in innovative ways e.g. Community health and social care of older people in the south of the Island.
 - Involved the input of leaders of Voluntary and Community organisations in key Government policies and programmes e.g. The Children's Plan, Emergency Planning, Multi Agency Teams.
 - Supported the development of the Council of Voluntary Organisations as a strong body which can provide a focus for the voluntary sector's concerns and contributions.

Identity, Culture and Heritage:

Aim: *To foster an economic and social climate which supports the protection, promotion and participation in our unique cultural heritage*

Action: **To ensure that all Departments and agencies of Government seek to maximise the contribution they make to support our historic environment and cultural heritage :**

- A Bill has been drafted which is designed to protect Tynwald Hill for future generations by recognising that Tynwald Hill is a place of special historical and cultural importance. Following consultation and any necessary amendments it is hoped to progress the Bill through the Branches without delay.
- The DHA began a programme of maintenance work on all of its buildings, with particular focus on Castletown Police Station which is an historic registered building, having been designed by esteemed architect Baillie Scott.
- Over 65% of visitors to the Island used MNH facilities.
- DCCL took on responsibility for the Manx National Heritage Bill following the restructure of Government. Following Council of Ministers' consultation on the Manx National Heritage Bill in 2009 plans are in place with DCCL to draft a Bill to make sure that the legislation governing Manx National Heritage (MNH) reflects the needs of the Island and its people in today's modern world.
- The DHSS was an enthusiastic supporter of the Island's cultural heritage; illustrated, for example, by the frequent use of Manx language names for its various facilities.
- The Communications Division of the DHA chairs the Co-ordination of Transmission Aerials (COTA) committee which exists to maximise transmission site sharing between all public and private sector organisations involved in communications. This is evidenced by the consolidated approach taken by all concerned parties into joint development at Cregneash, which is progressing satisfactorily.

Action: **To designate a Department responsible for culture and heritage :**

- Following the Government restructuring DCCL acquired oversight responsibility for the key heritage bodies from 1st April 2010. The Department is now working closely with those bodies to ensure a cohesive approach to heritage.
- In tandem with the MNH consultation, the Governance Committee of the Council of Ministers was working on proposals to create a new Department in the Government re-structuring. The DCCL now has a mandate to move forward on the cultural aspects of the Government's Strategic Plan 2007-2011.

Action: To continue to promote the Island's national identity:

- MNH continued to preserve, protect, promote and communicate the unique qualities of the Manx natural and cultural heritage on behalf of the Island's community.
- The Villa Marina and Gaiety Theatre Complex continued to enrich the arts and culture of the Island in addition to the work of the Isle of Man Arts Council.
- The Heritage Railway and Trams have also offered more events this year than ever before in order to increase usage of the trains and trams, including a Teddy Bears' Picnic, a Thomas the Tank Engine Day and the very popular Snaefell Sunset Dinners.
- In March 2010, the Island's probation, bail and after care hostel, David Gray House, won two UK awards in recognition of 'excellence' in the service provided by the Salvation Army.
- The DHA included the Manx translation of all of its Divisions on its website and continues to display the three legs on its vehicle livery.
- The Fire and Rescue Service were nominated for the "Brigade of the Year" at the annual "Spirit of Fire" awards, and attended a reception at 10 Downing Street with the UK Prime Minister.
- On each DHA Fire Service vehicle the '3 Legs of Man' national identity emblem is displayed. On larger Fire Engines, the name of the Service and Station from which it is from are displayed in Manx. The national flag is displayed at each of the Island's seven fire stations. All official documentation carries both English and Manx wording.
- The prison is known as the Isle of Man Prison not HMP. Prison staff insignia is unique to the Isle of Man, as is the Prison Service flag which is flown daily alongside the Manx flag. The Three Legs of Man has been incorporated into the design of flooring in the Centre Hub area.
- During the year to March 2010 84% of the Philatelic stamp issues made by the Isle of Man Post Office had a theme linked to Manx identity, culture, and heritage. The Isle of Man Post Office continued to promote the Island internationally by attending stamp exhibitions worldwide and embracing the ever changing world of social media having established both a Facebook and Twitter presence which showed an increasing number of followers.
- The number of local business and community leaders working with government as Freedom to Flourish Champions grew to 36, with more negotiating membership. Together they addressed issues and supported initiatives which they considered to be important to promoting the Island's national identity.
- The Chief Secretary's Office supported the Island's representation at international conferences on national identity and nation branding in the Isle of Man and the Shetland Islands; and contributed to the work of academics in Canada and the UK.
- The joint international public relations strategy implemented by Chief Secretary's Office, Treasury and Trade and Industry was built around messages and themes established in the Freedom to Flourish strategy; these were effectively used to promote the Island's unique

identity in a variety of promotional tools and material.

Action: To support and extend policies which nurture and promote our cultural heritage as a foundation of our nation's character and future economic, social and cultural success:

- MNH continued to promote the Island's cultural heritage through projects to develop its 13 formal sites. There were 462,870 visits to the heritage sites during 2009. Building work was completed on the Manx Ancestry centre in January 2010 and the current timetable is to have the fit out and first phase of the digitization of the National Collection information completed by late 2010.
- MNH delivered 233 education workshops during 2009/2010.
- The DHA also has peripheral involvement through the wider aim of reducing crime and protecting the public thereby enhancing the quality of life.

Energy:

Aim: *To provide for growing energy needs, which allows economic growth whilst minimising environmental impacts*

- Government encouraged all its employees to reduce journeys to work by promoting the JourneyMatch Initiative. Government also promoted the need to reduce the level of mileage outside the workplace and scrutinised the use of mileage "at work".
- The General Registry in conjunction with the Energy Officer Working Group (EOWG) and its Energy Champions, monitored energy use during 2009/10 and developed an energy conservation strategy with agreed targets for an overall reduction in energy use in 2010/11 and future years.
- The General Registry assisted DLGE with energy conservation planning in relation to its primary accommodation. It continues to analyse usage and rationalise where appropriate in its other buildings.
- The Isle of Man Government has approved policy for 15% of the electricity generated in the Island coming from renewable sources by 2015. The Energy, Climate Change and Marine Spatial Planning subcommittee (ECCMSP, a political group established by the Council of Ministers to provide policy direction and strategy in accordance with the Isle of Man Government's Strategic Plan 2007-2011) has been tasked with the delivery of a project producing energy from renewable sources.
- Expressions of interest are currently being sought from developers who are interested in tendering for the design, finance, build and operation of a 20 MW wind farm project in the Isle of Man.

Action: To encourage people to be more energy efficient in their homes and businesses:

- DTI – working with many organisations including DLGE and the MEA - delivered the Energy Expo Public Exhibition and Bright Ideas Energy Awards for business in March 2010. The Expo was very successful, attracting more visitors and exhibitors than any previous such event
- In partnership with Age Concern DLGE provided the Energy Doctor Service which potentially saved members of the public up to £200,000.
- As part of the DTI's work to assist local businesses to reduce energy costs and save money, to the end March 2010 a total of 49 energy champions had been trained and 27 energy surveys conducted for IOM businesses highlighting areas of potential and actual energy inefficiency and providing solutions to these problems.
- In addition to these free services, the DTI conducted 4 Business Support Scheme grant assisted projects on energy for the Island's businesses to make further energy savings.
- The Bright Ideas home visit and Energy Doctor services advised and provided direct assistance to households to reduce their energy bills via Age Concern.
- JourneyMatch, the Island's cars share scheme provided commuters and shoppers with an alternative and cost effective way to travel around the Island and further afield.

Action: To develop policies in relation to energy efficiency in public buildings and workplaces:

- The DLGE monitored the implementation of Council of Minister's Policy for all Departments to develop energy efficiency strategies. Provided funding projects that generated both energy and financial savings through the Energy Initiatives Capital Fund (EICF).
- EICF projects and the technology and methodology of their success were shared across government departments via their energy champions for implementation within their own departments if appropriate.

Action: To aim to reduce our reliance on energy imports:

- The DLGE developed and consulted on a biomass policy with the view to maximising the use of indigenous sustainable woodlands for heating government and public buildings. Also discussed potential development of our indigenous supply with a view to provide biomass to power commercial projects.
- The DLGE developed a range of projects that reduce energy reliance and encourage new thinking toward energy use and lifestyle such as JourneyMatch car sharing scheme, the Energy Doctor and Cosy Homes. Researched possible ways of introducing a Green Electricity tariff to provide current renewable electricity generated on the Isle of Man to businesses and

individuals that want to use this, the premium going directly into other energy saving measures.

- Woodchip was accepted as the fuel of choice for government projects wherever this is feasible due to its known availability and relative stability and predictability of cost. Woodchip is currently used to heat the new DEFA HQ, 50 sheltered housing flats in Port Erin and there are plans for further development of this government resource.

Action: To explore options for alternative energy sources:

- The DTI and DLGE engaged external expertise to evaluate and quantify the potential contribution from a range of renewable energy technologies towards the IOM future energy needs taking into account both the economic and environmental benefits/costs.
- The DTI and DLGE received and evaluated approaches from tidal and wind (both on and off shore) energy developers, biomass Combined Heat and Power developers and waste to energy and waste to fuel plant developers.
- The DTI and DLGE developed necessary infrastructure to evaluate these projects such as the Energy and Climate Change Officer Group to support the Council of Ministers Energy and Climate Change Subcommittee.

Action: To review planning policies and financial support systems for the introduction of alternative energy installations:

- The DLGE developed proposals for domestic alternative energy installations to be included in an extended Permitted Development Order. Any wider review of national planning policies will form part of the review of the Isle of Man Strategic Plan following the census in 2011. The Home Improvement & Energy Conservation (HIEC) Scheme was reviewed by the DLGE prior to the re-structuring of Government and a decision was taken to remove financial support for certain energy works in order to concentrate support (income assessed) on cavity wall and loft insulation which provides the greatest benefit. The Scheme is due for further review when it expires in October 2010.
- The DLGE reviewed planning policies and financial support systems for the introduction of alternative energy installations.
- Any review of national planning policies will form part of the review of the Isle of Man Strategic Plan following the census in 2011.

Climate Change and Sustainability:

Aim: *To ensure the Island can respond to the impact of climate change and plan its services and infrastructure developments to safeguard the Island*

Action: **To develop and review policies that take into account the long term impact of climate change in relation to the Island's infrastructure:**

- Using existing resources within DLGE, a dedicated Energy and Climate Change Unit was established and links were created with the UK Climate Implementation Programme based in Oxford.
- Government has developed a 15% renewable energy target by 2015 and a business case for a Biomass Policy.

Action: **To consider means by which the Isle of Man can contribute to actions which reduce harmful emissions into the environment:**

- DLGE continued to provide the Home Improvement and Energy Conservation Scheme which helped individuals to improve the fabric and energy efficiency of their building, both improving the Island's housing stock and substantially reducing energy bills, thus reducing emissions. Since 2000, over 3,900 applicants were provided with financial assistance totalling in excess of £2.7M. In addition, in 2008 and 2009 the Cosy Homes initiative provided energy saving measures (cavity wall and loft insulation) free to all suitable public sector properties and to all properties of identified vulnerable and low income households. As a result, thousands of households have benefited and particularly those most in need. The proportion of properties deemed unfit has declined from 5.8% of private housing stock in 2002 to 3.9% in 2008 and to virtually nil in public sector stock. DSC is now responsible for housing policy.
- Government facilitated the first ever TTXGP no emissions motor cycle race as a catalyst for clean technology development and to promote the Island as a responsible jurisdiction.

Action: **To reinvigorate the strategy to reduce, reuse and recycle:**

- During the period of the plan the Government has secured many improvements to the delivery and reinvigoration of the 3Rs, including redevelopment of the Western Civic Amenity Site, the implementation of the kerbside pilot scheme and the construction of an Incinerator Bottom Ash processing site. These projects are in addition to the schools education programme, master compost training programme and food waste prevention campaign, all of which will continue to contribute towards reducing the level of waste produced and increase the levels of waste recycled or reused. The DOI is currently in the process of reviewing its

waste policies and following a consultation period it will be in a position to re-launch its waste strategy for the next 20 years.

Action: To enable levels of recycling to increase through kerbside collection and the provision of additional Bring-Banks:

- Following the implementation of a three-year pilot kerbside scheme in Douglas, Onchan and Braddan, levels of recycling have increased by nearly 900 tonnes per annum. In addition to kerbside collections further bring sites have been installed in several Multi Occupancy properties, some DoH sites and a near entry bring collection system is currently being trialled in the North of the Island.
- The Department of Environment Food and Agriculture (DEFA) now provides the facility to recycle plastic bottles at three of the Island's Civic Amenity Sites. These initiatives have resulted in an increase to both the quantity and range of materials recycled.

Action: To develop strategies for determining the action necessary to respond to the negative effects of climate change on our communities:

- The establishment of a dedicated Energy and Climate Change Unit by DLGE.
- Continued funding of the Energy Doctor service. Provided Island wide free electric vehicle charging points.

Drug and Alcohol Policy:

Aim: *To continue to support Government's Drug and Alcohol policy*

Action: To commission the new Rehabilitation/Detox Unit:

- DHSS expanded its range of services to assist individuals with drug dependency during 2009/10.
- In July 2010 DSC informed Tynwald that the Department had decided not to open the inpatient unit that was originally envisaged in 2002 as this is no longer considered to be the best approach based on the latest professional advice. DSC is undertaking a review of its drug related services and will report its findings to Council in October.

Action: To consider the creation of a Drug Enforcement Agency:

- Research has shown that an approach predicated upon the targeting solely of the commodity (i.e. drugs) is unlikely to succeed. As a result, efforts are now being concentrated on the creation of a Joint Intelligence Unit across all government departments to protect the Island from all serious criminality. At the same time work is well under way to facilitate effective information sharing across all participating agencies.

Action: To promote greater parental and community responsibility towards alcohol use:

- All members of Offwatch signed up to a Voluntary Code of Conduct which places all the alcohol for sale in one main area (save for some satellite areas used for seasonal promotions and meal deals), has signage highlighting that customers are entering an alcohol zone and health literature highlighting the dangers that can be associated with the over consumption of alcohol.
- Every person applying to be a License Holder or Designated Official met with the Central Alcohol Unit where their application was scrutinised to ensure they were suitable candidates and would adhere to their obligations under the law, in particular prohibiting the serving of persons under the age of 18 years.
- The regional PubWatch groups continued to meet and bring forward better working practices and initiatives. The regional groups formed an All Island PubWatch Scheme. Instances of violence, damage, assaults on staff and customers and general anti-social behaviour, if deemed serious enough, could mean that a person is ultimately banned from licensed premises Island wide. In March a man in his twenties became the second person to receive a year long ban from all licensed premises on the Isle of Man.
- Parent and community sessions relating to alcohol misuse were held across the Island throughout the year.
- There was continued promotion of DHA 'Be Alcohol Aware' website.
- The Department of Education and Children's Drug and Alcohol Officer provided training for schools, parents and the community as well as teachers. Drug and Alcohol Roadshows were supported and a student website made fully operational.

Action: To research more effective methods of the control of drinking amongst young people:

- The DHA worked closely with the Off Licence trade (Offwatch) who have brought in a number of voluntary schemes over the last 12 months including 'Challenge 25', whereby any person purchasing alcohol who appears to be under the age of 25 is challenged about their age and asked to produce approved identification before any sale is completed.

- Off Licence trade, On Licence trade, Police, Ambulance Services and Health Service have attended local secondary schools and the college to provide education from each participant's specialist fields such that pupils will get a varied insight into the consequences of abusing alcohol from a health, criminal and social aspect.
- An Alcohol Campaign was launched via health education, using updated resources and multi media communications in all schools and in the community, raising awareness of the negative consequences of excessive and harmful drinking. The communications have mainly been focussed towards the Under 18 year age group.
- Integrity testing exercises have been carried out by Office of Fair Trading and the Police Central Alcohol Unit. They worked with young volunteers to test retailer's compliance in the sale of alcohol to persons under the age of 18 years.
- During the year the first set of licensees obtained the new qualification proving their knowledge and competency to retail alcohol. The Isle of Man College teamed up with the industry, the Licensing Forum and the Police Alcohol Unit to devise the Manx Licensee Qualification tailored for the Island's licensing trade, in conjunction with the British Institute of Inn-Keepers (BII).

Action: Ensure there is an open and informed debate on the Island into a future drugs policy, encompassing all possible options to minimise drug use, treat drug addiction and reduce associated crime:

- In December the DHA, in conjunction with the DoE, organised an Information Seminar on 'Legal Highs' for all those working with drug and alcohol issues and included representatives from the older school student groups.
- Since December 2009 five public seminars were held around the Island outlining the risks and effects of Emerging Drugs of Concern. Additionally, people found with substances suspected of being 'Legal Highs' on licensed premises faced the prospect of an unlimited Island-wide ban from all pubs and clubs including nightclubs.
- Since January 2010 the Department of Health Public Health Division has been leading a multi agency campaign across the community with particular focus on Mephedrone. Posters and leaflets specifically focussed on Mephedrone were distributed to targeted and at risk groups in the community and those in contact with existing support services.
- There was frequent media work using the local radio and newspapers highlighting the risks and effects of using unknown substances and the Island featured on both BBC North West and the One Show for its proactive stance in managing this issue which is a widespread problem in neighbouring administrations.
- Given the concerns relating to Mephedrone a high level strategic group was established. Legislation has since been progressed and with effect from Thursday 1 April 2010, it became

an offence to import, export, sell, supply or possess Mephedrone with a view to selling or supplying it on the Isle of Man.

- The Minister for Home Affairs, hosted the seventh Ministerial meeting of the British-Irish Council on the Misuse of Drugs on the Island, focusing in particular on how to effectively manage the challenges associated with substance misuse in the Prison setting.
- Focus groups with members of the public have been facilitated by DHA and DoE relating to drug and alcohol strategic actions and open public sessions have been held across the Island.
- The revised delivery framework for the Strategy also includes members of the public on the Drug and Alcohol Strategic Steering Group.
- A Ports and Airports Anti-Drugs campaign led by the Police was launched and continued throughout the year.
- The DoE continued to develop work with young people through the Drug and Alcohol Liaison Officer who has changed the format of much work to be Secondary School and IOM College based.
- The DHSS arranged for specialist professional advice to be made available to decision makers from the Advisory Council on the Misuse of Drugs, which is chaired by a senior official of the Department.

Population Management:

Aim: *To promote an integrated and inclusive society*

Action: **To increase the opportunities for the resident population to take up employment through more effective workforce planning and social policies:**

- The DoE provided a more inclusive programme for young people who are not in employment, education or training (NEETs) and coordinated the work of Careers Education, Youth, Schools and the IOM College to facilitate this. A number of other groups now work with the Department of Education and Children to help plan curriculum changes so that the employment needs of the Island are better addressed.
- The Government has enhanced the co-ordinated approach to NEETs with one to one guidance and advice on practical issues such as how to write a CV and how to prepare for an interview.
- By August 2010, 106 young people had undertaken DTI-funded training and approximately 65% of those had gone on to gain employment or enter further training.

Action: **To permit inward migration where it contributes to the needs of the community:**

- To help ensure the Isle of Man's immigration policies were supportive of aspirations for an integrated and inclusive society and that inward migration was facilitated where it contributed

to the needs of the community, Government introduced the first elements of a Points Based Immigration System.

- Work is ongoing to introduce further elements of the Points Based System to mirror, with appropriate amendments, the system which operates in the United Kingdom.

Action: To review the provisions of the Residence Act:

- The Council of Ministers continues to monitor events which may require a review of the provisions of this Act. There is some evidence that inward migration has now slowed and outward migration has increased. The 2011 census will provide further information which can be analysed in relation to the necessity for residency controls.

Action: To review all rules relating to the entitlement to state services and benefits:

- As part of the fiscal re-balancing, all Departments have been tasked with reviewing entitlement to services and benefits to ensure that duplication is removed and potential efficiencies are identified. To ensure spending is targeted at providing benefits and services to those most in need, work will continue through the service delivery planning process to review and improve such services and eligibility criteria.
- Changes announced during the February 2009 Budget Speech mean that the Personal Allowance Credit is no longer paid to those in full time education or any person who has been in prison for the full year.

Law and Order:

Aim: *To ensure the effective enforcement of criminal law and reduce the incidence of crime*

Action: To invest in the modernisation of the Isle of Man Constabulary, particularly through more effective use of information technology:

- The DHA now has an ICT strategy in place which provides a framework to support the changes within the department as well as addressing the issues that are inhibiting the efficiency, effectiveness and flexibility of the organisation.
- A business change programme has started incorporating several projects for the police including the Joint Information Unit, Custody and Case preparation and police secure mail.

Action: To review the Island's legislation and criminal justice practices with a view to providing a more effective and efficient penal system:

- Work is ongoing with other departments to review the criminal justice system and introduce new policies, practices and systems where appropriate.
- The DHA has taken the lead on developing a governance process to support the development of mediation services for the Island following the recommendations of the Mediation Working Group.
- The DHA has commissioned some research into the possibility of implementing Restorative Justice on the Island and this work will continue through 2010.
- The DHA has successfully extended the use of the electronic monitoring system thereby improving its value for money.
- The Courts of Justice website has been developed and implemented on target.
- The Treasury, through the Fines Working Party is continuing its review of the various measures suggested by the Standing Committee on Public Accounts, examining the full implications of each prior to implementation.

Action: To promote a closer relationship between the community and the police:

- Following a recruitment campaign, the numbers of Police Community Volunteers (PCVs) doubled from 20 to 40. PCVs assist in many ways including answering the phone, attending public counters as well as enabling out of town police stations to remain open longer.
- In January 2010 the police issued a Community Safety Booklet which was delivered to all households throughout the Island. The Booklet contained advice on subjects ranging from house and vehicle security through to what to do about rogue traders and 'cowboy builders'.

Action: To continue to promote high levels of crime detection rates:

- The detection rate for 2009/10 was 50.9% compared to an average detection rate for the 43 police forces in England and Wales of 27.8% (2008/9).
- The detection rate represented a decrease on the previous year and was proportionate to the decrease in crime, i.e. there were fewer opportunities to detect when fewer offences were reported. The overall figure represented the highest achievement when compared against areas in the British Isles and Channel Islands.

Action: To develop more effective and visible community service arrangements for offenders which will be of benefit to our community:

- Community Service has become even more popular with the Courts and enforcement has been further improved. A wider range of projects was developed which ensure offenders work both in groups and individually in the community. Each placement was risk assessed and support offered to agencies that provide work for offenders to undertake.

- Local commissioners are involved as well as a range of Island charitable organisations. Limiting factors tend to be weekend work times and ensuring a match between offenders and projects based on risk assessment and offender suitability.
- Douglas Corporation has recently entered into a more formal type of partnership with the Probation Service to utilise Community Service offenders working with Corporation staff within the Douglas area.
- The Scheme is ensuring regular media exposure to ensure new work projects are attracted. A dedicated member of staff within the Probation Division is responsible for the Scheme.

Action: To ensure that the constabulary is given direction as to the Island's communities priorities for policing:

- The Police Consultative Forum held a number of public meetings during February 2010 for members of the public to have the opportunity to give their views on policing priorities.

Responsible use of Transport:

Aim: *To ensure residents and visitors benefit from a quality transport system*

Action: To consider extending the availability of public transport:

- Public Transport remained a valuable resource in the Isle of Man and the Council of Ministers supported policies which sought to maximise use of this resource through linkages to regeneration and creating further opportunities for usage.
- Following widespread consultation on the Bus Network Review in early 2010 a new Bus timetable was introduced in September 2010 to make better use of resources with the aim of extending availability to the public. The new timetable will be reviewed after 3 months.

Action: To investigate the developments of commuter rail services to and from the South of the Island :

- The DTL investigated the development of commuter rail services to and from the South of the Island by providing a trial service during the TT period. The situation will continue to be monitored in light of other developments within public transport.

Action: To encourage the public to make greater use of public transport:

- As noted above, following widespread consultation on the Bus Network Review in early 2010, a new bus timetable was introduced in September 2010 with the aim of making better use of resources by extending availability.

Action: To develop policies to require Government Departments, Statutory Boards and Authorities to use environmentally friendly vehicles:

- DLGE maintained existing electric vehicle charging points and now DEFA has provided an addition charging point at the Department's new headquarters in St John's.

Action: To encourage business and the public to use environmentally friendly transport:

- Following widespread consultation on the Bus Network Review in early 2010 the DCCL is planning to alter the Bus Network to make better use of resources with the aim of extending availability.
- DLGE has maintained the JourneyMatch Website as a resource.

The Built Environment:

Aim: *To raise the quality of the environment which surrounds us*

Action: To establish a fund for the regeneration of our town and village centres:

- The Town and Village Centre Regeneration Scheme 2009 which was unanimously agreed by Tynwald in February 2009 came into operation on 1st April 2009 effective for a three year period. The fund is for £8m. The Scheme was made by the Department of Industry to provide grant assistance from the Treasury Regeneration Fund for capital works which have public access and will be beneficial to the area and assist regeneration.

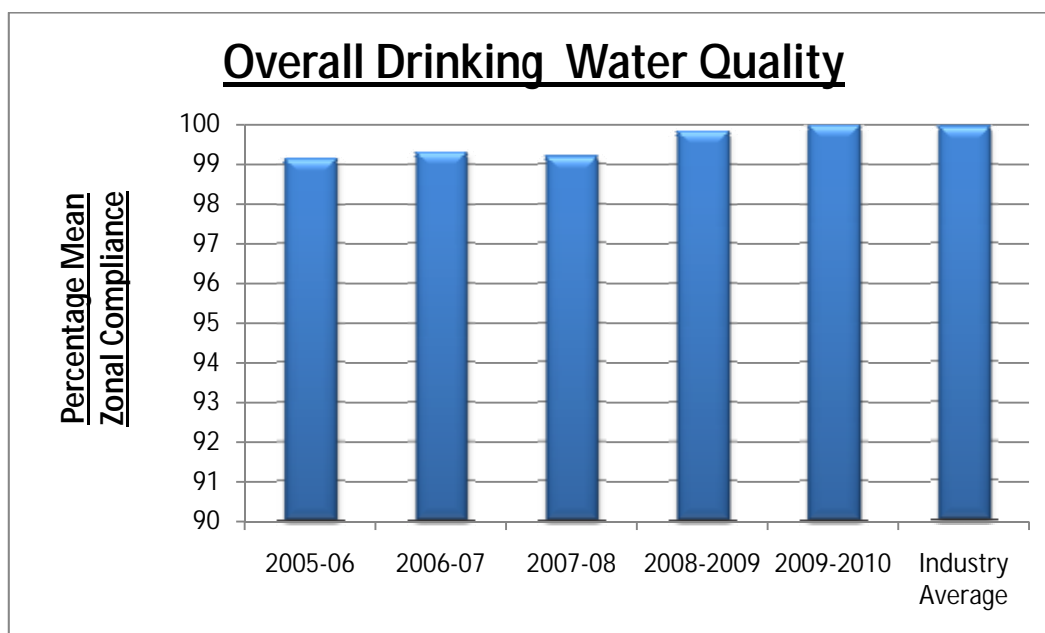
Action: To direct further effort and resources to improve the quality of the environment in which we live:

- In addition to the establishment of the Town and Village Regeneration Fund, a dedicated Regeneration Manager was appointed in October 2009. The Regeneration Manager's job is to work with Local Regeneration Committees and central and local government to support the development of regeneration strategies and proposals and to assist in identifying opportunities for improvements to the quality of the environment in local areas.
- The provision of a reliable and safe water supply every day of the year is the over-riding objective of the Water Authority. Recent infrastructure improvements have enhanced the quality of service. For example, the level of demand experienced in January 2010 due to the very cold weather increasing the number of burst pipes resulted in a level of demand for water that could not have been met only 5 years ago, before the introduction of the new Douglas and Sulby Water Treatment Works. The additional capacity now available resulted in

that increased level of demand being met without any impact on the quality of the water supplied or the continuity of service to customers.

- The Authority requires up to 35 megalitres per day of water to be available for treatment within its two water treatment works. The quality of that untreated water is a critical factor in ensuring that good quality treated water is available to the whole island. The Water Authority is continuing the preparation of water safety plans which will address the issues of water quality from source to tap. Good progress has been made by working with stakeholders to prepare plans which will increase confidence in the quality of the untreated water being delivered to the works. The next stage will be to prepare similar plans for the treatment of water within the new works.
- The Authority is now running two modern water treatment works which have a capability of supplying up to 58 megalitres of water each day. The quality of the treated water leaving these new works is now comparable with the best in the UK and that has been demonstrated in the improvements that are shown in Figure 1 and the direct comparison that it makes with the UK Water Industry.

Figure 1

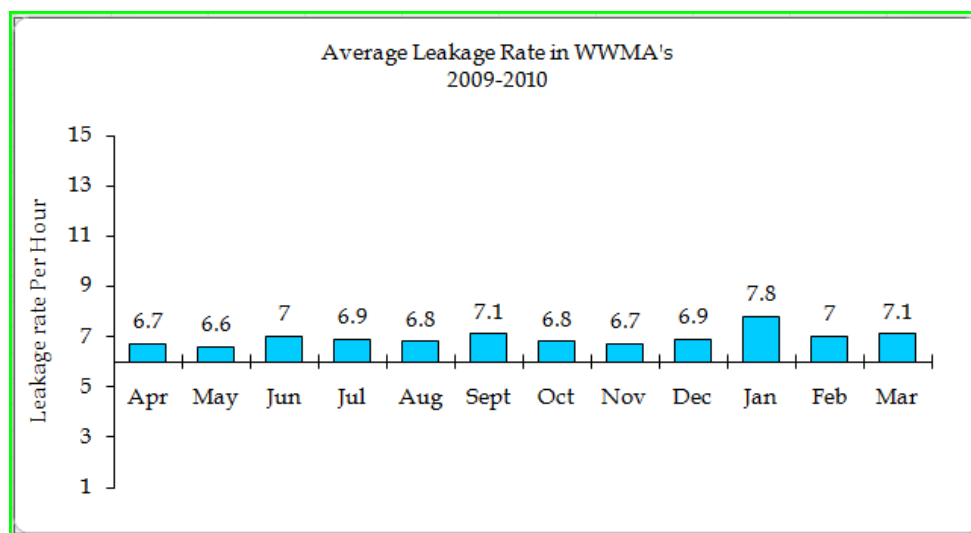


Action: To continue to develop and improve our infrastructure to provide a high quality environment for residents, business and leisure:

- The DOT continued to maintain and improve the Island's key strategic gateway buildings and completed improvement works and maintenance works on the Airport and Sea Terminal buildings during the year. Similarly, the Department completed significant refurbishment work on the Tower of Refuge which included repointing and installing a new low energy lighting system.

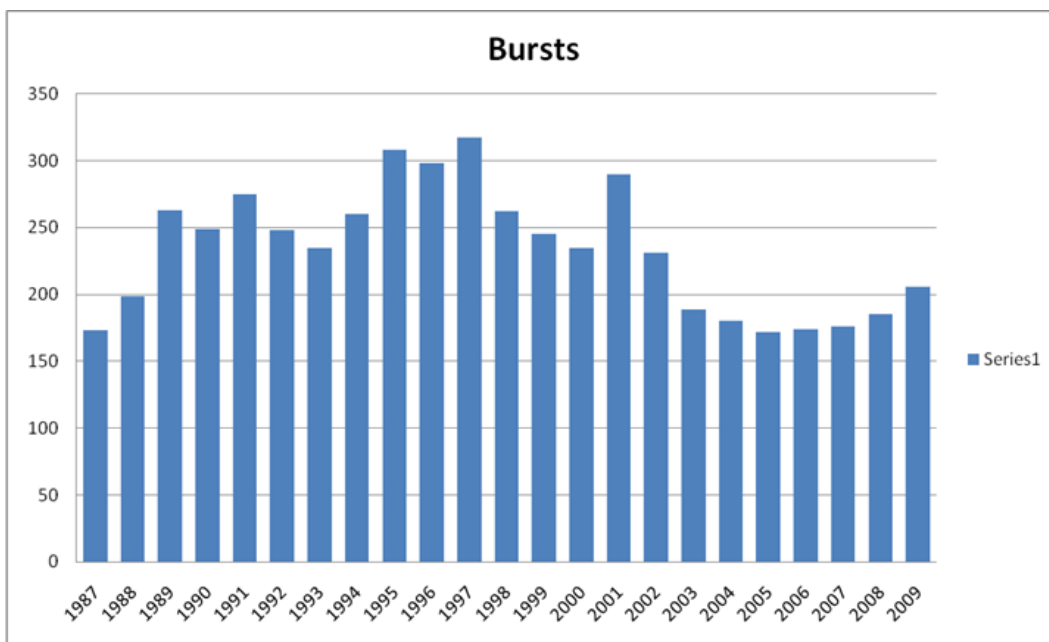
- In 100% of samples the Water Authority met both the standard for trihalomethanes and the standard for lead in drinking water which will come into force in 2013.
- The Authority adopted the operational standards defined by OFWAT in the UK and the water quality standards set by the Drinking Water Inspectorate and it is against these industry “best practice” standards which the Authority will continue to be measured.
- The Authority has maintained its commitment to the leakage control programme that it started over 10 years ago. The objective must be to maintain leakage levels within the 1400 km network at economic levels and in order to achieve that goal the measured levels of water lost must not exceed 7 litres per property per hour. As can be seen in Figure 2 (below) that objective has generally been achieved during the course of the year as it has been since 2001.

Figure 2



- The Authority continues to invest significant sums each year on the replacement of mains which are bursting too frequently. This programme will continue in all future years but the benefits of the replacement programme to date is clear from the reduction in the number of burst mains (Figure 3) which are now being repaired when compared with the performance shown in the early years of the programme.

Figure 3



Action: To devise initiatives in conjunction with local authorities to improve the appearance of public spaces and buildings for which they are responsible:

- The Environmental Works at Clagh Vane are currently on site and programmed for completion in March 2011. The Department has provided training and support to enable local authorities to deal with dilapidated buildings. Legislation to deal with high hedges has been introduced giving certain powers to local authorities for enforcement. Much of this is being taken forward by the Local Regeneration Committee under the auspices of the Regeneration Fund.

Action: To encourage people to take pride in their environment:

- Public consultation in respect of the Planning Policy Statement on Landscape Character and the Draft Area Plan for the South has encouraged and stimulated interest in, and concern about, our natural environment. Support and training provided by Government to assist local authorities in dealing with dilapidated buildings and areas of unsightliness.

Action: To work with the private sector to ensure the appearance of their individual properties is of an acceptable standard:

- Eligibility for funding from the Town and Village Regeneration Fund includes individuals and companies. Guidance and Information on the fund for Applicants has been prepared to encourage and support individuals and companies. The Information Guidance and Application

Form are freely available and has been promoted in the media and on a dedicated website. There have been numerous press articles and references to the Regeneration Fund.

Rural and Marine Management:

Aim: *To maintain the quality and natural beauty of our rural and maritime environment*

Action: To support the development of more vibrant agricultural and fishing industries:

- Work on implementing the seven steps outlined in the Tynwald supported "Developing a Reliable, Sustainable, Self-Reliant Manx Agriculture" strategy document is ongoing. New agricultural tenancy legislation was introduced with effect from November 2008.
- DAFF provided the fish processing sector with improved infrastructure and marketing support to improve the quality and perception of Manx seafood, and, in partnership with the catching sector, have commenced conservation initiatives that should result in improved catch rates and greater demand for the landings made by local fishermen.

Action: To transfer the basis of support for the farming industry from production support towards countryside management and maintenance of the Island's capability to farm:

- The Countryside Care Scheme was approved by Tynwald in December 2008 and implemented from 1 April 2009. The Scheme has been implemented without any significant issues and has completed its first year of operation.

Action: To encourage the further use of the countryside for alternative and appropriate land use:

- DAFF continued to promote the Department's estate as an example to other landowners for sustainable access and recreation.
- DAFF events included horse riding and competition, mountain bike events, walk and talk groups, wildlife visits, Wardens Walks, trials, motor cycle events, car rallies, vintage events, hang-gliding, etc. All of these have been pursued as either recreational or competitive pursuits.
- DAFF created two mountain bike trails, a permissive bridleway incorporating boardwalk areas to protect important habitats, created a new circular walk at Colden, new walking routes in Ballaugh and Eary Beg, working with Manx Telecom to create a "community woodland" at Conrhenny and facilitated numerous filming and one-off recreational events across the estate.

Action: To ensure the protection and enhancement of the rural and maritime environment by actively supporting and advising on best practice standards for all users:

- DAFF monitored codes of best practice for animal welfare and environmental protection have been monitored via the Countryside Care Scheme's Cross Compliance inspection process.
- A consultation on the Convention of Biological Diversity was undertaken by DAFF, the results of which indicated strong support for conservation and sustainable use of biological resources. A further two farmland Areas of Special Scientific Interest were designated covering 183 acres with accompanying good practice for land owners and managers. Changes to the Hedge Management Code were consulted on and the Code revised.
- DAFF continued to advise on best practice in marine environment and for developers, through the Planning process.

PART THREE

3.1 CORPORATE KEY PERFORMANCE INDICATORS AND TARGETS

- 3.1.1 The development of a Strategic Plan is only the first step in Government's policy process. It will be vital to our success that the key policies contained within this Plan are incorporated into the individual Departmental/Board and Office Business Plans resulting in clear operational targets and objectives that the respective arms of Government will be charged to achieve and deliver.
- 3.1.2 An Annual Report will be submitted to the October Tynwald each year during the term of this Administration, the document will report on Government's performance on the policy priorities contained in this Plan.
- 3.1.3 As part of that reporting structure Government has identified the following key performance indicators which will measure our success or otherwise of achieving our aims and objectives:

Indicator	Target	Previous Performance	External Benchmark	Current Performance
Percentage of Year 11 pupils obtaining 5+ GCSEs and equivalent qualifications at grades A* - C including English and Maths	Greater than 50%	49.5%	England - all maintained schools = 50.7%	47.7%
Uncapped points per pupil for GCSE and equivalent qualifications	Greater than 390	389.3	England - all maintained schools = 419.6	391.0
OCA (Qualifications and Curriculum Association) points score per student for A level and equivalent qualifications	Greater than 840	839.1	England - all maintained schools = 761.6	829.9

Indicator	Target	Previous Performance	External Benchmark	Current Performance
Waiting time between determination of need for, and provision of, an elective in-patient procedure	95% of procedures delivered within 13 weeks	IT development in progress to provide required management information, due completion early 2010.	UK: The UK target to ensure that by 2011 no-one waits more than 18 weeks from GP referral to hospital treatment is under review and may be dispensed with as it is not clinically based.	In certain clinical specialities waiting times are greater than would be wished for. Through a combination of improved management information, aspects of which will become available before the end of 2010 and improved management of cases – reducing waiting times remains a key target for the Department of Health.
Average number of deaths per year of persons under 75 as a % of total deaths	Match UK position	36.3% of total deaths (2008) – excludes non-residents (Please refer to note below marked *1)	UK: 34.3% of total deaths (2007)	28.3% of total deaths (2009)
Expansion of the output of the economy	Annual increase in real Gross Domestic Product (GDP) to exceed that of the European Union (EU15)	2007/08 IOM GDP increased by 7.5%	2008/09 EU15 GDP increased by 2%	2008/09 IOM GDP increased by 4.7%
Maintaining full employment	Unemployment rate to be no higher than 2%	June 2009 Unemployment rate = 2.3%	EU (15) levels of unemployment	June 2010 Unemployment rate = 1.9%
Raising of the standard of living of the resident population	Maintain GDP per capita above the UK and EU15 levels	2007/08 ratio of 122% to the UK and 128% to EU15	UK and EU15 levels	2008/09 ratio n/a
Levels of crime	Sustain low levels	2006/7 = 4,651 2007/8 = 3,824 2008/9 = 3,424	Crime data from England, Wales and the Channel Islands	2009/10 = 2,896
Detection rates	Above 30%	2006/7 = 55.2% 2007/8 = 57.3% 2008/9 = 51.4%	Crime data from England, Wales and the Channel Islands	2009/10 = 50.9%

Indicator	Target	Previous Performance	External Benchmark	Current Performance
Number of serious injury Road Traffic Collisions (RTCs)	Reduce serious and fatal RTCs by 2 % per annum over a 3 year rolling programme	2006/7 = 79 2007/8 = 85 2008/09 = 46	UK statistics	2009-10 = 70
Level of carbon emissions	20% reduction in 2005 levels by Government Departments by 2010	53,000 tonnes of carbon dioxide emissions in 2005 Approximately 49,000 tonnes of carbon dioxide in 2008/9	Kyoto Convention requirements	16.5% reduction in carbon emissions since 2004/2005 (Please refer to note below marked *2)

*1: Information shows the UK rate is steady at 34% of all deaths but the Isle of Man's rate has risen to 36% of all deaths. The reason behind this is that the Isle of Man figures relate to very small numbers compared to the UK and small variations in numbers produce a bigger statistical effect. The difference between 34% and 36% in Isle of Man figures equates to 13 deaths in a year.

*2: *16.5% reduction to 44,000 tonnes CO2 reflects disregarding an additional 5,000t CO2 load from sites added since 2004/5 baseline year which includes new water treatment plants, additional connections to IRIS and the Jurby Prison becoming operational.

Annexes

- Annex 1 Update of the Government's Legislative Programme
- Annex 2 National Income Figures
- Annex 3 Isle of Man Government Capital Programme 2011/12 – 2014/15
- Annex 4 Isle of Man Government Revenue Estimates 2010/11
- Annex 5 Isle of Man Government Personnel Figures 2005 – 2009
- Annex 6 IOM Public Service Absence by Department: 1st April 2009 – 31st March 2010
- Annex 7 Public Service Pay Bands - 31st March 2010
- Annex 8 Commission of Inquiry into the Care of Young People – 2010 Progress Report
- Annex 9 Report of the Chief Secretary on Cases of Whistleblowing Incidents Against Government Departments, Statutory Boards and Offices for the period 1st January 2009 – 31st March 2010
- Annex 10 Legal Services Commission: Update report up to 31st March 2010
- Annex 11 Report of the Chief Secretary on Complaints made against Government Departments and Statutory Boards for the Period Ending 31st March 2010
- Annex 12 Report of the Chief Secretary on Initial Refusals and Review Decisions in Respect of Written Requests for Information Made Under the Code of Practice on Access to Government Information for the Period 1st September 2008 to 31st March 2010
- Annex 13 Report of the Chief Secretary on Consultations for the Year Ending 31st March 2010

Acts Promulgated By Tynwald - July 2010

1. Fees and Duties (Amendment) Act 2009
2. Companies (Amendment) Act 2009
3. Terrorism (Finance) Act 2009
4. Animal Health (Amendment) Act 2009
5. Social Security (Amendment) Act 2009
6. Gender Recognition Act 2009
7. Advocates (Amendment) Act 2010
8. Prohibition of Female Genital Mutilation Act 2010
9. Payment of Members' Expenses (Amendment) Act 2010
10. Lloyds TSB Offshore Limited Banking Business Act 2010

Government Bills that have received Royal Assent (but have not been Promulgated), are awaiting Royal Assent or are currently progressing through the Branches

** The date contained within the final column reflects the original date for introduction of the Bill in the Government Strategic plan 2007-2011 presented at the October 2007 sitting of Tynwald.*

	Current Position	Original Strategic Plan Date
Civil Partnership Bill	LegCo 1 st Reading 29 June 2010	2007/08
Criminal Justice (Miscellaneous Provisions) Bill	Keys 1 st Reading 29 June 2010	New Bill
Electricity (Amendment) Bill	Awaiting Royal Assent	New Bill
Endangered Species Bill	Awaiting Royal Assent	2007/08
Fisheries Bill	LegCo 1 st Reading 29 June 2010	2007/08
Gambling Supervision Bill	Awaiting Royal Assent	2007/08
Harbours Bill	Awaiting Royal Assent	2007/08
Human Rights (Amendment) Bill	To be promulgated July 2011	2007/08
Income Tax (No 2) Bill	Awaiting Royal Assent	2008/09 and beyond
Incorporated Cell Companies	Awaiting Royal Assent	2007/08
Marriage and Civil Registration (Amendment) Bill	Conference of the Branches	2007/08
Misuse of Drugs (Amendment) Bill	Awaiting Royal Assent	New Bill
Organised and International Crime Bill	To be promulgated July 2011	New Bill
Sewerage (Amendment) Bill	Keys 1st Reading 29 June 2010	New Bill
Social Services Bill	Keys 1st Reading 29 June 2010	2007/08

**ISLE OF MAN GOVERNMENT LEGISLATIVE PROGRAMME FOR THE LEGISLATIVE YEAR
OCTOBER 2010 - JULY 2011**

Sponsoring Department	Current Position	Original Strategic Plan Date
Council of Ministers		
Freedom of Information	First draft of Bill produced and consultation closed 10 September 2010.	2007/08
European Union (Amendment)	Consultation closes on 29 October 2010.	New
Tribunals (Amendment)	First draft produced and work underway to brief drafter on revisions required.	New
Tynwald Auditor General	Bill to be submitted to the first sitting of the House of Keys in October 2010.	2007/08
Tynwald Commissioner for Administration	Bill to be submitted to the first sitting of the House of Keys in October 2010.	2007/08
Tynwald Hill	Draft of Bill produced and consultation closed April 2010. Target – Bill to be submitted to the House of Keys November 2010.	New
Public Sector Pensions	Bill to be submitted to the House of Keys in October 2010	2008/09 and beyond
The Treasury		
Companies (Bearer Shares)	Scheduled for introduction to the Branches in October 2010.	New
Financial Provisions and Currency	Scheduled for introduction to Keys in October/November 2010.	New
Gambling Duties	Department awaiting 3 rd draft of the Bill from Chambers with a view to then progressing to public consultation. The Bill is likely to enter Keys in the 2011-2012 legislative year.	2008/09 and beyond
Income Tax	First draft of the Bill with the Department. Target date for the Bill to be submitted to Keys is December 2010.	2009/10
Insolvency Service	Drafting instructions to be issued to Chambers in October 2010.	2007/08
Foundations	Subject to approval from Treasury and Council the aim is to introduce the Bill to the Branches by the end of 2010.	2007/08
Legal Aid	First draft of the Bill with the Department	2007/08
Limited Partnerships (Amendment)	Scheduled for introduction into the Branches in October 2010.	New
Department of Economic Development		
Control of Employment (Amendment)	Consultation to take place in October 2010. If there is time to get the Bill through before the Election it will enter Keys early in 2011.	2007/08
Employment Equality	The Attorney General's Chambers hope to start work on the Bill shortly. The Bill is likely to enter Keys in the 2011-2012 legislative year.	2007/08

Department of Environment, Food and Agriculture		
Agricultural Marketing (Amendment)	Consideration on required amendments commenced through initial discussions with the industry.	2010
Dogs (Amendment)	The Bill is ready for Council consideration. The intention is to submit to Keys in November 2010.	New
Environment and Climate Change	Policy proposals yet to be finalised.	New
Public Health (Amendment)	Revised draft out mid September 2010.	New
Department of Education and Children		
Children	Following consultation, the Department is preparing instructions for amendments to the draft before being submitted to Council for approval to progress to the Branches.	2007/08
Department of Health		
NHS (Amendment)	The Department is further reviewing its requirements from the health legislation and a revised set of drafting notes is in preparation.	2007/08
Department of Social Care		
Housing (Miscellaneous Provisions)	The draft is awaiting Council approval to submit to the Branches in November 2010.	2008/09 and beyond
Department of Home Affairs		
Anti-Terrorism and Crime (Amendment)	Consultation closed on 20 September 2010. All outstanding terrorism matters now consolidated into this Bill. Keys target date is November 2010.	2008/09 and beyond
Police (Amendment)	Draft Bill to be considered by the Department on 6 October 2010 with a view to progressing through Council for public consultation early November. Keys target date is January 2011.	2007/08
Emergency Powers	This is a short Bill to ensure in the event of an emergency powers can be invoked without delay. Subject to appropriate approval it is envisaged this Bill will be progressed before the election.	2007/08
Department of Infrastructure		
Building Control (Amendment)	Council of Ministers approved inclusion to Legislation Programme in July 2010. Awaits allocation to a drafter.	New
Flood Risk Management	Consultation completed and latest draft being considered by Water Authority Board in October 2010.	New
Road Races (Amendment)	Provisions currently included in the Road Traffic and Highways (Miscellaneous Amendment) Bill although provisions may be progressed as separate Bill.	New
Road Traffic and Highways (Miscellaneous Amendment)	Drafting commenced in May 2010. Bill likely to be ready for consultation in November 2010.	2007/08
Water Amendment	The Water Authority Board has established a sub-committee to review the extent of the required changes and establish whether an Amendment Bill is sufficient.	2008/09 and beyond
Department of Community, Culture and Leisure		
Manx Museum and National Trust	Following the Council of Ministers' consultation exercise on the review of the legislation governing the	New

(Amendment)	constitution and functions of Manx National Heritage, a Bill will be taken forward to implement the changes.	
Communications Commission		
Communications Regulation Bill	Following consultation by the Communications Commission, the Council of Ministers has agreed for the Bill to be drafted.	New

ANNEX 1 (cont...)

LEGISLATION PLANNED FOR OCTOBER 2011 AND BEYOND

Department	2011/12	2012/13 and beyond
Council of Ministers	Advocates (Amendment) Charities Inquiries (Amendment)	
Treasury	Gaming Betting & Lotteries Income Tax Bill Rating and Valuation Treasure Trove	Insolvency Income Tax (Amendment)
Department of Economic Development	Energy Regulation Marine Operations and Safety Post Office (Amendment)	Companies (Amendment) Employment Agencies & Business Employment (Recognition of Trade Unions)
Department of Environment, Food and Agriculture	Seeds Weeds (Amendment)	
Department of Social Care	Capacity Review of Adoption Legislation Landlords Bill Regulation of Care Bill	
Department of Home Affairs	Extradition Criminal Jurisdiction Licensing Fire/Rescue Services and Fire Safety	Interception of Communications Civil Contingency Firearms Youth Justice Life Sentences Private Security Industry Serious Crime Custody
Department of Infrastructure	Marine Operations and Safety Bill	Wreck
Department of Community, Culture and Leisure	Consumer Protection Estate Agency	Consumer Credit Weights and Measures

ISLE OF MAN NATIONAL INCOME BY ECONOMIC ACTIVITY
2007/08 & 2008/09 AT CONSTANT PRICES (£000s)

Income in Year at Factor Cost

	<u>2007/08</u>			<u>2008/09</u>	<u>Change</u>	<u>Sector</u>
	<u>Original</u>	<u>Update</u>	<u>Modernised</u>	<u>Modernised</u>	<u>(%)</u>	<u>Share</u> <u>2008/09</u> <u>(%)</u>
Agriculture, Forestry & Fishing	22,031	23,775	25,880	23,818	-8.0	0.8
Manufacturing: Engineering	44,754	43,521	46,971	42,161	-10.2	1.3
Food & Drink	27,601	26,690	28,224	28,139	-0.3	0.9
General	82,772	83,803	90,176	76,043	-15.7	2.4
Mining & Quarrying	13,518	23,381	26,719	15,380	-42.4	0.5
Construction	148,731	151,906	176,164	173,721	-1.4	5.5
Utilities	34,606	39,042	50,728	40,701	-19.8	1.3
Transport and Communication	142,779	142,633	165,665	216,341	30.6	6.8
Wholesale Distribution	28,328	29,444	31,965	29,071	-9.1	0.9
Retail Distribution	130,083	166,383	183,261	158,672	-13.4	5.0
Banking	385,140	397,153	434,150	494,526	13.9	15.6
Insurance	208,878	213,919	397,316	421,605	6.1	13.3
Other Finance and Business Services	273,080	278,194	308,817	288,950	-6.4	9.1
Information and Communication Technology	105,267	169,020	201,082	315,093	56.7	10.0
Legal and Accountancy Services	106,410	86,246	90,646	83,934	-7.4	2.7
Corporate Service Providers	83,997	109,632	118,584	129,530	9.2	4.1
Education	76,627	79,194	88,468	86,021	-2.8	2.7
Medical & Health Services	137,269	140,189	156,621	165,538	5.7	5.2
Other Professional Services	66,815	71,348	78,744	94,064	19.5	3.0
Tourist Accommodation	24,187	19,033	21,166	17,465	-17.5	0.6
Catering and Entertainment	34,606	47,775	53,373	30,721	-42.4	1.0
Miscellaneous Services	86,263	91,836	104,320	102,653	-1.6	3.2
Public Administration	100,718	111,907	125,160	130,406	4.2	4.1
Sub-total (Manx sourced income)	2,364,458	2,546,024	3,004,201	3,164,552	5.3	100
Imputed rent	165,512	198,971	158,130	167,108		
FISIM adjustment	-367,747	-367,748	-172,753	-208,856		
NR Personal Income Adjustment			-1,720			
Government depreciation of fixed assets			30,267	39,014		
NPISH			8,453	8,326		
Gross Domestic Product	2,162,223	2,377,247	3,026,577	3,170,143	4.7	
Income from Abroad	236,512	270,592	1,416,925	1,418,269		
Income to Abroad	151,065	322,175	973,462	1,365,677		
Net Income From Abroad	85,447	-51,582	443,463	52,593		
Net FISIM adjustment			159,515	195,517		
Adjusted net income from abroad			607,281	248,110		
Gross National Income	2,247,670	2,325,665	3,633,858	3,418,253	-5.9	
Subsidies on production			-28,411	-13,327		
Taxes on production			9,479	9,880		
Gross National Income at basic prices			3,614,925	3,414,806	-5.5	

ISLE OF MAN NATIONAL INCOME BY ECONOMIC ACTIVITY
2007/08 & 2008/09 AT CURRENT PRICES (£000s)

Income in Year at Factor Cost

	<u>2007/08</u>			<u>2008/09</u>	<u>Change</u>	<u>Sector</u>
	<u>Original</u>	<u>Update</u>	<u>Modernised</u>	<u>Modernised</u>	<u>(%)</u>	<u>Share</u> <u>2008/09</u> <u>(%)</u>
Agriculture, Forestry & Fishing	20,687	22,324	24,301	23,818	-2.0	0.8
Manufacturing: Engineering	42,022	40,865	44,104	42,161	-4.4	1.3
Food & Drink	25,916	25,061	26,501	28,139	6.2	0.9
General	77,720	78,688	84,673	76,043	-10.2	2.4
Mining & Quarrying	12,692	21,954	25,089	15,380	-38.7	0.5
Construction	139,653	142,635	165,413	173,721	5.0	5.5
Utilities	32,494	36,659	47,632	40,701	-14.6	1.3
Transport and Communication	134,065	133,927	155,554	216,341	39.1	6.8
Wholesale Distribution	26,599	27,647	30,015	29,071	-3.1	0.9
Retail Distribution	122,143	156,228	172,076	158,672	-7.8	5.0
Banking	361,634	372,914	407,653	494,526	21.3	15.6
Insurance	196,130	200,863	373,067	421,605	13.0	13.3
Other Finance and Business Services	256,414	261,215	289,969	288,950	-0.4	9.1
Information and Communication Technology	98,842	158,704	188,809	315,093	66.9	10.0
Legal and Accountancy Services	99,916	80,982	85,114	83,934	-1.4	2.7
Corporate Service Providers	78,870	102,941	111,346	129,530	16.3	4.1
Education	71,950	74,361	83,069	86,021	3.6	2.7
Medical & Health Services	128,891	131,633	147,062	165,538	12.6	5.2
Other Professional Services	62,737	66,993	73,938	94,064	27.2	3.0
Tourist Accommodation	22,710	17,872	19,874	17,465	-12.1	0.6
Catering and Entertainment	32,494	44,860	50,115	30,721	-38.7	1.0
Miscellaneous Services	80,999	86,231	97,953	102,653	4.8	3.2
Public Administration	94,571	105,077	117,521	130,406	11.0	4.1
Sub-total (Manx sourced income)	2,220,149	2,390,633	2,820,846	3,164,552	12.2	100
Imputed rent	155,410	186,827	148,479	167,108		
FISIM adjustment	-345,303	-345,303	-162,209	-208,856		
NR Personal Income Adjustment			-1,615			
Government depreciation of fixed assets			28,420	39,014		
NPISH			7,937	8,326		
Gross Domestic Product	2,030,256	2,232,157	2,841,857	3,170,143	11.6	
Income from Abroad	222,077	254,077	1,330,446	1,418,269		
Income to Abroad	141,845	302,511	914,049	1,365,677		
Net Income From Abroad	80,232	-48,434	416,397	52,593		
Net FISIM adjustment			149,780	195,517		
Adjusted net income from abroad			570,216	248,110		
Gross National Income	2,110,488	2,183,723	3,412,073	3,418,253	0.2	
Subsidies on production			-26,677	-13,327		
Taxes on production			8,900	9,880		
Gross National Income at basic prices			3,394,296	3,414,806	0.6	

ISLE OF MAN GOVERNMENT CAPITAL PROGRAMME 2010/11 – 2014/15

	ESTIMATED CAPITAL PAYMENTS AT CONSTANT PRICES (MARCH 2010)						IMPLICATIONS	
	2010-11	2011-12	2012-13	2013-14	2014-15	Further Payments	Revenue	Staff
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	Number
AGRICULTURE, FISHERIES AND FORESTRY	1,477					230	799	-
EDUCATION	14,116	13,733	11,002	5,903	2,275	1,271	7,690	31.86
HEALTH AND SOCIAL SECURITY *	6,353	3,952	1,649	1,140	905	8,800	20,412	183.52
HOME AFFAIRS	2,212	1,333	1,555	952	1,303		6,062	30.00
LOCAL GOVERNMENT AND ENVIRONMENT	4,345	2,222	925	5,125	5,075	5,450	4,182	-
TOURISM AND LEISURE	8,454	4,381	2,940	2,490	3,680	400	4,705	-
TRADE AND INDUSTRY	1,000	1,000	1,000	1,000	1,000			-
TRANSPORT	27,236	19,580	18,292	14,136	12,745	48,402	45,981	31.00
TREASURY	200					3,270	362	2.00
	65,392	46,200	37,363	30,745	26,983	67,824	90,192	278.38
MANX NATIONAL HERITAGE	1,049	516	570	470	320	1,795	962	2.80
	66,441	46,716	37,933	31,215	27,303	69,619	91,155	281.18
SCHEMES FUNDED FROM HOUSING RESERVE	12,409	13,020	7,550	5,396	4,878		6,711	-
GOVERNMENT TOTAL	78,849	59,736	45,483	36,610	32,181	69,619	97,866	281.18
EXPENSES OF THE LEGISLATURE	120						991	2.00
TOTAL CAPITAL PROGRAMME	78,969	59,736	45,483	36,610	32,181	69,619	98,857	283.18
PROPOSED SCHEMES BEYOND 2012-13				14,140	26,499	175,546	19,727	21.07
REVISED TOTAL	78,969	59,736	45,483	50,750	58,680	245,165	118,584	304.25
STATUTORY BOARDS' CAPITAL PROGRAMME	26,054	23,468	10,138	9,357	15,837	20,168		
LOCAL AUTHORITIES' HOUSING PROGRAMME	22,303	22,335	20,194	16,320	15,934	19,810		
	127,326	105,538	75,815	76,426	90,450	285,143		

* Note: See notes accompanying the Department of Health & Social Security capital programme

	ESTIMATED CAPITAL PAYMENTS AT CONSTANT PRICES (MARCH 2010)						IMPLICATIONS	
	2010-11	2011-12	2012-13	2013-14	2014-15	Further Payments	Revenue	Staff
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	Number
COMMITTED SCHEMES	40,009	14,755	6,109	2,531	1,067	2,147	57,015	233.40
CONTINUING SCHEMES	1,000	1,000	1,000	1,000	1,000	5,000		-
NEW SCHEMES	37,960	43,980	38,374	47,219	56,613	238,018	61,569	70.85
	78,969	59,736	45,483	50,750	58,680	245,165	118,584	304.25

Note: The 5 year programme is shown at a constant price base to illustrate the implications in real terms of planned expenditure.

ISLE OF MAN GOVERNMENT REVENUE ESTIMATES 2010/11 – Table 1

Table 1 (includes Loan Charge reduction)

Department	Budget	Pay	Inflation & Adjustments (inc. Receipts)	Loan	Budget	Budget	Increase over	
	2009-10	Increases		Charges	Savings	2010-11	Budget 2009-10	
	£m	£m	£m	£m	£m	£m	£m	%
Agriculture, Fisheries & Forestry	15.97	0.03	(0.70)	(0.33)	(1.22)	13.75	(2.22)	(13.9)
Education	104.25	2.43	(0.37)	(3.29)	(3.65)	99.38	(4.88)	(4.7)
Health & Social Security	246.79	4.62	4.96	(1.94)	(8.93)	245.50	(1.29)	(0.5)
Home Affairs	37.48	0.72	0.03	(2.32)	(1.82)	34.08	(3.40)	(9.1)
Local Government & Environment	29.50	0.05	1.35	(2.17)	(2.52)	26.21	(3.30)	(11.2)
Tourism & Leisure	25.48	0.30	(0.11)	(1.83)	(1.27)	22.57	(2.91)	(11.4)
Trade & Industry	11.05	0.04	(0.13)	(0.60)	(1.08)	9.29	(1.77)	(16.0)
Transport	38.27	0.54	(4.19)	(8.29)	(3.54)	22.80	(15.48)	(40.4)
Treasury	32.40	0.13	(0.89)	(2.62)	(1.42)	27.60	(4.80)	(14.8)
	541.19	8.86	(0.05)	(23.40)	(25.44)	501.16	(40.03)	(7.4)
Executive Government	26.18	0.31	7.20		(1.84)	31.85	5.67	21.7
Manx Museum & National Trust	5.22	0.03	0.05	(0.61)	(0.46)	4.22	(0.99)	(19.0)
Road Transport Licensing Committee	0.18				(0.03)	0.16	(0.03)	(14.7)
Communications Commission	(0.11)	0.01	(0.28)		(0.01)	(0.38)	(0.28)	258.1
Financial Supervision Commission	(7.06)	0.12	(0.74)		(0.32)	(8.00)	(0.94)	13.4
Insurance and Pensions Authority	0.56	0.02	(0.09)		(0.07)	0.42	(0.14)	(24.9)
Office of Fair Trading	0.83	0.01	(0.00)		(0.12)	0.71	(0.12)	(14.2)
Expenses of the Legislature	5.11	0.05	0.20	(0.45)	(0.04)	4.86	(0.25)	(4.9)
(figures subject to rounding)	572.11	9.39	6.29	(24.46)	(28.33)	535.00	(37.11)	(6.5)

The above figures (Table 1) include a reduction in the interest rate used to calculate Loan Charges from 3.25% in the 2009-10 Budget to 0% for 2010-11.

ISLE OF MAN GOVERNMENT REVENUE ESTIMATES 2010/11 – Table 2

For comparison purposes, the following (Table 2) shows what the net spending of Departments would have been if the interest rate had been maintained at 3.25% for 2010-11:

Table 2 (constant Loan Charges)

Department	Budget	Changes	Budget	Add back	Budget	Increase over	
	2009-10	identified	2010-11	Loan	excl Loan	Budget 2009-10	
	£m	above	£m	Charge	Charge	£m	%
		£m		Reduction	Reduction		
Agriculture, Fisheries & Forestry	15.97	(2.22)	13.75	0.29	14.04	(1.93)	(12.1)
Education	104.25	(4.88)	99.38	2.86	102.24	(2.02)	(1.9)
Health & Social Security	246.79	(1.29)	245.50	1.64	247.14	0.35	0.1
Home Affairs	37.48	(3.40)	34.08	1.79	35.87	(1.61)	(4.3)
Local Government & Environment	29.50	(3.30)	26.21	2.14	28.35	(1.16)	(3.9)
Tourism & Leisure	25.48	(2.91)	22.57	1.68	24.25	(1.23)	(4.8)
Trade & Industry	11.05	(1.77)	9.29	0.14	9.43	(1.63)	(14.7)
Transport	38.27	(15.48)	22.80	7.12	29.92	(8.36)	(21.8)
Treasury	32.40	(4.80)	27.60	0.42	28.02	(4.38)	(13.5)
	541.19	(40.03)	501.16	18.08	519.24	(21.95)	(4.1)
Executive Government	26.18	5.67	31.85		31.85	5.67	21.7
Manx Museum & National Trust	5.22	(0.99)	4.22	0.42	4.64	(0.57)	(11.0)
Road Transport Licensing Committee	0.18	(0.03)	0.16		0.16	(0.03)	(14.7)
Communications Commission	(0.11)	(0.28)	(0.38)		(0.38)	(0.28)	258.1
Financial Supervision Commission	(7.06)	(0.14)	(7.20)		(7.20)	(0.14)	2.0
Insurance and Pensions Authority	0.56	(0.94)	(0.38)		(0.38)	(0.94)	(167.9)
Office of Fair Trading	0.83	(0.12)	0.71		0.71	(0.12)	(14.2)
Expenses of the Legislature	5.11	(0.25)	4.86	0.28	5.14	0.03	0.5
(figures subject to rounding)	572.11	(37.11)	535.00	18.78	553.78	(18.33)	(3.20)

ISLE OF MAN GOVERNMENT REVENUE ESTIMATES 2010/11 – Table 3

The following (Table 3) shows the 2010/11 Budget in summary form reflected in table 1 following the re-structuring of Government Departments with effect from April 2010.

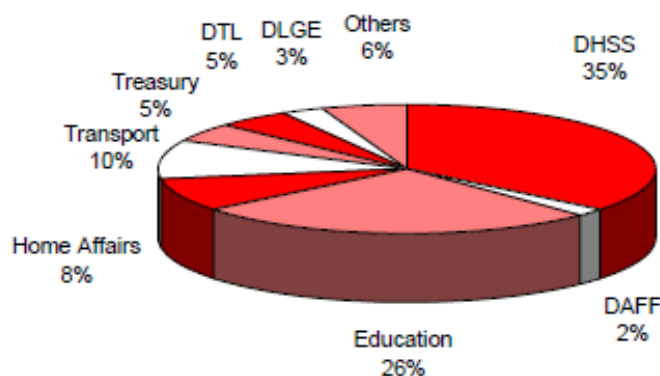
Table 3

Department	Budget 2010-11 £m
<i>Community, Culture & Leisure</i>	18.20
<i>Economic Development</i>	15.43
<i>Education & Children</i>	99.15
<i>Environment, Food & Agriculture</i>	16.38
<i>Health</i>	115.53
<i>Home Affairs</i>	34.08
<i>Infrastructure</i>	37.63
<i>Social Care</i>	136.72
<i>Treasury</i>	<u>17.77</u>
	490.89
<i>Executive Government</i>	31.85
<i>Manx Museum & National Trust</i>	4.22
<i>Road Transport Licensing Committee</i>	0.16
<i>Communications Commission</i>	(0.38)
<i>Financial Supervision Commission</i>	2.27
<i>Insurance and Pensions Authority</i>	0.42
<i>Office of Fair Trading</i>	0.71
<i>Expenses of the Legislature (figures subject to rounding)</i>	<u>4.86</u>
	535.00

ISLE OF MAN GOVERNMENT PERSONNEL 2005 - 2009

SUMMARY OF PERSONNEL EMPLOYED BY GOVERNMENT					
(Full-time Equivalent Values)					
DEPARTMENT	Actual 30.09.05	Actual 30.09.06	Actual 30.9.07	Actual 30.9.08	Actual 30.9.09
Agriculture, Fisheries & Forestry	132.25	131.09	126.56	131.90	130.30
Education	1,773.50	1,827.50	1,833.30	1,783.70	1,832.40
Health & Social Security	2,584.00	2,588.10	2,625.00	2,725.10	2,486.10
Home Affairs	531.89	547.52	575.49	577.01	577.52
Local Government & Environment	170.70	169.70	169.70	176.10	179.50
Tourism & Leisure	333.60	334.99	329.95	337.87	331.81
Trade & Industry	93.50	84.00	87.00	88.00	92.30
Transport	696.55	698.55	689.04	676.40	671.30
Treasury	341.00	340.84	335.84	333.14	337.74
	6,656.99	6,722.29	6,771.88	6,829.22	6,638.97
Executive Government	180.77	194.23	190.69	221.57	218.57
Manx Museum & National Trust	76.15	76.15	76.15	76.15	76.15
Road Transport Licensing Committee	2.00	2.00	2.00	4.70	3.70
Sub-total	6,915.91	6,994.67	7,040.72	7,131.64	6,937.39
Expenses of the Legislature	21.50	22.00	26.00	26.00	26.00
Statutory Boards	835.11	798.72	781.60	802.51	805.84
TOTAL	7,772.52	7,815.39	7,848.32	7,960.15	7,769.23

PERSONNEL EMPLOYED BY GOVERNMENT
Actual 30th September 2009



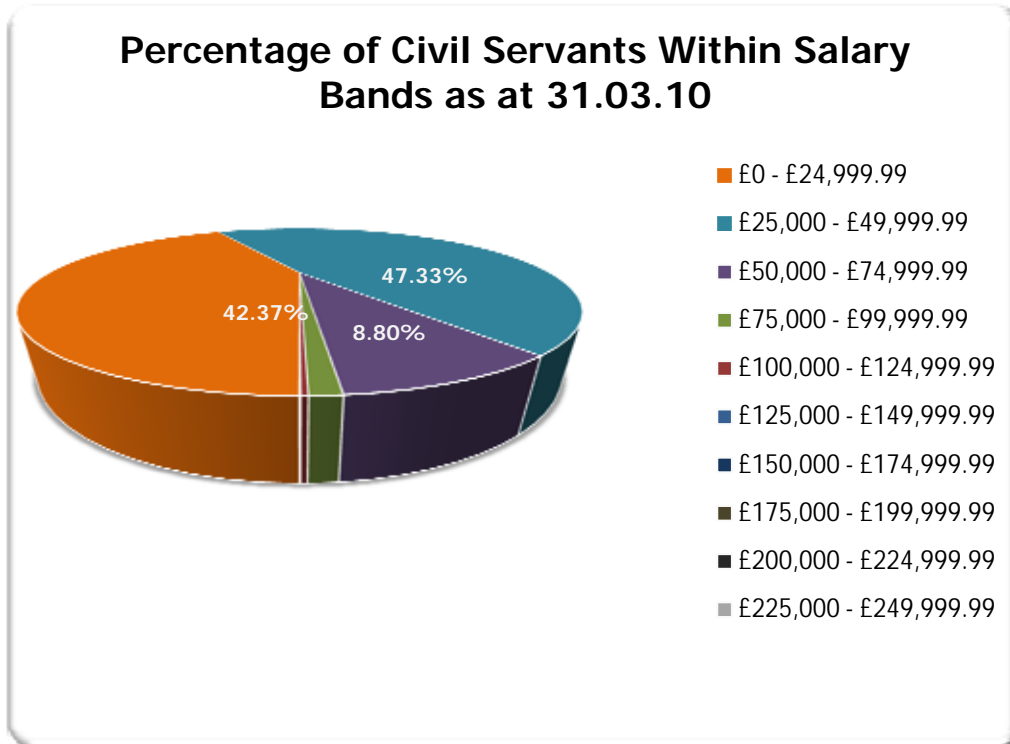
IOM Public Service Absence by Department - 1st April 2009 - 31st March 2010 (inc Civil Service)								
Sickness	No of Staff as at 31 March 2010	No of FTE as at 31 March 2010	No of Days Sickness	Average No of Days per person	Average No. of Sickness Days per FTE	2009-10 % Sickness of Worktime per FTE	2008-09 % Sickness of Worktime per FTE	2007-08 % Sickness of Worktime per FTE
Attorney General's Chambers	38	35.92	149.5	3.9	4.2	1.9%	6.6%	5.0%
Chief Secretary's Office	51	48.46	190.5	3.7	3.9	1.8%	1.3%	2.7%
Clerk of Tynwald's Office	30	24.25	567	18.9	23.4	10.6%	8.0%	3.2%
Communications Commission	3	2.68	0	0.0	0.0	0.0%	0.0%	24.1%
Coroners Office	8	7	0	0.0	0.0	0.0%	0.0%	0.0%
Agriculture, Fisheries & Forestry	135	132.18	1873.3	13.9	14.2	6.4%	5.7%	4.7%
Data Protection Office	4	3.25	13	3.3	4.0	1.8%	1.1%	0.1%
Education - see note 1	2714	1816.85	12335.5	4.5	6.8	3.1%	3.4%	2.9%
Financial Supervision Commission	69	65.19	872.75	12.6	13.4	6.1%	5.0%	1.9%
General Registry	92	78.58	870	9.5	11.1	5.0%	5.0%	6.0%
Health & Social Security	3927	2562.81	34652.25	8.8	13.5	6.1%	6.3%	6.3%
Home Affairs	816	571.01	4429.4	5.4	7.8	3.5%	4.1%	4.4%
Industrial Relations Service	3	2.67	1	0.3	0.4	0.2%	0.0%	0.3%
Insurance & Pensions Authority	10	9.67	69.5	7.0	7.2	3.3%	4.6%	6.9%
IOM Water Authority	115	110.29	855.5	7.4	7.8	3.5%	4.8%	6.8%
Local Government & Environment	169	160.37	1925	11.4	12.0	5.5%	3.5%	2.2%
Manx National Heritage	131	92.48	801.3	6.1	8.7	3.9%	3.0%	3.8%
Office Of Fair Trading	21	16.08	130	6.2	8.1	3.7%	1.7%	3.7%
The Personnel Office	50	46.17	495.5	9.9	10.7	4.9%	2.4%	2.3%
Road Transport Licensing Committee	2	2	3	1.5	1.5	0.7%	0.9%	1.4%
Tourism & Leisure	748	456.51	5540.3	7.4	12.1	5.5%	5.0%	3.1%
Trade & Industry	97	94.67	512	5.3	5.4	2.5%	3.7%	2.1%
Transport	802	671.59	8312.9	10.4	12.4	5.6%	6.9%	5.9%
Treasury	356	329.34	2660	7.5	8.1	3.7%	3.3%	3.5%
War Pensions	2	2	32	16.0	16.0	7.3%	0.0%	3.9%
Total	10393	7342.02	77291.2	7.4	10.5	4.8%	5.0%	

Note 1 - The majority of posts within Department of Education work 195 days

Benchmark - 3.9% of working time (6.4 days average per employee) - Source CBI 2010 Report

No of Working Days based on FTE x 5 x 52.2 less Weekends of 104 Days - Annual Leave of 30 days - Bank Holidays (& Privilege Day) of 11 days = 220 Days

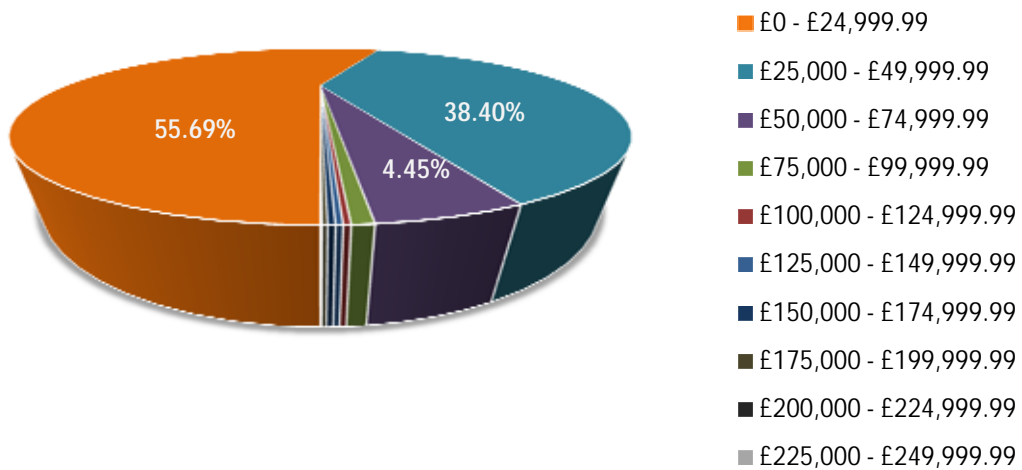
Long Term absence is deemed to be absence in excess of **20 days**

Civil Service Public Sector Pay Bands – 31st March 2010

Salary Band	Number of Civil Servants	%
£0 - £24,999.99	1103	42.37
£25,000 - £49,999.99	1232	47.33
£50,000 - £74,999.99	229	8.80
£75,000 - £99,999.99	31	1.19
£100,000 - £124,999.99	7	0.27
£125,000 - £149,999.99	1	0.04
£150,000 - £174,999.99	0	0
£175,000 - £199,999.99	0	0
£200,000 - £224,999.99	0	0
£225,000 - £249,999.99	0	0
Totals	2603	100

Non Civil Service Public Sector Pay Bands – 31st March 2010

Percentage of Public Servants Within Salary Bands as at 31.03.10



Salary Band	Number of Public Servants	%
£0 - £24,999.99	4993	55.69
£25,000 - £49,999.99	3443	38.40
£50,000 - £74,999.99	399	4.45
£75,000 - £99,999.99	57	0.64
£100,000 - £124,999.99	19	0.21
£125,000 - £149,999.99	18	0.20
£150,000 - £174,999.99	19	0.21
£175,000 - £199,999.99	13	0.15
£200,000 - £224,999.99	2	0.02
£225,000 - £249,999.99	2	0.02
Totals	8965	100

PROGRESS REPORT: THE COMMISSION OF INQUIRY INTO THE CARE OF YOUNG PEOPLE

In May 2006 the Commission of Inquiry into the Care of Young People reported to the Council of Ministers. The Commission had been established following the deaths of Samantha Barton and George Green in 2002.

Outstanding Recommendations

The Commission made 132 recommendations relating to care and support for young people with behavioural and emotional problems. As of March 2010, 113 (86%) of the recommendations have been implemented. Of the remaining 19 (14%) recommendations, eight can be said to be substantially in place and being refined to improve operational effectiveness or reporting of outcomes, seven are awaiting new legislation before they can be formally completed, two are awaiting full implementation of long term IT solutions and two are partially implemented.

Following the restructure of government all the recommendations have been reallocated in line with revised departmental structures to ensure continuity of delivery.

Whilst it is likely that next year's Government Report will produce a final report of implementation of the original recommendations, the standards of best practice in Children's services is an ongoing and continually developing area and as such the original recommendations may be regarded as a platform from which services will continue to evolve in future. Progress continues to be made in regard of external benchmarking and independent inspections to ensure a consistent and robust multi disciplinary approach is maintained moving forwards. Subject to forthcoming legislation a transfer of responsibility will be made to ensure adequate reporting structures for the monitoring of appropriacy and delivery of relevant services.

Report of the Chief Secretary on cases of Whistleblowing Incidents against Government Departments Statutory Boards and offices for the Period 1st January 2009 – 31st March 2010

Introduction

The Government is committed to the highest possible standards of openness, probity and accountability. In line with these commitments, employees with serious concerns about any aspect of the Government's work are encouraged to voice them through appropriate channels. In so doing it is recognised that, in certain cases, they may have to proceed on a confidential basis.

The Isle of Man Government's Confidential Reporting (Whistleblowing) Policy covers all in the employment of the Government whether full-time, temporary, casual or agency workers. It is the intention of the policy to provide safeguards for staff. The confidential reporting policy is intended to encourage and enable staff to raise serious concerns within the Government without fear or reprisal.

What Constitutes Whistleblowing?

Issues which should be raised under this policy, and the list is by no means exhaustive, are where there is a suspicion or direct evidence that the following have been, are being or are likely to be committed by a fellow employee(s). The list below outlines the categories that these events may fall into -

- W1- A criminal offence;
- W2- fraud, bribery or corruption;
- W3- a breach of the Government Code of Conduct;
- W4- undue favour shown either on a contractual matter, or to a job applicant;
- W5- bad working practice;
- W6- disregard for legislation, particularly in relation to health and safety in the workplace;
- W7- damage to the environment;
- W8- a breach of Government Financial Regulations;
- W9- concealment of any of the above;
- W10- any other that does not fall within the above categories.

Report for the Period 1st January 2009 – 31st March 2010

Returns submitted from Departments, Boards and Offices to the Chief Secretary (in accordance with the policy) for this period show that there was one instance of concerns being raised through the Whistleblowing policy made at the end of the period 1st January 2009 - 31st March 2010. The referral was made to the Chief Internal Auditor of the Treasury regarding concerns over activities within the Department of Local Government and the Environment. The complaint covered areas categorised under the code as W5, W6 and W9. Following investigation the issues raised were resolved with the Accounting Officer of the Department concerned.

Legal Services Commission – Update Report up to 31st March 2010

The Annual Report 2009 contained an update for 2009 on the recommendations of the Legal Services Commission. Recommendations 1, 3 to 7, 9, 10 and 12 to 21 have been either completed or no action was required. Three recommendations remain, progress with which is set out below.

Legal Services Commission Recommendation	
<p>Recommendation 2. Advice and Guidance - Mediation Service Introduction of a Mediation Service to try to resolve disputes mainly from marital/relationship breakdown where children are involved.</p>	<p>Action agreed at Tynwald That the General Registry will review Mediation Services to make them more widely available.</p> <p>As reported last year, the Council of Ministers has considered and agreed a report by the Mediation Working Group which recommended that a pilot scheme should be introduced for a twelve month period to assess the feasibility of a mediation service.</p> <p>Funding constraints brought about by international events have meant the mediation pilot study has not commenced. Additionally a Tynwald Select Committee has been set up to look into a Petition for redress of grievance relating to the legal aid system and it is likely the question of mediation services will be central to this. The Department of Home Affairs continues to follow the recommendation of the report by the mediation working group.</p>
<p>Recommendation 3. Statutory Charge 'see merit in the introduction of statutory charge but no introduction but wish to see close review'</p>	<p>This action is subject to amendments being made to primary legislation i.e. The Legal Aid Act 1986.</p> <p>Detailed drafting instructions have been produced and are currently being considered by the statutory authority (The Legal Aid Committee).</p>
<p>Recommendation 11. Human Rights Legal Aid Committee Lack of Independence of Appeals</p>	<p>A Legal Aid Appeals Tribunal will be appointed in pursuance of the Tribunals Bill and the present Committee will remain in place for consideration of policy issues.</p>

process and potential conflict of interest for judiciary.

This action is subject to amendments being made to primary legislation i.e. The Legal Aid Act 1986.

Detailed drafting instructions have been produced and are currently being considered by the statutory authority (The Legal Aid Committee).

Report of the Chief Secretary on Complaints Made Against Government Departments and Statutory Boards for the Year Ended 31 December 2009**INTRODUCTION**

In 1991, as a result of recommendations made by the Select Committee on the Appointment of an Ombudsman, a standardised complaints procedure was introduced within Government for responding to complaints from members of the public. In accordance with the procedure, Departments and Boards keep a central record of complaints, the action taken on the complaint and the level at which action was taken. The Departments and Boards forward details of their records to the Chief Secretary at the end of each year and the Chief Secretary reports to Tynwald on the complaints received by Government as a whole.

WHAT CONSTITUTES A COMPLAINT?

The guidance given to Departments when the procedure was instituted recognised that not all complaints warranted inclusion in the registers and listed the types of complaint Departments should record and the types that they should not. The list can be found at Appendix A.

THIS YEAR'S REPORT

The number and type of complaints received by Departments, Divisions and Office during 2009 is shown in Appendix B. The number of complaints unresolved at the end of 2009 is shown at Appendix C. The level of seniority at which complaints were resolved is at Appendix D. The number of complaints received since 2002 can be found at Appendix E. Information about complaints received by Statutory Boards can be found in Appendix F, G and H.

COMMENT

The number of complaints relating to Departments, Divisions and Offices of Government registered in 2009 was 51. This compares with 57 complaints recorded under this same procedure in 2008. The numbers of complaints received for the years 2002 to 2009 are shown in Appendix E.

The total number of unresolved complaints at the beginning of 2009 was 12. 60 complaints were dealt with during the year and 5 complaints remained outstanding as of 31 December 2009.

In respect of Statutory Boards, 4 complaints were recorded under this procedure in 2009. This compares with 13 in 2008. 2 complaints were outstanding as at 31st December 2009.

Chief Secretary
September 2010

WHAT CONSTITUTES A COMPLAINT?

This question is central to the establishment of a uniform complaints procedure as the word “complaint” can be used to describe a very wide range of customer representations. It is important to avoid too close a definition. Any problem or concern should be regarded as a potential complaint. For the purpose of this exercise, it is proposed that complaints be divided between those that should be recorded and those that should not.

Complaints which do not warrant recording in the Central Register kept by the Department, Board or Office:

- (1) A complaint about a matter outside the competence of the Department, Board or Office;
- (2) A complaint where it is obvious that there is no prima facie case to answer or that the complaint is frivolous, malicious, trivial or vexatious;
- (3) A complaint where the complainant is not involved in the matter forming the subject of the complaint or has no direct interest therein;
- (4) A complaint which is made more than twelve months after the action has been taken which has led to the complaint being made.
- (5) A complaint which is successfully dealt with on the spot.
- (6) A complaint about a failure of service which is rectified within a reasonable timescale (e.g. failure of water or electricity supply);
- (7) A complaint solely regarding the attitude/behaviour of a member of staff (this is the subject of normal disciplinary enquiry);
- (8) A complaint solely against a decision which is the subject of an independent appeal mechanism or where the mechanisms available for further review and appeal have not been exhausted;
- (9) A complaint solely concerning the application of professional judgement.

Complaints which warrant being recorded in the Central Register

These would include the following, which should be submitted in writing by the aggrieved party or by their authorised agent (which might include a Member of Tynwald):

- (C1) A complaint concerning a decision by the Department, Board or Office where there is no independent appeal mechanism;
- (C2) A complaint concerning any failure by a Department, Board or Office to make a decision;
- (C3) A complaint concerning a failure of service which is not corrected or is not corrected within a reasonable time-scale;
- (C4) A complaint concerning the failure of administrative arrangements or an over-restrictive or

narrow interpretation of such arrangements;

- (C5) A complaint concerning the application of inappropriate or unfair remedies;
- (C6) A complaint concerning breach of confidentiality;
- (C7) Any other substantial complaint not falling within any of the foregoing definitions.

Where, in any particular case, there is a doubt about whether the complaint should be recorded, it should be recorded.

Appendix B**DEPARTMENTS / DIVISIONS / OFFICES****Complaints Made Against Departments, Divisions And Offices Of Government During The
Year Ended 31 December 2009**

Department/Division/Office	NUMBER OF COMPLAINTS⁽¹⁾	NATURE OF COMPLAINTS⁽²⁾
Attorney General's Chambers	0(0)	0
Chief Secretary's Office (including Government House)	0(0)	0
Data Protection Supervisor	1(0)	1(C1/C4)
Department Agriculture, Fisheries and Forestry (DAFF)	2(0)	2(C1)
Department of Education (DOE)	8(6)	1(C6) 7(C7)
Department of Health & Social Security (DHSS)	9(17)	1(C1) 2(C3) 1(C5) 3(C6) 2(C7)
Department of Home Affairs (DHA)	1(4)	1(C6)
Department of Local Government and the Environment (DLGE)	1(10)	1(C4)
Department of Tourism & Leisure (DTL)	0(0)	0
Department of Trade & Industry (DTI)	0(3)	0
Department of Transport (DOT)	20(13)	5(C1) 1(C3) 2(C4) 1(C5) 11(C7)
Gambling Supervision Commission	1(0)	1(C7)
General Registry	5(2)	2(C3) 3(C4)
Industrial Relations Service	0(0)	0
Manx National Heritage (MNH)	0(0)	0
Personnel Office	0(0)	0
Road Transport Licensing Committee (RTLCL)	0(0)	0
Treasury	3(2)	2(C3) 1(C4)
Veterans Welfare Office (formally War Pensions Welfare)	0(0)	0

TOTAL	51(57)	
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⁽¹⁾ The figures in brackets refer to the number of complaints received in 2008.
⁽²⁾ Complaints are categorised as set out in Appendix A.

Appendix C

**Complaints Against Departments / Divisions / Offices
Resolved During The Year Ended 31 December 2009
&
Complaints Unresolved At Year End**

Department, Division or Office	Outstanding at beginning of year	Received during year	Dealt with during year	Unresolved at year end
Attorney General's Chambers	0	0	0	0
Chief Secretary's Office	0	0	0	0
DAFF	0	2	1	1
DOE	2	8	8	2
DHSS	7	9	16	0
DHA	0	1	1	0
DLGE	3	1	2	2
DTL	0	0	0	0
DTI	0	0	0	0
DOT	0	20	20	0
Gambling Supervision Comm.	0	1	1	0
General Registry	1	5	6	0
Industrial Relations Office	0	0	0	0
MNH	0	0	0	0
Data Protection	0	1	1	0
Personnel Office	0	0	0	0
RTLCL	0	0	0	0
Treasury	1	3	4	0
Veterans Welfare Office (formerly War Pensions Welfare)	0	0	0	0
TOTAL	14	51	60	5

Appendix D**The Level Of Seniority At Which Complaints Against Departments / Divisions / Offices Were Resolved**

<i>Department, Division or Office</i>	<i>Line Manager/ Senior Officer</i>	<i>Head of Division/Chief Officer</i>	<i>Minister/ Chairman/ Other</i>	<i>Other</i>
Attorney General's Chambers	0	0	0	0
Chief Secretary's Office	0	0	0	0
DAFF	0	0	1	0
DOE	0	0	0	8 Complaints Officer
DHSS	3	10	0	3
DHA	0	0	0	1
DLGE	0	2	0	0
DTL	0	0	0	0
DTI	0	0	0	0
DOT	14	4	1	1 Airport Director
Gambling Supervision Comm.	0	0	0	1 Attorney General's Office
General Registry	5	0	0	1
Industrial Relations Office	0	0	0	0
MNH	0	0	0	0
Data Protection	0	1	0	0
Personnel Office	0	0	0	0
RTL	0	0	0	0
Treasury	4	0	0	0
Veterans Welfare Office (formerly War Pensions Welfare)	0	0	0	0
TOTAL	26	17	2	15

Appendix E**COMPLAINTS AGAINST DEPARTMENTS / DIVISIONS / OFFICES RECEIVED****2002 - 2009**

Year	Number of Complaints
2002	60
2003	38
2004	47
2005	53
2006	84
2007	65
2008	57
2009	51

Appendix F**STATUTORY BOARDS****COMPLAINTS MADE AGAINST STATUTORY BOARDS DURING THE YEAR ENDED****31 DECEMBER 2009**

Board	Received during year ⁽¹⁾	Nature of complaints
Communications Commission	0(0)	0
Financial Supervision Commission	3(3)	1(C4) & 2(C7)
Office of Fair Trading	0(2)	0
Isle of Man Post Office	0(0)	0
Water Authority	0(7)	0
Manx Electricity Authority	1(1)	1(C5)
Insurance & Pensions Authority	0(0)	0
TOTAL	4(13)	

⁽¹⁾ The figures in brackets refer to the number of complaints received in 2008

Appendix G

**COMPLAINTS AGAINST STATUTORY BOARDS RESOLVED DURING
YEAR ENDED 31 DECEMBER 2009
&
COMPLAINTS UNRESOLVED AT YEAR END**

Board	Outstanding at start of year	Received during year	Dealt with during year	Unresolved at year end
Communications Commission	0	0	0	0
Financial Supervision Commission	2	3	5	0
Office of Fair Trading	1	0	1	0
Isle of Man Post Office	0	0	0	0
Water Authority	6	0	5	1
Manx Electricity Authority	0	1	0	1
Insurance & Pensions Authority	0	0	0	0
TOTAL	9	4	11	2

Appendix H

**THE LEVEL OF SENIORITY AT WHICH COMPLAINTS AGAINST
STATUTORY BOARDS WERE RESOLVED**

Board	Line Manager/ Senior Officer	Chief Officer/ Director	Chairman	Independent Investigating Officer
Communications Commission	0	0	0	0
Finance Supervision Commission	0	5	0	0
Office of Fair Trading	0	1	0	0
Isle of Man Post Office	0	0	0	0
Water Authority	0	0	0	5 Member of Senior Management Team
Manx Electricity Authority	0	0	0	0
Insurance & Pensions Authority	0	0	0	0
TOTAL	0	6	0	5

Report of the Chief Secretary on Initial Refusals and Review Decisions in Respect of Written Requests for Information Made Under the Code of Practice on Access to Government Information for the Period 1st September 2008 to 31st March 2010

Introduction

The Code of Practice on Access to Government Information (the Code), under the authority of the Council of Ministers, came into operation on 1st September 1996.

The Code requires that administrative arrangements be in place to provide for a facility under which a person who had made a written request for information to a Department, and was aggrieved at a refusal to supply the information, or the cost charged for the supply of information, could make representations to the Department for a review of the Department's decision. A record is required to be kept of all initial refusals and review decisions in respect of written requests for information under the Code and the category of exemption cited by the Department in respect of each refusal. The recorded data is the subject of a return to the Chief Secretary each year for inclusion in an annual report to Tynwald and such a report is attached herewith.

As the Code came into operation on 1st September 2006, traditionally the annual reporting period has been from 1st September to 31st August the following year. Due to the restructuring of Government Departments which came into effect on 1st April 2010, this report covers the period 1st September 2008 to 31st March 2010.

Mrs Mary Williams
Chief Secretary
September 2010

Report for the year period 1st September 2008 to 31st March 2010

Returns for this period show that there were 11 initial refusals, broken down as follows:

Department	Number of Refusals	Exemption(s)
Department of Local Government and the Environment	1	2: internal discussion and advice; 4: information given in confidence.
Department of Agriculture, Fisheries and Forestry	1	2: internal discussion and advice.
Department of Transport	1	4: law enforcement and legal proceedings.
Treasury	4	4: law enforcement and legal proceedings and 10: publication and prematurity in relation to publication; 9: voluminous or vexatious requests and 13: third party's commercial confidences; 9: voluminous or vexatious requests and 13: third party's commercial confidences; 4: law enforcement and legal proceedings and 9: voluminous and vexatious requests.
General Registry	2	3: communications with the Royal Household and the Governor; 12: privacy of an individual.
Chief Secretary's Office	2	1: security and external relations and 2: internal discussion and advice; 9: voluminous or vexatious requests;

Details and Nature of Refusals**Department of Local Government and the Environment**

A request received from a local company was refused. The company requested a copy of a report commissioned by the Department produced by the Internal Audit Division, into a complaint made by that company regarding the awarding of a commercial contract. The request was refused under Exemption 2: internal discussion and advice, together with Exemption 4: information given in confidence.

Department of Agriculture, Fisheries and Forestry

A request received from a private individual was refused. The initial request was for information regarding the Runway End Safeguarding Area at Ronaldsway Airport planning application, the associated Environmental Impact Assessment and the advice provided by the Department. Whilst this initial request was acceded, a further request for additional information was refused under Exemption 2: internal discussion and advice.

Department of Transport

A request was received regarding the number of fixed penalty notices which have been issued for a particular disabled parking bay. This request was refused under exemption 4: law enforcement and legal proceedings, as the gentleman who requested the information stated in his correspondence that he intended to make an appeal against a fixed penalty notice which he had been issued for parking in that disabled parking bay.

Treasury

Four requests received from Isle of Man Newspapers were refused as follows:

- i. The cost to the Isle of Man Government of the collapse of Kaupthing Singer and Friedlander. The request was refused under Exemption 4: law enforcement and legal proceedings and Exemption 10: publication and prematurity in relation to publication.
- ii. Government information on tenders and contracts. The request was refused under Exemption 9: voluminous or vexatious requests and Exemption 13: third party's commercial confidences.
- iii. Consultants employed across Isle of Man Government during 2008/9. The request was refused under Exemption 9: voluminous or vexatious requests and Exemption 13: third party's commercial confidences.
- iv. Legal actions that the Isle of Man Government was party to as of the current date. The request was refused under Exemption 4: law enforcement and legal proceedings and Exemption 9: voluminous or vexatious requests.

General Registry

Two requests received from the Constabulary were refused as follows:

- i. A request for a copy of a report produced by the Interception of Communications Tribunal. The request was refused under Exemption 3: communications with the Royal Household and the Governor.

- ii. A request for information regarding an officer. The request was refused under Exemption 12: privacy of an individual.

Chief Secretary's Office

Two requests received were refused as follows:

- i. A private individual requested details of the Customs and Excise Agreement between the Isle of Man and the United Kingdom and details of dates, time and persons in attendance at meetings between the Isle of Man Government and the UK, and communications from the UK Government to the Isle of Man Government. The individual was provided with a web link to the existing Agreement and a web link to the revised sharing arrangements. The remaining requests were refused under Exemptions 1 and 2; security and external relations and internal discussion and advice.
- ii. A local body requested information regarding the outsourcing of public jobs within the previous 5 years and a number of related questions. The request was refused under Exemption 9: voluminous or vexatious requests.

Commentary

There were eleven refusals for the period 1st September 2008 – 31st March 2010; nine of these refusals were made in the 12 months ending 31st August 2009. This compares with six refusals for the year ending 31st August 2008 and one refusal for the year ending 31st August 2007.

A copy of the Code of Practice on Access to Government Information can be found on the Chief Secretary's Office website, at www.gov.im/cso.

REPORT OF THE CHIEF SECRETARY ON CONSULTATIONS CARRIED OUT BETWEEN GOVERNMENT DEPARTMENTS, BOARDS AND OFFICES WITH THE PUBLIC FOR THE PERIOD 1ST APRIL 2009 – 31ST MARCH 2010

Introduction

The Code of Practice on Consultation for Departments, Statutory Boards and Offices was implemented with effect from July 2008 with the authority of the Council of Ministers. Although the Code is designed for use with primary legislation, the Council of Ministers endorsed the use of the Code as a template for best practice when considering major policy decisions where consultation may be appropriate. The Code requires that Departments keep a central record of consultations held, detailing the period of consultation, method of advertisement, number and nature of the responses received and whether the consultation criteria were followed, this data is forwarded to the Chief Secretary's Office each year by way of an annual return. The data below refers to consultations started in the period 1st April 2009 to the 31 March 2010.

Mrs Mary Williams
Chief Secretary
September 2010

Summary

Returns for this period show that in total 62 consultations were conducted by Departments, Boards and Offices for the period 1st April 2009 to 31st March 2010. The numbers of consultations conducted by individual Departments, Boards and Offices are as follows:

Department/ Board/ Office	Number of Consultations	Number of Responses
Department of Agriculture, Fisheries and Forestry	9	402
Chief Secretary's Office	7	930
Communications Commission	1	22
Department of Education	2	261
Financial Supervision Commission	5	95
Gambling Supervision Commission	2	21
Department of Home Affairs	1	81
Department of Local Government and the	10	296

Environment		
Office of Fair Trading	1	8
Department of Health and Social Security	5	188
Personnel Office	2	24
Department of Tourism and Leisure	2	255
Department of Trade and Industry	2	21
Department of Transport	9	837
Treasury	4	103
Total	62	3,544

The Details and Nature of Consultations are as follows:

Department of Agriculture, Fisheries and Forestry

During the period the period 1st April 2009 to 31st March 2010 the Department had conducted a total of 9 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Convention on Biological Diversity	17 Feb 10	31 Mar 10	105	Press release
Consultation Exercise on new Fisheries legislation	19 Nov 09	08 Jan 10	124	Government & Department website, direct copies to key stakeholders, press release
Introduction of a natural control agent for Japanese knotweed: consultation document	20 Sep 09	31 Oct 09	12	Press release
Manx Hedgerow Code of Best Practice: consultation	15 Sep 09	31 Oct 09	18	Press release
Proposals on the Future of Sulby Claddagh	21 Jul 09	21 Sep 09	99	Consultation documents distributed to individuals, groups and organisations. Public notice and press releases.
Aquatic Animal Health Regulations 2009	03 Sep 09	17 Sep 09	4	Key stakeholders contacted directly by Department. Consultation document and draft regulations available on website
Port Erin "Cable Reef" Trials Proposal	10 Jun 09	17 Jul 09	37	Government & Department website, direct copies to key

				stakeholders, press release
Pig Premium Quota Scheme Amendment Consultation	01 Jun 09	17 Jun 09	1	Website and letter to individual affected and other relevant industry bodies
Amendments to the Organic Farming Scheme 2004	06 Apr 09	05 May 09	2	Public notice, Departmental newsletter.

Chief Secretary's Office

During the period 1st April 2009 to 31st March 2010, the Chief Secretary's Office conducted a total of 8 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Improving the delivery of Government services	05 Feb 10	19 Mar 10	41	Press release
Gender Recognition (Disclosure of Information) Order - draft	03 Feb 10	17 Feb 10	3	Isle of Man Government Consultations website
Council of Ministers Consultation on the Tynwald Auditor General	06 Aug 09	16 Oct 09	18	Press release, public notice, website
Council of Ministers Consultation on the Tynwald Commissioner for Administration	06 Aug 09	16 Oct 09	31	Press release, public notice, website
Public Consultation on the Constitution and Functions of Manx National Heritage	01 May 09	01 Aug 09	46	Press release, consultation document forwarded to stakeholders, website
Consultation for Public Service Pension Reform in the Isle of Man	02 Feb 09	31 Jul 09	791	Press release, consultation document forwarded to stakeholders, website
Immigration and Nationality (Fees) (Amendment) Regulations 2009	09 Apr 09 & 13 Nov 09	30 Apr 09 & 30 Nov 09	0	Chief Secretary's Office website

Communications Commission

During the period 1st April 2009 to 31st March 2010, the Communications Commission conducted one consultation:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Consultation on Proposals for a New Framework for Communications Regulation	17 Dec 09	11 Feb 10	22	News release and website

Department of Education

During the period 1st April 2009 to 31st March 2010, the Department had conducted a total of 2 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Pre-School Provision	12 Jan 10	12 Feb 10	99	Press release, direct consultation with stakeholders, website
Support for students in higher education	22 Dec 09	12 Feb 10	162	Press release, website

Financial Supervision Commission

During the period 1st April 2009 to 31st March 2010, the Commission conducted a total of 5 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Proposed Treasury Share Regulations	05 Feb 10	19 Feb 10	3	Direct consultation to those affected and stakeholders, website
Consultation on the Review of Collective Investment Schemes Legislation	22 Oct 09	18 Dec 09	15	Direct consultation to those affected and stakeholders, website
Limited Partnerships - Optional Separate Legal Personality	23 Oct 09	04 Dec 09	4	Direct consultation to those affected and stakeholders, website

Consultation on the Review of Financial Services Legislation	29 Jun 09	10 Aug 09	65	Direct consultation to those affected and stakeholders, website
Proposed Oversight of Recognised Auditors under Statutory Audit Directive (2006/43/EC)	30 Mar 99	08 May 09	8	Direct consultation to those affected and stakeholders, website

Office of Fair Trading

During the period 1st April 2009 to 31st March 2010, the Department had conducted one consultation:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Proposed inclusion of money service transmission providers into the Financial Services Ombudsman Scheme	25 Feb 10	16 Apr 10	8	Media release, OFT website, direct mailings

Gambling Supervision Commission

During the period 1st April 2009 to 31st March 2010, the Gambling Supervision Commission conducted 2 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Online Gambling Guidance Notes for the Prevention of Money Laundering and Countering of Terrorist Financing	22 Apr 09	15 May 09	9	Letters to Isle of Man licensed operators, Association of Corporate Service Providers and Isle of Man Law Society
OGRA Exclusion Regulations	14 Dec 09	28 Dec 09	12	Letters to Isle of Man licensed operators and Association of Corporate Service Providers

Department of Home Affairs

During the period 1st April 2009 to 31st March 2010, the Department had conducted one consultation:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Criminal Justice (Miscellaneous)	08 Oct 09	16 Dec 09	81	Press release, public notice, direct mailing of consultation document

Provisions) Bill to listed parties.

Department of Local Government and the Environment

During the period 1st April 2009 to 31st March 2010, the Department had conducted a total of 10 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Cool Road, Braddan - Proposed Development Order	19 Jan 10	12 Mar 10	31	Website, press release, mailing to all those who made representation
Proposed Conservation Areas within the Southern Area Plan	22 Jan 10	05 Mar 10	26	Press release, website, mailing and consultation event
Draft Southern Area Plan	23 Oct 09	29 Jan 10	168	Website, press release, mailing to all those who wrote in reply to issues and options and consultation event
Draft Planning Policy Statement - Development and Flood Risk - Guidance for the Isle of Man	23 Oct 09	29 Jan 10	11	Website, press release mailing addressing two planning policy statements and Southern Plan
Draft Planning Policy Statement - The Role of Landscape Character in Development	23 Oct 09	29 Jan 10	11	Website, press release mailing addressing two planning policy statements and Southern Plan
Housing and Local Government Bill 2009	05 Aug 09	18 Sep 09	13	Website
Housing and Local Government Bill 2009 - Amendments relevant to the Dog Act 1990	05 Aug 09	18 Sep 09	7	Website
Litter Control Notices (Amendment) Regulations 2009	11 Jun 09	31 Jul 09	8	Website, letters to relevant organisations and public premises
Natural Mineral Water, Spring Water & Bottled Water Regulations 2009	06 Apr 09	15 May 09	2	Website, press release, letters
Proposed Amendments to the Building Control Act 1991	23 Feb 09	30 Apr 09	19	Press release, website and mailing to 300 companies and individuals

Department of Health and Social Security

During the period 1st April 2009 to 31st March 2010, the Department had conducted a total of 5

consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
A Consultation Paper on the Social Services Bill 2009	07 Aug 10	31 Dec 09	30	News release, website, mailing to relevant parties
Health and Social Care in the Isle of Man: Your Opportunity to Influence Future Policy	11 May 09	31 Jul 09	59	News release, website, mailing to relevant parties
A Strategy for the Future of Health Services in the Isle of Man	25 Feb 09	30 Jun 09	61	News release, website and conference, direct mailing to local authorities and libraries
Reforming Family Income Supplement	25 Feb 09	09 Apr 09	20	News release
Reforming Income Support	25 Feb 09	09 Apr 09	18	News release

Personnel Office

During the period 1st April 2009 to 31st March 2010, the Personnel Office conducted a total of 2 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Public Sector Pensions Bill.	30 Nov 09	31 Jan 10	22	Website
Principal Civil Service Pension Scheme – Section IV	28 Sep 09	23 Oct 09	2	Website

Department of Tourism and Leisure

During the period 1st April 2009 to 31st March 2010, the Department had conducted a total of 2 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Bus Network Review	01 Feb 10	12 Mar 10	196	Press release, website, direct contact to key stakeholders
Proposed Amendment to the	19 Nov 09	31 Dec 09	59	Press release, website, direct contact to key stakeholders

Road Races Act 1982 to enable closed road events				
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Department of Trade and Industry

During the period 1st April 2009 to 31st March 2010, the Department had conducted a total of 2 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Merchant Shipping (Fees) Regulations	13 Nov 09	24 Dec 09	6	Direct e-mail circulation and website
Electricity (Amendment) Bill 2009	14 Sep 09	31 Oct 09	15	Website and direct contact with key stakeholders

Department of Transport

During the period ended 31 March 2010, the Department had conducted a total of 6 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Pedal Cycle Regulations	22 Feb 10	06 Apr 10	28	Consultation document sent to all stakeholders, press release
Highway Diversion (IOM Airport Malew) Order	11 Feb 10	11 Mar 10	0	Advertised in local newspapers and proposed Order and map available for inspection at Department and relevant local authorities.
Highway Diversion (Breeze Hill, Laxey) Order 2010	29 Jan 10	25 Feb 10	2	Advertised in local newspapers and proposed Order and map available for inspection at Department and relevant local authority
Proposed Sewerage (Amendment) Bill	01 Sep 09	04 Dec 09	12	Consultation document sent to all stakeholders, press release
Marina for Ramsey Inner Harbour	31 May 09	24 Nov 09	641	Website and three public seminars; all day 22 nd and 23 rd September 2009 and the morning on 17 th October 2009
Highway Closure Orders for Lezayre Estate and Gladstone Avenue Ramsey	14 Sep 09	12 Oct 09	0	Advertised in local newspapers and proposed Order and map available for inspection at Department and relevant local authority
Consultation on proposed Flood Risk Management Act	20 Jul 09	04 Sep 09	30	Consultation document sent to all stakeholders, press release
Annual certification of medium-sized goods vehicles	20 Apr 09	03 Jun 09	21	Consultation document sent to all stakeholders, press release

Proposed Legislative Changes - affecting the Islands Taxi Services	06 Apr 09	22 May 09	103	Advertisement in local newspapers and website
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Treasury

During the period 1st April 2009 to 31st March 2010, the Treasury conducted a total of 4 consultations:

Subject of Consultation	Start Date	End Date	Responses Received	Advertisement method
Reviewing the IOM's business taxation system	25 Feb 10	28 May 10	54	Website, e-mails to relevant parties
Financial Provisions Bill 2010	23 Dec 09	15 Feb 10	15	Website, e-mails to relevant parties
Taxation of Investment Products	02 Dec 09	29 Jan 10	18	Website, e-mails to relevant parties
Depositors' Compensation Scheme Consultation	11 Sep 09	23 Oct 09	16	Website and targeted mailing



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