



DETAILED GOVERNMENT ACCOUNTS 2015/16

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**Isle of Man
Government**

Reillys Ellan Vannin



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DETAILED ACCOUNTS

For the Year Ended 31st March 2016

LAI D BEFORE TYNWALD BY THE TREASURY

CONTENTS

1.	Introduction	3
2.	Financial Highlights	4
3.	Accounting Policies	8
4.	General Revenue Account	11
5.	Accounts of the Consolidated Loans Fund	19
6.	Detail by Departments, Boards and Offices	29
7.	Externally Managed Invested Funds	59
8.	Internal Revenue Funds and Reserves	75
9.	Third Party Funds	91
10.	Collection Accounts	94
11.	Additional Information	95
12.	Appendix A. Index of Abbreviations	97



1. Introduction

This book is the unaudited detailed Government accounts for the year ended 31 March 2016 (also referred to as the "Light Blue Book").

The revision of the 'Pink Book' (the Budget) in 2016 was the first step in a programme of work reviewing Government's Financial Management and reporting to provide greater linkage between the financial planning, budgeting processes and our financial reporting. This Light Blue Book has been reconfigured to be more closely linked with the 2016/17 Pink Book to aid transparency and understanding of the year's financial transactions and the year-end financial position.

Notably, in common with the Pink Book, new sections have been added for each of the Departments of Government, with a narrative to help with the interpretation of the financial information provided. These sections provide commentary on material variances from the budget, for both revenue and capital spend.

The information in this book supports Government's Statutory Accounts (the "Dark Blue Book") which are audited and then normally published in October following the first Tynwald sitting of the new parliamentary year. Following the audit process, in the event that any material issues are identified as part of the audit, consideration will be given as to whether it is necessary to re-publish these detailed accounts.

The information in this book is supplemented by more detailed information which is available on Government's website:

<http://financereports.gov.im/>

1.1. Government Restructuring

In April 2015 some changes of responsibility took place for some Government functions. Key changes were:

1. The Welcome Centre transferred from the Department of Economic Development to the Cabinet Office.
2. The registries (land, civil etc.) transferred from General Registry (within Executive Government) to the Department of Economic Development.
3. Planning & Building Control transferred from the Department of Infrastructure to the Department of Environment, Food and Agriculture.
4. The Housing Division of the Department of Health and Social Care transferred to the Department of Infrastructure.
5. The Legal Aid section of General Registry (within Executive Government) transferred to Treasury

These changes took effect from 1 April 2015 and are reflected in these accounts, with comparative amounts from 2014-15 being restated as appropriate.

Additionally, during the year the Financial Supervision Commission merged with the Insurance and Pensions Authority and the joint agency is now named the Financial Services Authority. The accounts have been prepared under this new structure with the budgets and actual spend being merged into the single entity.

1.2. Rounding and Zero Amounts

These Accounts are prepared using figures extracted from the Government's financial systems which are rounded to the nearest penny, but presented in these Accounts in rounded thousands of pounds which may cause some totals to appear not to add up.

Whilst in general zero amounts are displayed as a dash -, some zeroes are displayed as 0 as the amounts in those accounts are less than £500. Therefore they are not zero but are not large enough to appear as 1.



2. Financial Highlights

2.1. Government Revenue

GOVERNMENT REVENUE SUMMARY				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
(934,183)	Income	(936,672)	(959,409)	22,737
940,448	Expenditure	934,670	937,539	(2,869)
6,265	(Surplus)/Deficit	(2,002)	(21,871)	19,869
(11,000)	Transfers from Reserves	-	-	
500	Transfers to Reserves	2,000	2,000	
(41,281)	Balance brought forward	(33,610)	(45,517)	11,906
(45,517)	Balance carried forward	(33,613)	(65,387)	31,775

Overall, Government's position for 2015/16 was better than budget due to the settlement of the VAT revenue sharing arrangement in March 2016 which provided an additional £21.5 million of income for the year.

GOVERNMENT SPEND BY DEPARTMENT						
Net Actual 2014-15 £000		Revised Budget 2015-16 £000	Actual 2015-16			
			Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
	Treasury Income					
(319,700)	Customs and Excise	(324,800)	-	(355,005)	(355,005)	30,205
(203,045)	Income and Other Taxes	(210,800)	-	(199,522)	(199,522)	(11,278)
(11,601)	Other Treasury Receipts	(11,645)	-	(10,626)	(10,626)	(1,019)
(199,323)	Social Security	(196,870)		(202,229)	(202,229)	5,359
(733,669)	Sub-total -Treasury Income	(744,115)	-	(767,382)	(767,382)	23,266
	Government Departments					
26,069	Cabinet Office	25,654	27,366	(1,835)	25,531	122
431	Economic Development	2,821	30,923	(29,718)	1,205	1,616
89,634	Education & Children	90,518	94,264	(3,851)	90,414	104
13,672	Environment, Food & Agriculture	13,924	16,617	(3,040)	13,578	346
184,112	Health & Social Care	183,663	244,455	(50,849)	193,606	(9,943)
28,343	Home Affairs	27,946	28,900	(974)	27,927	19
47,087	Infrastructure	45,934	99,487	(53,575)	45,912	22
305,389	Treasury	305,658	302,599	(496)	302,103	3,555
694,738		696,116	844,611	(144,336)	700,275	(4,159)
	Other Bodies					
38,177	Executive Government	39,449	76,981	(38,778)	38,204	1,245
3,765	Manx Museum and National Trust	3,953	4,786	(853)	3,933	21
79	Road Transport Licensing Committee	105	131	(47)	84	21
(1,530)	Statutory Boards (Revenue Funded)	(1,667)	7,108	(7,945)	(837)	(829)
4,705	Legislature (Parliament)	4,156	3,922	(68)	3,853	303
739,934	Sub-total - Voted Services	742,113	937,539	(192,028)	745,511	(3,398)
6,265	(Surplus)/Deficit	(2,002)	937,539	(959,409)	(21,871)	19,869

The Department of Health and Social Care was £9.9 million overspent and received a supplementary vote from Tynwald in June 2016. Further commentary on variances is provided later in the Departmental narrative sections.



2.2. Government Capital

GOVERNMENT CAPITAL SUMMARY				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
(43,250)	Receipts	(50,838)	(53,910)	3,072
49,464	Payments	78,030	51,591	26,438
6,214	(Surplus)/Deficit	27,192	(2,319)	29,510
(50,623)	Balance brought forward	(35,380)	(44,409)	9,029
(44,409)	Balance carried forward	(8,188)	(46,728)	38,540

Total capital spending during the year was £51.6 million versus a budget of £78.0 million (including £1 million for Treasury's capital project contingency).

The main schemes lagging behind budget for 2015-16 were Douglas Promenade, Douglas Railway Station Structural Works and the new IT System for Companies Registry (now within the Department of Economic Development).

SUMMARY OF CAPITAL SPENDING BY DEPARTMENT						
Actual 2014-15 £000		Budget 2015-16			Actual 2015-16 £000	Variance 2015-16 £000
		Original £000	Transfers £000	Revised £000		
-	Cabinet Office	-	-	-	-	-
200	Economic Development	2,288	1,060	3,348	406	2,942
7,184	Education and Children	8,515	-	8,515	6,464	2,050
2,511	Environment, Food & Agriculture	1,506	-	1,506	1,421	85
5,718	Health and Social Care	16,325	(5,915)	10,410	8,083	2,327
5,060	Home Affairs	5,229	-	5,229	5,400	(171)
12,209	Infrastructure	18,140	695	18,835	11,454	7,381
4,975	Housing Reserve Fund		5,540	5,540	5,550	(10)
10	Treasury	1,000	670	1,670	122	1,548
-	General Registry	2,050	(2,050)	-	-	-
563	Manx Museum and National Trust	680	-	680	547	133
-	Expenses of the Legislature	-	-	-	-	-
	<u>Borrowing Authorities</u>					
11,034	Manx Utilities Authority	22,297	-	22,297	12,144	10,153
49,464		78,030	-	78,030	51,591	26,438

The largest single scheme in the year was the Manx Utility Authority's Regional Sewerage Strategy Phase 1 with spend of £6.7 million against a budget of £12.7 million.

In central Government, the largest scheme was the Henry Bloom Noble School with spend of £5.6 million against a budget for the year of £6.4 million.

Further commentary on variances is provided later in the Departmental narrative sections.



2.3. Reserves Summary

SUMMARY OF RESERVES							
Invested Fund	Book Value Balances B/Fwd At 1 Apr 15 £000	INCOME			EXPENDITURE		Book Value Balances C/Fwd At 31 Mar 16 £000
		Transfers To/From Operating Account £000	Contributions Seizures & Other £000	Realised Investment Income £000	Transfers To Rev/Capital Accounts £000	Other Expenses £000	
Managed External Invested Funds							
Hospital Estate Development Fund	42,428	-	-	1,028	-	3,211	40,245
Manx Currency Account - Notes	32,839	-	1,750	(543)	459	594	32,992
Media Development Fund	33,557	-	-	(8,817)	9,562	374	14,805
National Insurance Fund - Investment A/c	682,030	-	-	56,897	14,000	1,645	723,282
Public Service Employees Pension Reserve	200,147	-	-	17,692	42,000	327	175,512
Reserve Fund	295,666	-	-	21,497	6,380	593	310,191
MUA Bond Repayment Fund	-	-	44,260	723	-	46	44,937
Total - External Funds	1,286,665	-	46,010	88,478	72,401	6,789	1,341,963
Internal Funds							
Agricultural Development Fund	3,916	-	-	15	-	847	3,084
Economic Development Fund	9,223	-	-	82	-	100	9,205
Government Energy Initiatives Capital Fund	2,129	-	73	9	-	359	1,852
Government Marketing Initiatives Fund	4,321	-	-	15	-	1,179	3,158
Health Inspection Fund	2,107	-	2,641	12	-	598	4,162
Housing Reserve Fund	13,995	-	2,689	48	-	7,494	9,237
ICT Fund	6,015	-	609	20	-	3,119	3,524
Insurance Fund	0	-	-	-	-	0	(0)
Land & Property Acquisition Reserve	2,525	-	-	11	-	-	2,536
Legal Costs Reserve	6,618	-	-	22	-	2,883	3,757
Medical Indemnity Fund	5,361	-	-	20	-	983	4,399
Restructuring Fund	4,697	-	-	17	-	1,493	3,221
Seized Assets Fund	3,609	-	220	14	-	465	3,378
Town & Village Centre Regen. Fund	6,720	-	-	21	-	3,648	3,092
Total: Internal Funds	71,238	-	6,232	305	-	23,170	54,605
<i>Manx Currency Account - Other</i>	46,845	-	-	1,680	-	-	48,525
<i>Media Development Fund</i>	539	9,562	-	38	-	-	10,139
<i>Public Service Employees Pension Reserve</i>	784	42,000	-	53	30,728	-	12,108
Total: Internal Element of External Funds	48,168	51,562	-	1,771	30,728	-	70,773
TOTAL	1,406,071	51,562	52,241	90,554	103,129	29,958	1,467,341
Note - Total for the Funds which have an internal and an external element							
Manx Currency Account	79,683	-	1,750	1,138	459	594	81,517
Media Development Fund	34,096	9,562	-	(8,779)	9,562	374	24,944
Public Service Employees Pension Reserve	200,931	42,000	-	17,745	72,728	327	187,621

Note: The above figures exclude the General Revenue Temporary Loans Account

Withdrawals from the externally managed funds totalled £72.4 million, as laid out above (2014-15 £64.5 million).

The planned transfer of £42 million from the Public Service Employees Pension Reserve took place earlier than normal due to the transition to new investment managers in the fourth quarter of the year. By year-end it was clear that the full amount was not required to meet pension expenditure and the balance of £12 million has been reinvested in the early part of 2016-17.

During the year investments in the Media Development Fund were written down by £8.82 million to better reflect the current value of those investments. This updates the valuation of the investments that was undertaken in 2011.

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. During 2015-16 there were negative investment returns over the year on the absolute return funds amounting to approximately £9 million.

The market values of the funds are presented later in the document.



2.4. Balance Sheet

SUMMARY OF BALANCES			
	Actual 31 Mar 15 £000	Actual 31 Mar 16 £000	Movement £000
ASSETS			
Loan Schemes	4,372	3,936	-436
Capital Advances	1,070,326	1,076,710	6,384
Investments	1,042,830	888,860	-153,970
Cash and Bank Balances	573,122	808,938	235,816
Debtors	23,838	20,943	-2,895
Stock	3,323	3,606	283
Amounts Due From UK HMRC	6,137	15,760	9,623
Total Assets	2,723,949	2,818,753	94,805
LIABILITIES			
Loans in respect of bond issue	260,000	260,000	0
External Investments	1,260,262	1,334,799	74,537
Internal Funds	71,238	54,605	-16,633
Capital Fund	859,107	867,374	8,267
Net General Revenue Account	45,517	65,387	19,871
Creditors	31,929	32,798	869
Third Party Funds	8,294	7,831	-462
NI operating Account	-736	4,105	4,841
Cash due to Bankers	113,767	113,917	150
Currency in Circulation	74,571	77,937	3,366
Total Liabilities	2,723,949	2,818,753	94,805



3. Accounting Policies

a. General Principles

The general principles adopted in compiling the accounts and the presentation of the accounts are those recommended in accounting standards issued by the Financial Reporting Council, to the extent it is considered to be appropriate for a National Government and where this basis is consistent with the budget prepared prior to the start of the year in order that meaningful comparison with budgeted amounts can be made. The main differences between these Accounts and the Financial Reporting Standards (FRS) are that fixed assets are expensed on acquisition, pension commitments are not accrued for and investments are stated at book cost, not market value. These differences are adjusted for in the Audited Accounts so that they are compliant with the relevant Financial Reporting Standard, FRS 102.

b. Accounting Basis

These Accounts are prepared in accordance with the requirements of the Accounts and Audit Regulations 2013, on an income and expenditure basis under the historical cost convention. These Accounts do not fully comply with the requirements of the Audit Act 2006 and associated Accounts and Audit Regulations in order to show detailed comparisons to budgeted amounts. Audited Accounts are prepared in compliance with the Audit Act 2006 and published after these detailed Accounts.

c. Post Year End Expenditure

The responsibilities of Government are such that significant areas of new expenditure are frequently identified, although the actual expenditure is subject to approval by Tynwald. No attempt has been made to disclose or account for material items of new expenditure which arise in the period between the year end and the date of issuing the Accounts and which relate to circumstances in existence at the year end. Such items are accounted for in the year in which the budget is approved.

d. Basis of Inclusion of Debtors and Creditors

Material amounts outstanding at the year-end in respect of income due but not received or expenditure committed but not paid are accrued, and are reflected respectively in Income and Expenditure and in the Debtors and Creditors appearing in the Balances Sheet.

The following items are not treated on an accruals accounting basis -

- Payroll costs, pensions and benefits, which are included in the Accounts on the basis of the number of complete pay periods which fall within the financial year;
- Receipts from externally managed investments, direct taxation and indirect taxation; and
- Capital transactions.

e. Contingent Assets

These include amounts advanced in respect of loans and grants which are repayable in certain circumstances but for which the timing or amount are uncertain. The payment of the loan or grant is expensed when made with any repayment only being recognised when received.

f. Contingent Liabilities

These include threatened or pending legal actions outstanding against the Isle of Man Government or guarantees offered to third parties. As the likelihood of these actions giving rise to material liabilities is considered remote, no provision for these claims has been made in these Accounts. No provision is made for committed Capital Expenditure where contracts have been signed. (Specific guarantees or potential liabilities are referred to in the notes to the Audited Accounts).

**g. Consolidated Loans Fund**

Capital payments having Loan Sanctions are financed by Advances from the Consolidated Loans Fund, in accordance with the Isle of Man Loans Act 1974. The following is a guide to the financing or repayment periods:

	Years
Land & new buildings (according to type)	30 – 60
Highways, sewers, sewerage & other infrastructure	30 – 50
Plant and equipment	10 – 20
Commercial vehicles	5 – 10
Loans Schemes (e.g. Housing, Tourism, Agriculture, Fishing etc.)	The actual principal repaid by Borrowers

h. Capital Receipts

The proceeds arising from the approved sale of fixed assets are applied to repay any Consolidated Loans Fund Advance outstanding in respect of the asset sold. Any residue is then applied to repay Advances outstanding in respect of the Board or Department responsible for the asset sold.

i. Fixed Assets – Depreciation

Expenditure on the acquisition of a tangible asset, or expenditure which adds to, and not merely maintains the value of an existing asset, is capitalised and is classified as a fixed asset through the Consolidated Loans Fund balances, provided that the fixed asset yields benefit to Government and the services it provides for a period of more than one year. Only major expenditure in relation to the size and nature of the spending Department is capitalised in this manner. In view of the basis of capital financing as described above, fixed assets are recorded at cost with annual loan charges charged to General Revenue defraying the cost of acquisition over the estimated life of the asset in a similar manner to depreciation.

j. Foreign Currency

All transactions denominated in foreign currencies are translated into Sterling at the rates of exchange ruling on the dates of the transactions. Foreign currency balances are translated into Sterling at the rates of exchange ruling at the financial year end.

k. Investments

Investments held are stated at cost less any provision for permanent diminution in value. The market value of listed investments comprises mid-market prices; the market value of unlisted investments is determined by Treasury's Investment Managers. Investment income received by the Treasury's Investment Managers is included in the year that the transaction occurs. Investment interest collected by the Treasury is recognised on a time proportion basis in the year that it is earned.

l. Leasing

Government has acquired a variety of assets ranging from vehicles to computer equipment by means of finance leases; these transfer the risks and rewards of ownership without transferring title to the assets. The associated rentals are charged to the Revenue Account of the spending Board or Department concerned. Material finance leases relating to assets valued in excess of £2.0 million are disclosed within the Notes to the Audited Accounts.



m. Government Wholly Owned Companies

The Isle of Man Government holds all the shares in the following six companies, the accounts of which have not been consolidated with Government's Accounts except in respect of certain Capital and General Revenue Account transactions:

- Isle of Man Film Limited;
- Isle of Man Film (DOI) Limited. (a wholly-owned subsidiary of Isle of Man Film Limited);
- Isle of Man National Transport Limited;
- Isle of Man Limited (a Company incorporated in the United Kingdom);
- Laxey Glen Mills Limited; and
- Radio Manx Limited.

The Accounts of all six Companies above are laid before Tynwald annually and will be consolidated within Government's Audited Accounts.

n. Statutory Boards of Tynwald

The Accounts of the Statutory Boards funded from General Revenue Account are as described on the General Revenue Account shown in this Section. The Accounts of the following two Statutory Boards which are not funded from General Revenue Account have not been consolidated in these Accounts except in respect of certain Capital and General Revenue Account transactions:

- (i) The Manx Utilities Authority; and
- (ii) The Isle of Man Post Office.

The Accounts of those Authorities are required to be laid before Tynwald annually and will be consolidated within Government's Audited Accounts.

o. Current Assets

All current assets are stated at the lower of cost and net realisable value.

p. Value Added Tax

Isle of Man Government is registered for the purposes of Value Added Tax ("VAT") and all transactions are recorded net of any VAT recoverable on inputs or due on outputs.

q. Pensions

Isle of Man Government employees participate in 8 different pension schemes (2014:13). These are all unfunded schemes which are regulated by the terms of each individual scheme. The net costs of pensions and other retirement benefits, after allowing for contributions where appropriate from employees, are met from the Revenue Votes of Executive Government on a pay-as-you-go basis. Each year from the 1st April 1996 there is an additional annual charge or credit to Executive Government to reflect the actual annual cost of these schemes and this amount is disclosed in the Additional Information section.



4. General Revenue Account

4.1. Net General Revenue Account

NET GENERAL REVENUE ACCOUNT				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
6,265	(Surplus)/deficit for the year	(2,002)	(21,871)	19,869
(11,000)	Transfers from: Reserve Fund	-	-	-
(4,735)		(2,002)	(21,871)	19,869
500	Transfers to: ICT Fund	-	-	-
-	Health Inspection Fund	2,000	2,000	-
500		2,000	2,000	-
(4,235)	Net Movement for Year	(2)	(19,871)	19,869
(41,281)	Balance at 1st April	(33,610)	(45,517)	11,906
(45,517)	Balance at 31 March	(33,613)	(65,387)	31,775

The actual balance brought forward at 1 April 2015 of £45.5 million was £7.7 million more than the "Probable" shown at the Budget in February 2015.

In the 2015-16 Budget it was originally envisaged that the General Revenue Account would produce a surplus for the year of £2 million. However the surplus for the year was actually £21.9 million, largely due to the additional income received in respect of the VAT agreement.

The surplus for the year increased the balance brought forward, resulting in a carried forward balance on Net General Revenue Account as at 31 March 2016 of £65.4 million.

BALANCE ON NGRA REPRESENTED BY:			
	Actual 31 Mar 15 £000	Actual 31 Mar 16 £000	Movement £000
Imprest Advances	(58)	(52)	6
Monies at Call or Short Notice	(237,974)	(260,529)	(22,555)
Stock & Debtors	(33,299)	(40,310)	(7,011)
	(271,331)	(300,891)	(29,560)
Balance due to Bankers	113,767	113,917	150
N.I. Operating Account	(736)	4,105	4,841
Reserve Funds	72,561	76,852	4,292
Creditors	31,929	32,798	869
Third Party Funds	8,294	7,831	(462)
	225,814	235,503	9,689
Balance at 31 March	(45,517)	(65,387)	(19,871)



4.2. Revenue Budget by Department

During the year a number of functions were transferred between Government bodies with their corresponding budget. Additionally, at year-end Treasury approved some expenditure from the Contingency Budget and these amounts were transferred from the Treasury budget into the Departments. The revised budgets for each Department are as follows:

RECONCILIATION OF BUDGETS					
	Original Budget 2015-16 £000	Inter-Dept. Transfers 2015-16 £000	Transfer from Contingency 2015-16 £000	Revised Budget 2015-16 £000	Notes
Treasury Income					
Customs and Excise	(324,800)	-	-	(324,800)	
Income and Other Taxes	(210,800)	-	-	(210,800)	
Other Treasury Receipts	(11,645)	-	-	(11,645)	
Social Security	(196,870)	-	-	(196,870)	
Total Income	(744,115)	-	-	(744,115)	
Government Departments					
Cabinet Office	25,262	392	-	25,654	1
Economic Development	5,035	(2,214)	-	2,821	1,2
Education & Children	90,518	-	-	90,518	
Environment, Food & Agriculture	13,634	290	-	13,924	3
Health & Social Care	181,010	362	2,291	183,663	4,7,8
Home Affairs	27,733	-	213	27,946	9
Infrastructure	45,939	(642)	637	45,934	3,4,6,10,11
Treasury (Gross Expenditure)	306,512	2,363	(3,217)	305,658	5
Other Bodies					
Executive Government	39,913	(541)	77	39,449	2,5,12,13
Manx National Heritage	3,963	(10)	-	3,953	6
Road Transport Licensing Comm.	105	-	-	105	
Statutory Boards (Rev. Funded)	(1,667)	-	-	(1,667)	
Expenses of the Legislature	4,156	-	-	4,156	
Total Expenditure	742,113	-	-	742,113	
(Surplus)/Deficit	(2,002)	-	-	(2,002)	

Notes:

Transfers of functions between Departments:

1. £392k The Welcome Centre transferred from DED to the Cabinet Office
2. £1822k The Registries transferred from General Registry (within Exec Govt.) to DED
3. £290k Planning & Building Control transferred from DOI to DEFA
4. £362k The Housing Division of DHSC transferred to DOI
5. £2,363k The Legal Aid section of General Registry transferred to Treasury
6. £10k A budget for vehicle maintenance was transferred from Manx National Heritage to DOI

Approvals by Treasury for use of the Contingency Budget:

7. £1,642k DHSC - two year pay award arrears for staff on Manx Pay Terms & Conditions
8. £649k DHSC - Civil Service pay award
9. £213k DHA - pay awards for Civil Service & Fire & Rescue Service
10. £175k DOI - Flood damage expenditure
11. £462k DOI - Civil Service pay award
12. £9k Industrial Relations Office – re-grade of post
13. £68k Attorney General's Chambers - Legislative drafting and Civil Service pay award



4.3. Revenue Budget by Type

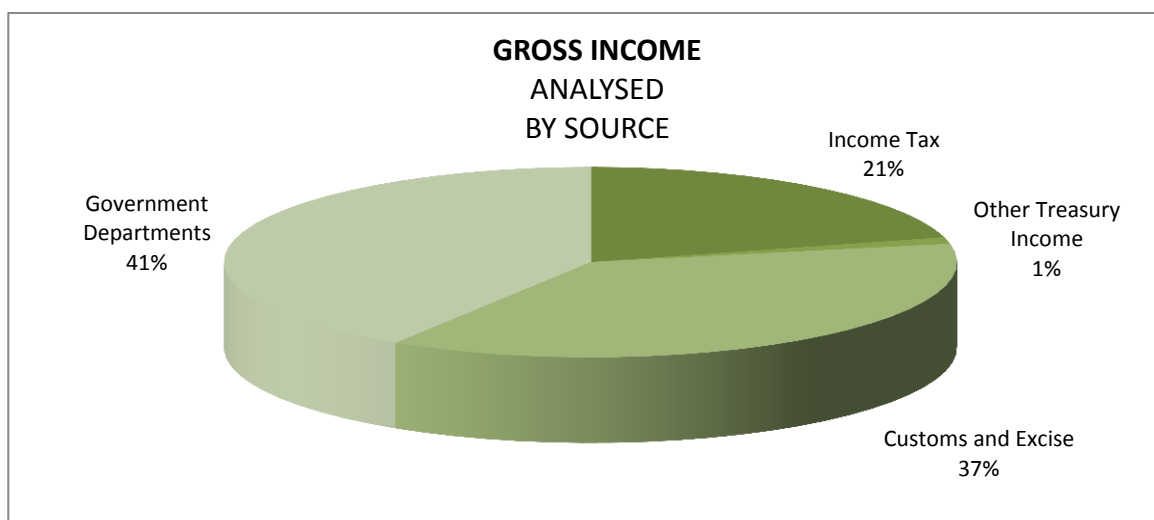
In addition to transfers between Departments, a number of budget transfers took place between types of expense, as follows:

RECONCILIATION OF BUDGETS BY TYPE				
	Original Budget 2015-16 £000	Virements 2015-16 £000	Transfer from Contingency 2015-16 £000	Revised Budget 2015-16 £000
Income	(946,376)	9,704		(936,672)
Employee Costs	307,818	2,075	3,042	312,935
Infrastructure Costs	46,980	(5,853)	-	41,127
Transport Costs	9,310	(308)	-	9,003
Supplies & Services	160,938	(735)	-	160,204
Loan Charges	31,514	-	-	31,514
Other	387,813	(4,885)	(3,042)	379,887
Total Budget	(2,002)	-	-	(2,002)



4.4. **Income**

BREAKDOWN OF INCOME BY TYPE				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	TAXATION INCOME			
(203,060)	Income Tax	(210,800)	(199,524)	(11,276)
(178,753)	Social Security	(183,299)	(188,157)	4,858
(31,258)	Duties In Common With The UK	(70,500)	(31,221)	(39,279)
(278,223)	Consumer Taxes/Customs Receipts	(245,800)	(314,260)	68,460
(9,674)	Isle Of Man Duties	(8,050)	(9,112)	1,062
(56,329)	Other Taxation Income	(57,391)	(56,755)	(636)
(36,596)	Pensions	(36,500)	(36,418)	(82)
(793,893)		(812,340)	(835,447)	23,106
	THIRD PARTY CONTRIBUTIONS			
(5,804)	Reimbursements	(3,936)	(3,825)	(112)
(5,804)		(3,936)	(3,825)	(112)
	OPERATING INCOME			
(7,195)	Sale Of Goods	(3,546)	(3,957)	411
(44,129)	Sales Of Services	(40,343)	(38,611)	(1,732)
(16,673)	Rental Income	(16,900)	(17,064)	164
(26,686)	Fees Levies And Charges	(27,243)	(27,329)	85
(94,684)		(88,033)	(86,960)	(1,072)
	GRANT INCOME			
(1,868)	Grant Income	(2,044)	(2,041)	(2)
(1,868)		(2,044)	(2,041)	(2)
	OTHER NON TRADING INCOME			
(37,934)	Other Non-Trading Income	(30,319)	(31,136)	817
(37,934)		(30,319)	(31,136)	817
(934,183)	TOTAL INCOME	(936,672)	(959,409)	22,737





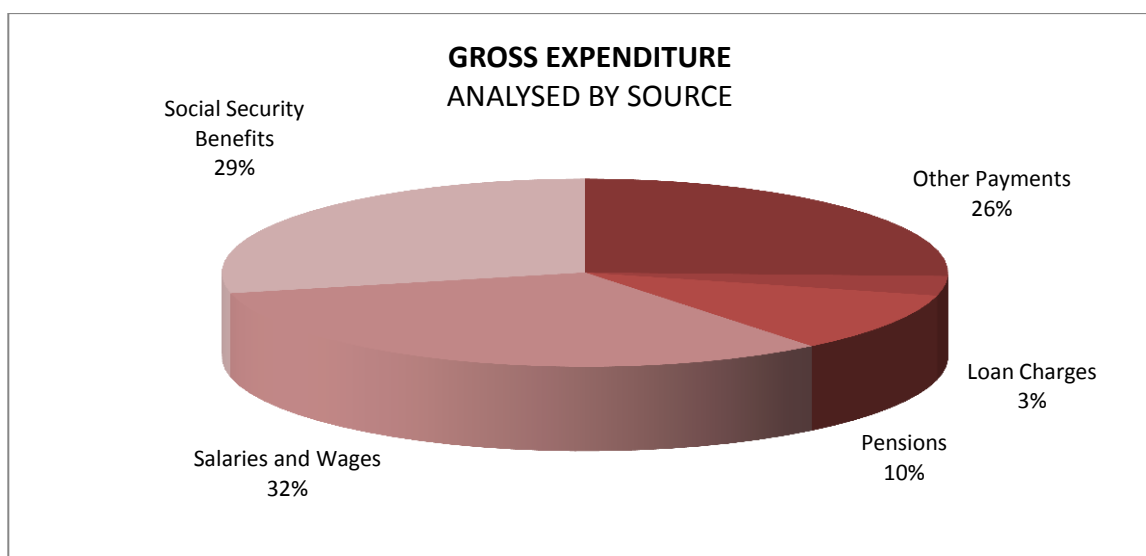
4.5. Expenditure

BREAKDOWN OF SPEND BY TYPE				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	EMPLOYEE COSTS (Excl. Pensions)			
300,133	Wages And Salaries	302,736	301,598	1,138
1,698	Employee Transport And Subsistence	2,109	1,895	214
1,842	Training	2,582	2,136	446
40	Other Staff Costs	50	39	12
1,002	Recruitment Costs	993	1,196	(203)
56	Severance Payments	-	-	-
2,164	Expenses	1,076	797	278
9,929	Agency Staff	3,389	15,981	(12,592)
316,865		312,935	323,643	(10,708)
	INFRASTRUCTURE EXPENSES			
6,496	Structures	8,818	10,623	(1,805)
411	Grounds	644	468	175
3,864	Road Runways And Landscaping	532	1,276	(744)
6,877	Energy Costs	8,721	8,357	364
6,273	Rent Rates And Water Charges	6,319	6,949	(629)
271	Fixtures And Fittings	266	259	6
11,772	Cleaning And Waste Disposal	12,222	12,294	(72)
0	Property Insurance	-	0	(0)
4,266	Other Premises Expenses	3,606	3,576	30
40,229		41,127	43,802	(2,675)
	TRANSPORT EXPENSES			
(47)	Vehicle Purchase	15	47	(32)
1,057	Vehicle Repairs And Maintenance	1,775	1,153	622
2,687	Vehicle Running Costs	2,745	2,564	181
512	Contract Hire And Operating Leases	583	390	193
4,634	Public Transport Costs	3,693	4,769	(1,076)
-	Transport - Insurance	-	6	(6)
175	Transport - Carriage	192	206	(15)
9,018		9,003	9,135	(132)
	SUPPLIES AND SERVICES			
7,581	Equipment	8,772	8,456	316
306	Furniture	236	286	(50)
38,436	Materials	23,144	28,212	(5,068)
3,133	Printing, Stationery & Gen. Office Expenses	3,642	3,433	210
2,442	Advertising Publicity Marketing	2,404	2,714	(309)
21,797	Services	19,622	25,047	(5,425)
18,670	Communications And Computing	14,196	17,711	(3,515)
9,223	Expenses	13,272	5,944	7,328
(3,935)	Other Reimbursements of Costs	(5,398)	(3,327)	(2,071)
97,653		79,890	88,474	(8,584)
463,764	Sub-Total Carried Forward	442,955	465,054	(22,098)



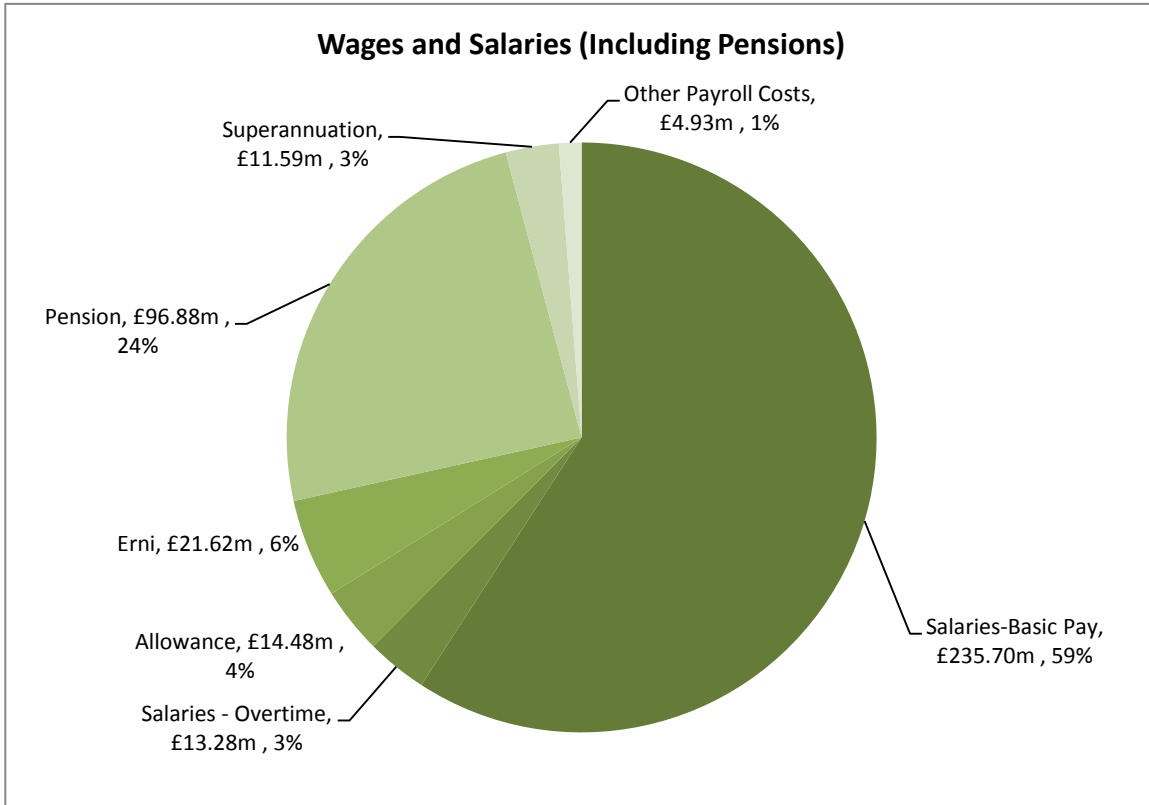
Expenditure (Continued)

BREAKDOWN OF SPEND BY TYPE (Continued)				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
463,764	GROSS EXPENDITURE (continued) Brought forward	442,955	465,054	(22,098)
	AGENCY AND CONTRACTED SERVICES			
2,941	Contribution To UK Government	2,952	2,982	(30)
177	Contribution To Local Authorities	1,138	2,488	(1,350)
356	Contribution To Departments	509	402	107
70,304	Medical And Care Services	75,714	71,565	4,150
73,778		80,313	77,437	2,876
	TRANSFER PAYMENTS			
36,689	Grants And Subsidies	36,216	35,157	1,058
1,322	Compensation Payments	207	340	(133)
274,069	Social Security Clients	275,985	274,850	1,135
26,677	Loan Charges	31,514	31,376	139
1,950	Other Costs	596	1,007	(411)
2,417	Aid Payments	2,400	2,323	77
3,169	Legal Aid Schemes	2,205	3,173	(968)
(39,208)	Reimbursements From Internal Funds	(4,981)	(50,062)	45,081
307,083		344,143	298,163	45,979
	OTHER COSTS			
95,822	Pensions Expenditure	67,258	96,885	(29,626)
940,448	Total Expenditure	934,670	937,539	(2,869)

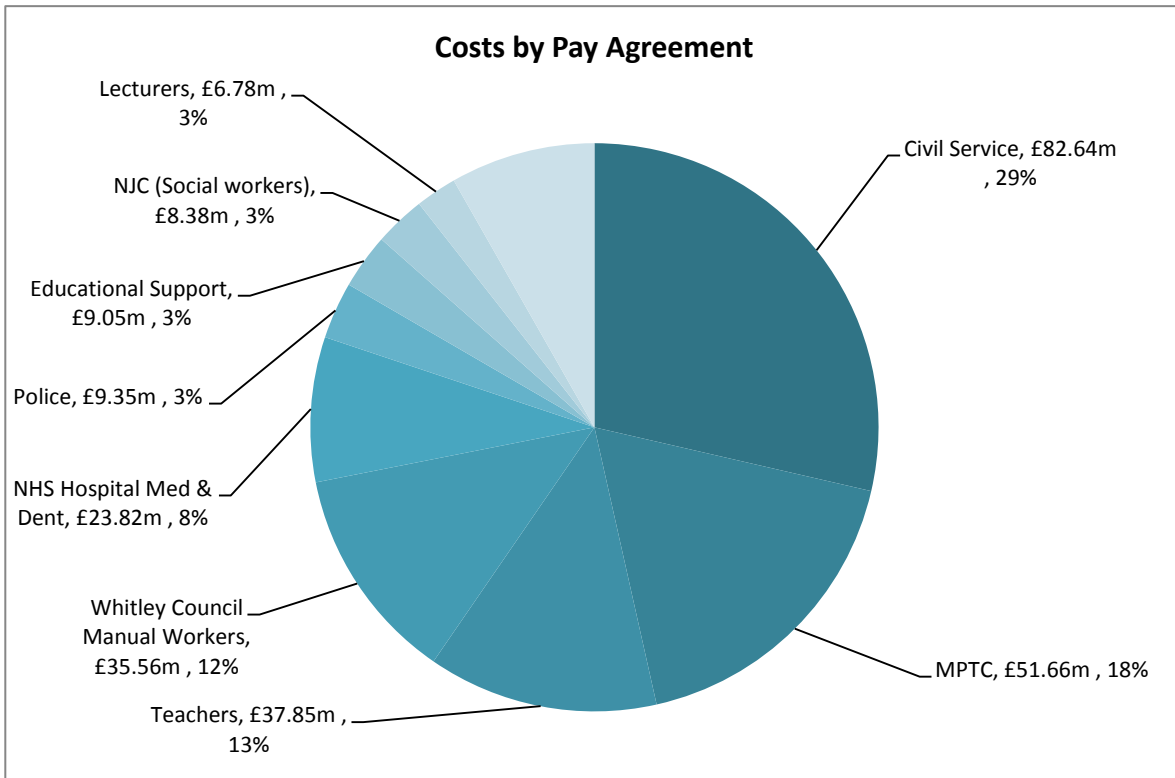




4.6. Pay Analysis



Note: Other Payroll Costs include £3.9 million of pay arrears



Note: Costs by Pay Agreement exclude Pensions and certain other costs which are not analysed by Pay Agreement



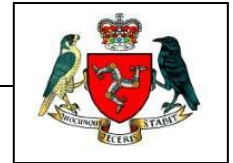
(Detailed Government Accounts continued on next page)



5. Accounts of the Consolidated Loans Fund

5.1. Capital Transactions Account

CAPITAL TRANSACTIONS ACCOUNT				
	Actual	Actual 2015-16		
	2014-15 £000	Advances £000	Repaid £000	Net £000
Balance brought forward at 1 April	(50,623)			(44,409)
Loan Transactions				
Interest on Capital Fund	(121)			(8,267)
	(50,744)			(52,676)
Borrowing Account Transactions				
Economic Development	(1,058)	406	(1,292)	(886)
Education and Children	3,060	6,464	(4,440)	2,024
Environment, Food and Agriculture	1,934	1,421	(711)	710
Health and Social Care	5,092	8,083	(5,498)	2,585
Home Affairs	3,442	5,400	(1,625)	3,775
Infrastructure	2,212	17,004	(11,075)	5,929
Treasury	(616)	122	(612)	(490)
General Registry	-	-	-	-
Manx National Heritage	(183)	547	(798)	(252)
Expenses of the Legislature	(342)	-	(342)	(342)
<u>Borrowing Authorities</u>			-	-
Manx Utilities Authority	3,288	12,144	(12,157)	(13)
SUB-TOTAL	16,828	51,591	(38,550)	13,041
	(33,916)			(39,635)
Other Capital Transactions:				
Contributions from Internal Funds applied in reducing outstanding advances	(4,975)			(5,550)
Capital Receipts applied in reducing outstanding advances	(5,519)			(1,544)
Balance carried forward at 31 March	(44,409)			(46,728)



5.2. Revenue Transactions Account – Interest Transactions

INTEREST TRANSACTIONS		
	Actual 2014-15 £000	Actual 2015-16 £000
Interest Receivable		
Investment Interest	(121)	(111)
Bond interest charged to Manx Utilities Authority (ex-MEA)	(9,944)	(9,944)
Bond interest charged to Manx Utilities Authority (ex-WSA)	(4,219)	(4,219)
Balance - Net Interest recharged to Borrowing Accounts at average rate of 1.0000% (0.0000%)	-	(8,156)
	(14,284)	(22,429)
Interest Payable		
Bond interest charged to Manx Utilities Authority (ex-MEA)	9,944	9,944
Bond interest charged to Manx Utilities Authority (ex-WSA)	4,219	4,219
Interest on Capital Fund	121	8,267
	14,284	22,429

5.3. Loans Fund Balance Sheet

LOANS FUND BALANCE SHEET AT 31 March		
	As at 31 Mar 15 £000	As at 31 Mar 16 £000
Assets		
Advances to Borrowing Accounts	1,074,698	1,080,646
Cash at Bank	44,409	46,728
	1,119,107	1,127,374
Liabilities		
Bond Issue on behalf of Manx Utilities Authority	260,000	260,000
Capital Fund	859,107	867,374
	1,119,107	1,127,374



5.4. Capital Payments – Analysis of Budgets & Supplementary Votes

Capital expenditure is approved by Tynwald either as part of the Government’s annual Budget or through Supplementary Votes. Capital expenditure approvals comprise both:

- i. an overall approval for the total cost of each project; and
- ii. an approval for expenditure in each financial year.

Capital expenditure for a given financial year is shown separately in the Government Budget between:

- i. Expenditure previously approved by Tynwald (shown in Column 1).
- ii. Expenditure approved by Tynwald as part of the Budget (shown in Column 2).
- iii. Expenditure anticipated but is still awaiting approval by Tynwald (Column 3).

Expenditure shown in Column 3 of the capital estimates in the Budget may be subsequently approved by Tynwald during the financial year. In addition, Departments may bring forward Supplementary Votes for projects not included in capital estimates in the Budget for the financial year.

Summary of Capital Expenditure Approved for the Year Ended 31 March 2016:

CAPITAL EXPENDITURE APPROVED FOR THE YEAR ENDED 31 MARCH 2016					
	Column 1	Column 2	Column 3	Scheme Transfers	TOTAL
	£000	£000	(See note)	£000	£000
	£000	£000	£000	£000	£000
Economic Development	2,088	200	-	(2,050)	238
Education & Children	8,015	500	-	550	9,065
Environment, Food & Agriculture	866	640	-	-	1,506
Health and Social Care	6,315	6,550	3,150	5,715	21,729
Home Affairs	2,526	1,171	557	-	4,254
Infrastructure	3,214	10,635	1,050	(6,265)	8,634
Treasury	1,000	-	-	-	1,000
Manx National Heritage	58	622	-	-	680
<u>Borrowing Authorities:</u>	-	-	-	-	-
MUA - Capital Programme	13,556	8,741	-	-	22,297
Total	37,637	31,109	4,757	-	73,503

Note

The Column 3 amounts above only include Column 3 amounts presented in the Budget which were subsequently approved by Tynwald during the financial year. The budgets shown in the following pages showing Department capital expenditure by capital scheme include both approved and unapproved Column 3 amounts.



The following schemes were included within Column 3 of the Budget on 17th February 2015 and approved by Tynwald after the Budget:

Project / Scheme	Department	Overall Amount Approved £000	Amount Approved for 2015-16 £000
Acute Adult Psychiatric In-Patient Facility	DHSC	7,223	2,000
Learning Disabilities Additional Residential Unit	DHSC	1,338	1,150
Live Fire Training Facility	DHA	557	557
Douglas Railway Station Refurbishment	DOI	1,100	1,050
Total		10,218	4,757

There were no schemes which were included within Column 3 of the Budget on 17th February 2015 and approved by Tynwald after the Budget at an amount lower than that included in the Budget.

There were no schemes which were approved by Tynwald after the Budget, but were not included in the Budget on 17th February 2015.

The following schemes were included in the Budget on 17th February 2015 but no approval was sought from Tynwald in 2015-16:

Project / Scheme	Department	Amount Not Approved for 2015-16 £000
Castletown Fire Station Replacement	DHA	975
Reconfig. Of Learning Disabilities (Radcliffe Villas)	DHSC	150
Ramsey Transport interchange	DOI	604
Clagh Vane 7 Redevelopment	DOI	160
Douglas Promenade	DOI	2,638
Total		4,527

Capital Payments by Department are now included within the Departmental Section, pages 29-57.



5.5. **Capital Receipts**

CAPITAL RECEIPTS		
CAPITAL RECEIPTS	Actual 2014-15 £000	Actual 2015-16 £000
1. SALE OF ASSETS		
Department of Economic Development		
Sale of Land - Swagelok	-	(791)
	-	(791)
Department of Education and Children		
Sale of land - Albert Road	-	(38)
Clifton Park Ramsey	-	(150)
	(5,000)	(188)
Department of Environment, Food & Agriculture		
Sale of land - Stoney Mountain	-	(22)
Sale of land - Laurel Bank, St Johns	-	(60)
Sale of land - Corris's Land	-	(15)
Sale of land - Slieau Lhost Quarry	-	(40)
	(43)	(137)
Department of Health and Social Care		
Port-E Chee Avenue	-	(271)
	(110)	(271)
Department of Home Affairs		
Sale of Land - Eairy, Archallagan, Foxdale	-	(27)
	(255)	(27)
Department of Infrastructure		
Sale of Land - Eairy, Foxdale	-	(7)
Sale of Land - Sangster's Field	-	(12)
Sale of Land - Former Coastguard Station	-	(95)
Sale of Land – Hills Meadow	-	(10)
Sale of Land - Former Coastguard Station	-	(5)
	(111)	(129)
Total Capital Receipts from Sale of Assets	(5,519)	(1,544)
2. CONTRIBUTIONS TO CAPITAL FROM INTERNAL FUNDS		
<u>Housing Reserve Fund</u>		
Department of Health and Social Care	(4,975)	-
Department of Infrastructure	-	(5,550)
	(4,975)	(5,550)
Total Capital Receipts	(10,494)	(7,093)

The breakdown of capital receipts in 2014-15 can be found in the prior year Detailed Government Accounts at: <https://www.gov.im/categories/tax-vat-and-your-money/government-accounts/>



5.6. Summary of Capital Advances

SUMMARY OF CAPITAL ADVANCES									
DEPARTMENT	Advances Outstanding at 1st April 2015	Transfers Between Departments 2015-16	Revised Advances O/S at 1st April 2015	Advances		Repayments			Advances Outstanding at 31st March 2016
	£000	£000	£000	Year 2015-16	Total to 31st March 2016	Advances Repaid 2015-16	Capital Receipts etc 2015-16	Total Repaid to 31st March 2016	£000
Economic Development	16,269	(952)	15,316	406	41,705	1,292	791	28,066	13,639
Education and Children	99,275	1,585	100,861	6,464	197,933	4,440	188	95,236	102,697
Environment, Food & Agriculture	14,044	0	14,044	1,421	33,794	711	137	19,177	14,617
Health and Social Care	145,314	(22,357)	122,957	8,083	224,543	5,498	271	99,271	125,271
Home Affairs	51,341	-	51,341	5,400	81,102	1,625	27	26,014	55,088
Infrastructure	193,927	22,357	216,284	17,004	559,317	11,075	5,679	342,783	216,534
Treasury	6,925	(633)	6,292	122	133,782	612	-	127,979	5,802
Executive Government	-	-	-	-	-	-	-	-	-
Manx National Heritage	10,753	-	10,753	547	23,309	798	-	12,808	10,501
Expenses of the Legislature	6,100	-	6,100	-	10,257	342	-	4,499	5,758
Borrowing Authorities	-	-	-	-	-	-	-	-	-
Isle of Man Post Office	-	-	-	-	-	-	-	-	-
Manx Utilities Authority	530,751	-	530,751	12,144	643,839	12,157	-	113,101	530,738
TOTAL	1,074,698	0	1,074,698	51,591	1,949,581	38,550	7,093	868,935	1,080,646



5.7. Summary of Loan Sanctions and Capital Expenditure

SUMMARY OF LOAN SANCTIONS AND CAPITAL EXPENDITURE					
DEPARTMENT	Unexercised Loan Sanctions 01/04/15 £000	Loan Sanctions 2015-16 £000	Aggregate Loan Sanctions to 31/03/16 £000	Capital Expenditure 2015-16 £000	Balance of Sanctions Unexercised at 31/03/16 £000
Economic Development	2,447	112	2,559	406	2,153
Education & Children	2,358	6,871	9,229	6,464	2,765
Environment, Food & Agriculture	739	1,246	1,985	1,421	564
Health and Social Care	7,693	1,349	9,042	8,083	958
Home Affairs	6,744	-	6,744	5,400	1,344
Infrastructure	(2,540)	13,337	10,797	17,004	(6,207)
Treasury	1,516	-	1,516	122	1,394
Executive Government	9,949	-	9,949	-	9,949
Manx National Heritage	488	542	1,030	547	484
Statutory Boards	6,139	-	6,139	-	6,139
Expenses of the Legislature	1,588	-	1,588	-	1,588
Manx Utilities Authority	2,487	24,440	26,927	12,144	14,783
Post Office Authority	1,134	-	1,134	-	1,134
Local Authorities	1,000	-	1,000	-	1,000
TOTAL	41,741	47,897	89,638	51,591	38,047



5.8. **Statement of Loans Made – Advances, Repayments & Balances Outstanding**

LOANS MADE BY GOVERNMENT						
	Balance Outstanding at 31/03/16 £000	Advances		Repayments		Balance Outstanding at 31/03/16 £000
		Year 2015-16 £000	Total to 31/03/16 £000	Year 2015-16 £000	Total to 31/03/16 £000	
Consolidated Loans Fund						
Agricultural Holdings Scheme 1978	263	-	5,452	57	5,246	206
Agricultural Holdings Scheme 2000	612	-	935	32	355	580
Agricultural Credits Acts 1924-66	34	-	2,797	6	2,769	28
Fishing Industry	156	-	5,038	57	4,939	99
Agriculture and Fisheries Sub-Total	1,065	-	14,223	152	13,310	913
Building By Private Enterprise Schemes 1968/74	1	-	2,704	0	2,703	1
Housing Advances Schemes	-	-	21,447	-	21,447	-
House Purchase Schemes	64	-	56,664	14	56,614	50
House Purchase & Refurbishment Scheme 1991	1,011	-	25,997	168	25,154	843
Royal British Legion Housing Association	338	-	676	-	338	338
Housing Sub-total	1,414	-	107,488	182	106,256	1,232
Sports Club Improvement Scheme	-	-	178	-	178	-
Local Authorities	1,893	-	19,871	102	18,080	1,790
Miscellaneous Sub-Total	1,893	-	20,049	102	18,259	1,790
TOTAL	4,372	-	141,760	436	137,824	3,936



5.9. **Housing Loans Schemes**

HOUSING ADVANCES AND HOUSE PURCHASE SCHEMES		
EXPENDITURE	Actual 2014-15 £000	Actual 2015-16 £000
Revenue Account		
Administration Expenses	5	5
	5	5
Capital Account		
Advances on Property		
Outstanding at 31st March	64	50
	64	50

HOUSE PURCHASE & REFURBISHMENT SCHEME		
EXPENDITURE	Actual 2014-15 £000	Actual 2015-16 £000
Revenue Account		
Administration Expenses	29	29
Surplus transferred to Treasury, Finance Division	38	15
	67	44
Capital Account		
Advances on Property		
Outstanding at 31st March	1,011	843
	1,011	843

HOUSE PURCHASE & REFURBISHMENT SCHEME		
EXPENDITURE	Actual 2014-15 £000	Actual 2015-16 £000
Housing Advances And House Purchase Schemes	(1)	(2)
House Purchase & Refurbishment Scheme	38	15
Total	37	13



5.10. **Housing Loans Schemes (continued)**

HOUSING ADVANCES AND HOUSE PURCHASE SCHEMES		
INCOME	Actual 2014-15 £000	Actual 2015-16 £000
Revenue Account		
Interest on Advances	4	3
Deficit transferred to Treasury, Finance Division	1	2
	5	5
Capital Account		
Advances on Property		
Outstanding at 1st April	95	64
Transfer from Capital Loans Fund		
Transactions Account to meet repayments	(31)	(14)
	64	50

HOUSE PURCHASE & REFURBISHMENT SCHEME		
	Actual 2014-15 £000	Actual 2015-16 £000
Revenue Account		
Interest on Advances	53	44
Additional Sums Recovered	13	
	67	44
Capital Account		
Advances on Property		
Outstanding at 1st April	1,235	1,011
Transfer from C.L.F. Capital		
Transactions Account to meet repayments	(224)	(168)
	1,011	843



6. Detail by Departments, Boards and Offices

6.1. Department of Economic Development

Revenue

NET EXPENDITURE BY DIVISION							
Note	ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
				Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
1	598	Chief Executive's Office	708	1,989	(1,022)	966	(258)
	2,844	Training Employment Skills	3,000	3,106	(262)	2,844	156
	2,536	Economic Development Group	2,775	2,642	(93)	2,550	225
	3,233	Financial Assistance Scheme	3,500	3,569	(47)	3,522	(22)
	(1,282)	Ship Registry	(663)	2,363	(4,006)	(1,643)	980
	(2,146)	Aircraft Registry	(1,132)	2,861	(5,013)	(2,152)	1,020
	-	E-Business & Space Commerce	-	40	-	40	(40)
	5,511	Tourism Development	5,039	8,192	(2,493)	5,699	(660)
	243	Tourism Events	343	297	-	297	47
	(10,184)	Companies Registry	(10,416)	501	(10,559)	(10,058)	(358)
2	1,291	Villa Gaiety	1,490	4,345	(2,921)	1,424	66
	(2,211)	General Registry	(1,822)	1,018	(3,301)	(2,283)	461
	431	Total	2,821	30,923	(29,718)	1,205	1,616

Notes

The 2014/15 figures have been adjusted for the following:

1. The Welcome Centre has transferred from DED to The Cabinet Office
2. The Registries and Public Records Office transferred from the General Registry to DED

Commentary

The financial position for the year end 31st March 2016 showed the Department achieving a substantial overall underspend against budget.

This was due principally to the Aircraft and Shipping Registries which far exceeded their income targets despite difficult global economic conditions in their respective industries. This is a testament to their very strong performance relative to their competitors.

While the Companies Registry income was below budget, it was in line with expectations given the global decline in company formations.

The TT and Classic TT continued to grow substantially, which meant the Department incurred some costs in excess of the budget. In addition, the Department incurred some one-off costs arising from the procurement process for a promoter partner which ultimately concluded with the successful appointment of Vision Nine as approved by Tynwald.



Department of Economic Development – Capital Programme

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000	PAYMENTS	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
200	Development of Industry	1,298	406	892
-	New IT System	2,050	-	2,050
200		3,348	406	2,942



6.2. Department of Education and Children

Revenue

NET EXPENDITURE BY DIVISION						
ACTUAL 2014-15 Net Spend £		BUDGET 2015-16 Net Spend £	ACTUAL 2015-16			
			Gross Spend £	Gross Income £	Net Spend £	Net Variance £
20,788	Primary Education	21,700	21,637	(58)	21,579	121
24,981	Secondary Education	25,676	25,562	(4)	25,559	117
8,831	IOM College of Further and Higher Education	9,112	10,341	(1,317)	9,024	87
11,480	Universities etc Awards	10,729	10,359	(126)	10,233	495
70	Works and Estates	-	-	-	-	-
859	Youth & Community Services	888	905	(20)	885	3
2,265	Education Improvement Service	2,310	2,427	(103)	2,324	(14)
8,631	Special Educational Needs	8,572	8,802	(24)	8,778	(206)
7,849	Corporate Services Division	7,520	7,859	(22)	7,838	(318)
3,787	Sports and Arts	3,914	5,882	(1,761)	4,121	(206)
94	Arts Council	98	489	(416)	73	25
89,634	Total	90,518	94,264	(3,851)	90,414	104

Commentary

For the year ended 31st March 2016, the Department of Education and Children remained £104,000 within its net revenue budget, this represents an under-spend of 0.1%.

During the year, the Department has contained the impact of pay awards for Teachers, Lecturers and Public Services Commission staff, within its employee cost budget. We continued to protect front line services, maintaining pupil teacher ratios. Containing employee costs continues to be the Department's biggest challenge with employee costs representing 80% of the Department's net budget (excluding loan charges).

The Student Awards changes introduced in 2012, continued to filter through the system during the 2015-16 academic year. Whilst most students are studying under the revised regulations, a number are still studying under the previous regulations and were required to make a higher contribution toward their 4th year of study. This coupled with a lower than anticipated uptake in student loans has provided an under-spend within student awards.

The changes introduced to pre-school credits in the 2014-15 academic year have resulted in an over-spend of over £300,000 within the Corporate Services Budget during the 2015-16 financial year. Whilst it was agreed that the over-spend could be funded through savings in child benefit, the Department was able to contain this within its existing budget, largely as a result of the one-off savings within student awards. The financial impact of the 2014-15 changes has been added to the Department's budget in 2016-17.



Department of Education and Children – Capital Programme

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000	PAYMENTS	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
-	Classroom Scheme Phase 2 - St Mary's	83	9	74
-	Classroom Scheme Phase 2 - Ballaquayle	5	-	5
-	Classroom Scheme Phase 2 - Murrays Road	1	-	1
52	Bemahague Secondary School	-	-	-
3,632	Isle of Man College Construction Crafts and Engineering	500	353	147
587	IOM College - Precision Engineering Equipment	-	-	-
-	IOM College - Nunnery Relocation	350	-	350
3	Isle of Man College PMLD Unit	-	56	(56)
63	Victoria Road Extension	-	1	(1)
1,033	Noble's New Primary School	6,400	5,567	833
1,199	Ballakermeen Post 16+ Dining Extension	175	19	156
610	QE2 Kitchen/Tennis Courts Scheme	290	261	29
-	Management of Hazardous Materials Phase 1	161	-	161
-	Minor Capital Works - Sports and Recreation	550	200	350
5	Disability Access	-	-	-
7,184		8,515	6,464	2,050

In December 2015, the NSC was inundated with flood water resulting in all facilities, except the swimming pool and Gym being inoperable. Significant work has progressed to repair and replace the significant damage that occurred. Whilst replacement works are covered by insurance, the Department has taken this opportunity, whilst many of the facilities have been closed to improve its facilities. By September 2016, the Department will have new and improved indoor and outdoor facilities in place which should in the main be good for the next 2 decades.

Works progressed well, in 2015-16, on the new Henry Bloom Noble Primary school, currently under construction. The new school will replace the outdated facilities at the existing split Ballacloan and Fairfield sites. The £9.5m scheme is on schedule for completion in August, with the new school due to open in September 2016.



In September 2015, The Department opened the Baillie Scott Wing of the Isle of Man College of Further and Higher Education. The wing provides top-class training facilities for plumbing, painting and decorating, joinery, electrical installation and brickwork students, thereby enabling a highly skilled workforce to boost the economy.

The Department's secondary schools have shown continued improvement over the last three years. With 57.4% of pupils achieving at least 5, A* to C grade GCSEs in 2015, the Isle of Man has exceeded the results of the UK and Jersey and compares favourably against all but 3 of England's regions.



6.3. Department of Environment, Food and Agriculture

Revenue

NET EXPENDITURE BY DIVISION							
Note	ACTUAL 2014-15 Net Spend £		BUDGET 2015-16 Net Spend £	ACTUAL 2015-16			
				Gross Spend £	Gross Income £	Net Spend £	Net Variance £
1	784	Corporate Services	946	1,102	(152)	950	(4)
	7,585	Agriculture	7,485	7,558	(275)	7,283	202
	575	Fisheries	1,570	1,076	(163)	913	657
	1,702	Forestry, Amenity and Lands	787	2,483	(849)	1,635	(848)
	1,386	Environment	1,383	1,309	(69)	1,240	143
	626	Government Laboratory	666	790	(94)	695	(29)
	344	Wildlife Park	393	680	(330)	351	42
	410	Veterinary Services	404	529	(33)	496	(92)
	259	Planning & Building Control	290	1,090	(1,075)	15	275
		13,672	Total	13,924	16,617	(3,040)	13,578

Notes

- 2014/15 expenditure has been adjusted to include Planning & Building Control which transferred from the Department of Infrastructure in 2015/16.

Commentary

The Department of Environment, Food and Agriculture achieved a year end revenue underspend of £346k. This was mainly due to an underspend in payroll costs of just under £480k. Grants and Subsidies were under budget by £160k due mainly to a programme of reduction in area payments under the Agricultural Development Scheme payment. These savings were partially offset by an overspend on supplies and services of just under £278k. This reflects many planned works that were appropriately brought forward into the financial year.

The one area where there is a noticeable adverse performance against the budget is in the Income category. Historically there have been shortfalls in income from Planning and Building Control though this year the shortfall from Building Control has been largely offset by a surplus from Development Control. At year end Planning and Building Control was about £27k below and the Sawmill about £111k below the income target. Work is ongoing to address these shortfalls.



Department of Environment, Food and Agriculture – Capital Programme

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000	PAYMENTS	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
891	Mill Road Yard Development	378	289	89
268	Farming Improvement Scheme	794	270	524
196	Essential Building Maintenance	200	200	(0)
1,039	DEFA Grant for Meat Plant	34	561	(527)
100	Minor Capital Works - Wild Life Park	100	100	(0)
2	Silverdale Sewerage Works	-	-	-
2,511		1,506	1,421	85

As part of the Essential Building Maintenance programme works completed during the year included the replacement of five bridges, one footbridge and some storm damage repairs. The Mill Road Yard (IOM Food Park) Development Phase 3 completion certificate was issued. The capital part of the Meat Plant Refurbishment Scheme was completed.

UNESCO Biosphere status



The Department led the achievement of the prestigious UNESCO Biosphere status for the Island. In a nutshell, UNESCO Biosphere Isle of Man is all about keeping our Island a special place to live, work and visit. We are the first entire country in the world to receive this prestigious endorsement from UNESCO.





6.4. Department of Health and Social Care

Revenue

NET EXPENDITURE BY DIVISION							
Note	ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
				Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
		Core Services					
	477	Chief Executive's Office	280	582	0	582	(302)
	698	Chief Operating Officer's Office	1,392	1,476	(100)	1,376	16
	4,557	DHSC Corporate Services	6,519	3,234	(2)	3,232	3,287
	163	Management Info. & Technology	226	165	-	165	61
	1,508	Public Health	1,659	1,282	(0)	1,282	378
		Hospital & Specialist Services					
	88,121	Noble's Hospital	76,625	89,789	(2,463)	87,326	(10,701)
	16,015	Tertiary Referrals	16,442	17,546	-	17,546	(1,104)
	16,147	Mental Health	15,808	18,053	(7)	18,046	(2,237)
		Primary Health Care					
	31	Administration and Grants	-	81	-	81	(81)
	7,906	Community Services	7,709	8,120	(112)	8,009	(299)
	3,076	Ambulance Service	2,900	3,247	(1)	3,246	(346)
	35,802	Practitioner Services	36,060	38,323	(1,621)	36,702	(642)
	376	Prison Health Service	389	429	2	431	(42)
	3,933	Ramsey Hospital	3,690	3,705	(22)	3,683	6
	-	Allied Health Professionals	4,766	4,987	(4)	4,983	(217)
	751	Government Catering Services	1,831	7,339	(4,381)	2,958	(1,127)
	(36,398)	NI Contributions	(37,347)	-	(36,417)	(36,417)	(930)
	15,970	Children & Family Services	17,759	14,350	0	14,350	3,409
	24,426	Adult Services Area	26,274	30,681	(5,618)	25,063	1,211
	552	Core Services (DSC)	682	1,067	(104)	963	(281)
1	184,112	Total	183,663	244,455	(50,849)	193,606	(9,943)

Notes

14. For comparative purposes, the 2014/15 figures have been adjusted for the Housing Division which transferred to the Department of Infrastructure in 2015/16

Commentary

The Department's outturn was £193.4m against a full year budget of £183.7m. The main divisions and areas which were overspent are summarised below.

Division	Actual £m	Budget £m	Overspend £m
Noble's Hospital	87.3	76.6	10.7
UK hospital costs and transport	17.5	16.4	1.1
Mental Health Services	18.0	15.8	2.2
Government Catering Services	2.9	1.8	1.1

The Department has been able to use underspends in other areas, notably the Children and Families and Adult Services divisions, to offset some of the above variances.



Reasons for budget variance

Increased spending in health and care services is not an issue which is unique to the Isle of Man. NHS cash budgets in the UK (i.e. not adjusted for inflation) have increased by approximately 15% since 2009/10¹. As a comparison, over the same period Noble's Hospital spending has increased by 18%.

As the population lives longer, the post-retirement percentage of that population increases. The healthcare needs of the elderly tend to be more complicated and expensive: and so the cost of treating the population rises.

A particular issue in the Isle of Man is the lack of nursing and residential care beds. This shortage of capacity causes pressure on hospital services, where patients remain in high cost acute beds instead of moving into the care system.

Recruiting staff to the Island remains very difficult. The market for healthcare professionals of all types and at all levels is extremely competitive, and this leads to inevitable cost pressures when trying to attract scarce resources. However the Department has worked with the Department of Economic Development in 2015/16 to have the work permit requirement for nurses removed. It has also increased the number of available local nurse training places from 12 to 20 per annum (including mental health nurses).

The cost of commissioning care abroad is rising. The Island is not large enough to maintain all medical specialities, and therefore needs to buy services from English providers and refer patients to them. While UK tariffs have generally remained flat, the number of referrals and hence costs has risen (including those associated with new, specialist treatments prescribed by the specialist centres). The Mental Health Service incurred significant costs in 2015/16 when commissioning specialist residential support in the UK in a number of cases which the service on the Island does not have the facilities to provide.

The centralisation of Government wide catering services to the Department is still subject to transitional costs and the Department will be reviewing the cost of this service during 2016/17.

Strategic direction

In October 2015, Tynwald approved a five year strategy for the Department. During the first quarter of 2016, the Department held a series of public roadshows to seek feedback on this strategy and identify priorities for delivery for Year One (16/17).

Continued.....

¹ (Kingsfund - The NHS budget and how it has changed)



Department of Health and Social Care – Capital Programme

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000	PAYMENTS	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	HEALTH & SOCIAL CARE			
295	Radiology Equipment Replacement Scheme	1,100	13	1,088
2,295	Extension to Neonatal Unit	400	53	347
86	Learning Disabilities Additional Residential Unit	1,190	1,251	(61)
13	Reconfiguration of Learning Disabilities (Radcliffe Villas)	160	10	150
806	Asset Replacement Programme	900	357	543
33	Ambulance Fleet Replacement	415	381	34
310	Endoscopy Decontamination Unit	1,000	1,790	(790)
354	Acute Adult Psychiatric In-Patient Facility	2,000	1,877	123
-	- Extension to Oncology Suite	200	152	48
-	- Expansion of Ophthalmic Suite	250	250	-
132	Thie Quinney - Leonard Cheshire	450	399	51
-	- Learning Disabilities Supported Housing	70	-	70
23	Accommodation for Day Care Services Eastcliffe	55	1	54
24	Older Persons Residential & Resource Unit East	270	12	258
1,275	Noble's Hospital IT System	1,950	1,455	495
-	- GP Surgery Palatine	-	52	(52)
-	- Residential Accom Medical Staff - Phase 5	-	29	(29)
24	Park Road Master plan	-	-	-
48	EMI Unit (Northern)	-	-	-
5,718		10,410	8,083	2,327

For 2015/16, the Department of Health and Social Care achieved a 78% spend against the anticipated capital budget of £10.4 million. Three capital schemes were completed during the financial year: update of the Medway system for Noble's Hospital, the expansion of the Ophthalmic Suite at Noble's Hospital, and an extension to Thie Quinney, a purpose built supported living unit run by Leonard Cheshire Disability.

In addition, capital schemes for a new learning disability residential unit, an acute adult in-patient facility and the Endoscopy Decontamination Unit and Breast Care Unit progressed significantly during the year.

Schemes which are shown above as overspent during the year are as a result of timing differences only and are not overspent for the scheme as a whole.



(Departmental break-down continues on next page)



6.5. Department of Home Affairs

Revenue

NET EXPENDITURE BY DIVISION						
ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
			Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
1,015	Chief Executive's Office	960	1,067	(111)	956	4
131	Civil Defence	135	143	(1)	142	(8)
4,720	Fire & Rescue Service	4,474	4,590	(58)	4,532	(58)
8,200	Prison and Probation	8,251	8,289	(90)	8,200	51
1,384	Communications	1,502	1,949	(489)	1,459	43
12,893	Constabulary	12,624	12,862	(225)	12,637	(13)
28,343	Total	27,946	28,900	(974)	27,927	19

Commentary

The financial position for the year end 31st March 2016 showed the Department achieving a slight underspend against budget.

Payroll costs were slightly higher than budget as a consequence of pay arrears following Fire Service pay award and Police Overtime within the Financial Crime Unit, particularly in relation to ongoing serious financial crime investigations which will continue for some time to come.

One of the key challenges that all of the services within the Department faced almost continually during the winter of the last financial year was the series of unprecedented severe weather events which saw Douglas Fire Station completely flooded, flash flooding in Laxey and coastal damage as a consequence of the storms.



Department of Home Affairs – Capital Programme

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000	PAYMENTS	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	HOME AFFAIRS			
364	Communications Development Programme	225	35	190
175	Minor Capital Works	508	505	3
129	Vehicle Acquisition	296	249	47
2,712	Police HQ Custody Block	140	148	(8)
-	Live Fire Training	597	164	432
7	Castletown Fire Station Replacement	975	74	901
98	Police Equipment Replacement Programme	80	20	60
7	Fire and Rescue Equipment	87	100	(13)
1,567	TETRA Replacement Programme	2,121	2,455	(334)
-	Rehabilitation and Resettlement Unit	200	-	200
-	DHA HQ - Former Drill Hall, Tromode	-	1,650	(1,650)
5,060		5,229	5,400	(171)

The estates rationalisation plan for the Department continues with elements of the Department having to move into the former Drill Hall in Tromode and work continuing on Police HQ to enable officers currently located at the Lower Douglas Police Station to vacate that premises and move to Douglas Police HQ. Both of these measures will enable "Homefield" and Lower Douglas Police Station to be released from the Government estate.

Phase 2 of the development of the former Drill Hall has commenced enabling other services to relocate from the Douglas Police Headquarters.

Within the Prison & Probation Service, the Department was successful in obtaining planning permission for Tromode House to be converted to a Resettlement, Rehabilitation and Probation Service office allowing Prospect House to be released for commercial rent – conversion works for this facility were largely completed in the last financial year.

In terms of the Fire and Rescue Service, building has commenced on a "Live Fire" training facility which will generate savings by avoiding having to send fire-fighters to the United Kingdom for training.

The upgrade to the Tetra communications system was also completed on time and in budget.

If you wish to find out more information about the Department of Home Affairs, including key statistics and reports, then the following website address will be most helpful:-

<https://www.gov.im/about-the-government/departments/home-affairs/>



6.6. Department of Infrastructure

Revenue

NET EXPENDITURE BY DIVISION							
Note	ACTUAL 2014-15		BUDGET	ACTUAL 2015-16			
	Net Spend £000		2015-16 Net Spend £000	Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
	204	Minister & Chief Executive's Office	158	175	(0)	175	(17)
	774	Strategy, Policy & Performance	1,037	701	0	701	336
	(4,159)	Finance & Governance	(8,168)	16,066	(23,741)	(7,674)	(494)
	3,526	Ports	3,532	14,891	(10,473)	4,418	(886)
	13,218	Highways	11,180	11,194	(1,120)	10,074	1,106
	24,831	Estates Shared Services	26,160	32,463	(6,181)	26,281	(122)
	8,418	Public Transport	12,387	18,624	(5,942)	12,682	(295)
1	275	Housing Division	(351)	5,373	(6,118)	(745)	394
	47,087	Total	45,934	99,487	(53,575)	45,912	22

Note

1. For comparative purposes, the 2014/15 figures have been adjusted to include the Housing Division which was transferred from the Department of Health and Social Care in 2015/16.

Commentary

The Department ended the 2015/16 financial year with a small favourable variance of £22k.

Key Budget Variances

Planned expenditure had to be curtailed this year to mitigate the effect on the bottom line of shortfalls in income against unrealistic targets.

The effect of this has been a reduction in originally planned work, mainly on highways and structures. Safety critical work continues to be carried out.

Year on Year Variations

Notwithstanding transfers between Departments there have been significant changes in income and expenditure budgets for the DOI. These have arisen due to a change in approach to accounting for capital schemes in the Department whereby costs relating to capital schemes delivered by the Department are charged directly to the appropriate scheme rather than first to operating costs within the Department prior to being recharged.

Key Challenges

The Department continued to strive through partnership working with key stakeholders to ensure that the best possible routes for travel to and from the Island remained open in spite of various weather related, technical and commercial threats.

Severe storms during the winter of 2015/16 caused significant damage to the Island's infrastructure. Many parts of the highway infrastructure, as well as key structures around the coastline, were damaged or destroyed, notably the Old Laxey Bridge. The impact of the storms is being addressed. Furthermore those same storms caused landslips on the Snaefell Mountain Railway which, without speedy and decisive action would have closed that major visitor attraction for a large part of the new season.


Department of Infrastructure – Capital Programme

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000	PAYMENTS	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
16	Runway End Safety Area/Runway	50	14	36
4	Office Site Feasibility Study	50	24	26
66	Douglas Railway Station	1,050	4	1,046
672	Douglas Promenade	4,500	637	3,863
384	Snaefell Mountain Railway Track	200	186	14
384	Manx Electric Railway/Steam Track work	400	325	75
903	Ballure Viaduct	585	403	182
1,361	Public Transport Vehicle Replacement Programme	197	178	19
424	Government Estate - Planned Maintenance	500	251	249
1,947	Minor Capital Works - Education	2,150	1,899	251
300	Minor Capital Works - Health	400	258	142
200	Minor Capital Works - Social Care	200	-	200
154	Minor Capital Works (DED)	320	211	109
242	Vehicle Replacement Programme	368	-	368
711	Plant & Vehicle Replacement Programme	1,454	948	506
1,688	Strategic Highway Refurbishment Programme	1,625	2,439	(814)
664	Minor Capital Works	1,000	1,463	(463)
51	Ramsey Transport Interchange	604	5	598
-	Asset Management System	120	-	120
60	Douglas & Peel Cofferdam	180	4	176
-	Quarry Plant Replacement Programme	775	-	775
-	Glencrutchery Road	50	-	50
4	Strategic Structural Maintenance	800	1,466	(666)
-	Climate Change Adaption	250	11	239
255	Hazardous Waste Transfer and Treatment Facility	36	156	(120)
-	Steam Railway Track	50	-	50
36	Disability Discrimination Act - Public Buildings	250	14	236
638	Ramsey Swing Bridge Refurbishment	297	45	252
88	Off-Street Car Parking (Douglas)	-	-	-
826	Peel Road	-	103	(103)
161	Vehicle Replacement Programme HEALTH	-	21	(21)
74	King Edward Linkspan - Mid Life Renovation	-	185	(185)
345	Bus/Rail Ticketing System	-	3	(3)
11	Grit Store / Snow Depot	-	0	(0)
(334)	Radar Replacement	-	(412)	412
-	Bowling Green Site Demolitions	175	4	171
-	Demolition of Glenside	200	179	21
12,336	Carried forward to next page	18,835	11,025	7,811

Continued....



Department of Infrastructure – Capital Programme (Continued)

CAPITAL EXPENDITURE BY SCHEME (Continued)				
Actual 2014-15 £		Budget 2015-16 £	Actual 2015-16 £	Variance 2015-16 £000
	PAYMENTS			
	INFRASTRUCTURE (continued)			
12,336	Brought forward from previous page	18,835	11,025	7,811
-	Purchase of Land	-	315	(315)
-	Queen's Pier Ramsey, Safety Works Scheme	-	6	(6)
-	Liverpool Landing Stage (G18-093)	-	2	(2)
-	Snaefell Mountain Railway Storm Recovery (G18-092)	-	107	(107)
19	Airport Redevelopment Departing Passengers & Bag	-	-	-
1	DOT/DTL Cruise Ship Pontoon	-	-	-
18	Steam Railway - Diesel Shunter	-	-	-
5	Vehicle Test Centre	-	-	-
0	Airport Pavement Refurbishment	-	-	-
2	Government Vehicle and Plant Maintenance Depot	-	-	-
(171)	Peel Inner Harbour	-	-	-
12,209	Sub-Total Excluding Housing	18,835	11,454	7,381
	HOUSING - FUNDED FROM THE HOUSING RESERVE FUND			
2,074	House Purchase As Scheme (HR)	2,500	2,626	(126)
710	Janet's Corner - Project 5a	50	15	35
1,461	DSC Planned Maintenance Schemes	1,600	1,870	(270)
284	Clagh Vane Redevelopment - Project 6	1,100	908	191
-	Clagh Vane Redevelopment - Project 7	290	61	229
64	Crossag	-	56	(56)
31	Clagh Vane redevelopment - project 4 new build	-	5	(5)
-	Clagh Vane Redevelopment - Project 3 n	-	1	(1)
-	Clagh Vane - Projects 5-7 (Road/Shop)	-	-	-
-	Ballacubbon	-	5	(5)
-	Ballacubbon Phase 2	-	1	(1)
277	Janet's Corner - Project 4	-	-	-
74	House Improvmt. & Energy Conservation Scheme 2010	-	-	-
-	Clagh Vane environment work - Project 1	-	-	-
4,975	Sub-Total Housing	5,540	5,550	(10)
17,184	TOTAL INFRASTRUCTURE	24,375	17,004	7,371

Continued....



Department of Infrastructure – Capital Programme (Continued)

The Department had a very large capital programme to deliver in 2015/16. Unfortunately a number of external factors meant that the Douglas Promenade, Ramsey Transport Interchange and the Douglas Railway Station Schemes did not progress in the year leading to a large underspend of the capital budget. However a very large part of the regular capital maintenance schemes was progressed and completed.

Schemes which are shown above as overspent during the year are as a result of timing differences only and are not overspent for the scheme as a whole.

Key Successes

The Department fulfilled its primary goal which is to provide the infrastructure on which the people of the Island can build social and economic success. In spite of the major collapse of the Mountain Railway a service was started for the timetabled opening albeit a reduced one.



6.7. The Treasury

Revenue

NET EXPENDITURE BY DIVISION								
Note	ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16				
				Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000	
1	4,933	Corporate Strategy Division	4,644	7,815	1	7,815	(3,171)	
	(317,814)	Customs & Excise Division	(322,840)	2,060	(355,005)	(352,945)	30,105	
	(7,899)	Finance Division	(7,966)	3,147	(10,626)	(7,478)	(488)	
	(198,966)	Income Tax Division	(206,868)	4,165	(199,522)	(195,357)	(11,511)	
	427	Assurance Advisory Division	531	521	(106)	414	117	
	9,907	Grants	6,259	5,119	(243)	4,876	1,383	
	1,480	Lottery Duty Distribution	1,350	1,512	-	1,512	(162)	
	-	Government Contingency	4,955	-	-	-	4,955	
		National Insurance Benefits						-
	(1,988)	NI Operating Account	-	197,389	(202,229)	(4,841)	4,841	
1,988	Transfer to/From NI Account	-	4,841	-	4,841	(4,841)		
2	3,779	Legal Aid Administration	2,363	2,498	(147)	2,350	12	
	75,873	Non-Contributory Benefits	79,115	73,534	-	73,534	5,581	
	79,652	Sub-total NI Benefits	81,478	278,261	(202,376)	75,884	5,593	
	(428,280)	Total	(438,458)	302,599	(767,877)	(465,279)	26,821	

Notes

1. The Government contingency budget was originally £8.2m but during the year Treasury approved departmental spending from this budget so portions of it were transferred from Treasury into the Departments.
2. For comparative purposes, the 2014/15 figures have been adjusted to include Legal Aid Administration which transferred from General Registry (within Executive Government) in 2015/16.

Commentary

Corporate Strategy Division

The overall positive outturn position enabled the allocation of £2.8m insurance premium costs for Government to General Revenue, through the Corporate Strategy Division, rather than place further pressure on Government's internal reserves, which had been the case in previous financial years. Going forward, this cost is now budgeted for within General Revenue.

Customs and Excise Division

In a statement at the March 2016 sitting of Tynwald, the Treasury Minister announced the conclusion of the extensive negotiations in respect of the VAT Sharing Agreement. A revision of the formula, which is largely based on household spending levels, calculated a backdated share of £21.5m due to the Island for the three years up to and including 2015-16. This was received for the end of the financial year, and was not reflected in the budget, which was based on a provisional share. The recalculation of the share due to the Island has not only had a very positive effect on Government's 2015-16 year end outturn position; it presents a more favourable and stable position for the Treasury Exchequer going forward.

Finance Division

Finance Shared Services continued to make savings against budget through staffing efficiencies, with a gross favourable variance of £0.5m. Investment income was down £1m versus budget, likely due to low bond yields.



Income Tax

The backdated VAT settlement more than offsets the £11.2m shortfall in Income Tax receipts against the budget for the year. This lower than expected level of receipts represents a combination of a shortfall in Resident Income Tax receipts which in turn was linked to reducing investment returns, and also a shortfall in Company Tax, some of which was due to timing changes.

Central Government Contingency

Elsewhere, the £8.2m Central Contingency Budget (which was designed to fund significant unavoidable unforeseen and unbudgeted costs across Government) remained for the most part unallocated to Departments, with a balance of £5m remaining at the end of the financial year. 2015-16 represents the first year of such a contingency budget being available, though the available amount in 2016-17 is reduced to £5m.

Social Security

The Social Security Division returned a £5.6m underspend at year end. This was mainly to do with a reduction in the level of Job Seekers Allowance benefits payments, and (to a lesser extent) the level of Income Support benefit payments made during the year. This lower than anticipated level of revenue-funded benefits expenditure reflects an improved economic situation with reducing levels of unemployment. It also reflects a number of changes to the benefits system, including new incentives designed to encourage jobseekers back to work together with a number of modifications to the benefits system.

Further details of the Social Security Account are given below.

Treasury – Capital Programme

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	PAYMENTS			
-	Capital Project Risk Contingency	1,000	-	1,000
10	Manx Radio Refurbishment of Broadcasting House	670	14	656
-	Former MEA Advances	-	109	(109)
10		1,670	122	1,548

During the year two schemes were approved to be offset against the capital contingency budget, both of which are shown within the DOI expenditure:

- a) The Liverpool Landing Stage £1.6k
- b) Snaefell Mountain Railway Storm Recovery £106.7k

Further information about the Treasury can be found on Government's website:

<https://www.gov.im/about-the-government/departments/treasury/>



Treasury Income – Income Tax

ANALYSIS OF INCOME TAX RECEIPTS				
Actual 2014-15 £000	INCOME	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	Resident Tax			
(71,189)	Receipts	(56,200)	(65,495)	9,295
(288)	Superannuation	-	(397)	397
(348)	Interest	-	(565)	565
3,780	Personal Allowance Credit	-	1,468	(1,468)
(277)	Late Return Penalty	-	(286)	286
16,060	Refunds	-	15,766	(15,766)
50	Repayment Supplement	-	55	(55)
(52,212)		(56,200)	(49,455)	(6,745)
	Company Tax			
(18,670)	Receipts	(20,000)	(14,077)	(5,923)
371	Refunds	-	398	(398)
(413)	Late Return Penalties	-	(456)	456
(18,713)		(20,000)	(14,135)	(5,865)
	Non Resident Tax			
(6,906)	Receipts	(6,500)	(7,274)	774
532	Refunds	-	994	(994)
(6,374)		(6,500)	(6,280)	(220)
	ITIP			
(122,879)	Receipts	(125,000)	(126,904)	1,904
119	Refunds	-	132	(132)
(151)	Penalties	-	(147)	147
(122,910)		(125,000)	(126,919)	1,919
	Sub-Contractors			
(2,832)	Sub-Contractors Receipts	(3,100)	(2,734)	(366)
13	Sub-Contractors Refunds	-	10	(10)
(2,819)		(3,100)	(2,724)	(376)
	EU Savings Directive			
(17)	EUSD Receipts	-	(9)	9
-	Transfer To Member States	-	-	-
(17)		-	(9)	9
(203,045)	Total	(210,800)	(199,522)	(11,278)



Treasury Income – Customs & Excise

ANALYSIS OF CUSTOMS & EXCISE INCOME				
Actual 2014-15 £000	INCOME	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	Shared Revenue			
(276,741)	Value Added Tax	(242,000)	(313,533)	71,533
(31,258)	Excise Duty	(69,200)	(31,221)	(37,979)
(2)	Customs Duty	(4,800)	(0)	(4,800)
-	Cost of Collection Adjustment	1,000	785	215
	Non-Shared Revenue			
(5,242)	Gambling Duty	(3,600)	(4,477)	877
(4,432)	Air Passenger Duty	(4,400)	(4,636)	236
(1,480)	Lottery Duty	(1,350)	(1,512)	162
(545)	Non-Revenue Receipts	(450)	(412)	(38)
(319,700)	Total	(324,800)	(355,005)	30,205

Notes

1. This statement shows the locally collected duties for the year ended 31 March 2016. The variances shown above in Valued Added Tax and Excise Duty will be adjusted when the Service Account with the UK is agreed and settled later in the year. At that point the Island's actual share of Excise Duty will be more in line with that budgeted.
2. The total amount of VAT written off during the year was £787,249 (2014-15: £1,202,326). A further £64,711 (2014-15: £181,409) was written off in respect of default surcharge, penalties and interest.

Treasury Income – Other

ANALYSIS OF OTHER TREASURY INCOME				
Actual 2014-15 £000	INCOME	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
(2,000)	Contribution from IOM PO	(2,000)	(2,000)	-
(913)	Fines and Fixed Penalties	(927)	(594)	(332)
(2,913)		(2,927)	(2,594)	(332)
	Interest on Investments -			
(7,129)	Monies at Call or Short Notice	(7,945)	(7,207)	(738)
(7,129)		(7,945)	(7,207)	(738)
	Miscellaneous			
(1)	Repayment of Grants	-	(16)	16
(34)	Admin costs charged to Housing Schemes	(34)	(34)	-
(10)	Commission on payroll deductions	(12)	(10)	(2)
(654)	Miscellaneous Income	(570)	(480)	(90)
(252)	Rate Collection Charges	(158)	(286)	128
(1,559)		(773)	(824)	51
(11,601)	Total	(11,645)	(10,626)	(1,019)



Social Security Account - Expenditure

ANALYSIS OF EXPENDITURE				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	National Insurance Fund			
7,954	Incapacity Benefit Long Term	8,000	8,121	(121)
2,596	Incapacity Benefit Short Term	2,800	2,326	474
52	Incapacity Benefit Youth	100	67	33
132,693	Retirement Pension - Basic	131,150	133,288	(2,138)
452	Retirement Pension - Age Addition	450	444	6
1,695	Retirement Pension - Premium	1,940	1,594	346
37,481	Retirement Pension - Supplement	37,190	36,862	328
458	Jobseekers Contribution Based	505	388	117
572	Bereavement Benefit	557	594	(37)
140	Bereavement Lump Sum	143	152	(9)
343	Disablement Benefit	374	321	53
953	Lump Sum Christmas Bonus	950	943	7
3,818	Maternity Benefit	4,000	3,943	57
4,436	Other Benefits	5,469	5,310	159
2	Contracted Out Rebates	100	(1)	101
2,563	Administration Contribution	3,946	2,123	1,823
412	Bad Debt	-	12	(12)
-	Transfer to Health Inspection Fund	-	641	(641)
497	External Consultancy	-	-	-
217	Computer Maintenance	-	260	(260)
197,335	Total NI Fund	197,674	197,389	285
	Non-Contributory Benefits			
793	Miscellaneous - Revenue Funded	575	1,225	(650)
(1)	Nursing Care Contribution Scheme	-	(0)	0
8,783	Disability Living Allowance	8,400	9,215	(815)
(6)	Carers Allowance	-	(94)	94
600	Severe Disability Allowance	618	587	31
3,782	Attendance Allowance	4,003	3,676	327
12,381	Child Benefit	11,000	10,887	113
54	Maternity Payment	93	59	34
33,364	Income Support	36,240	32,311	3,929
9,241	Employed Persons Allowance	9,575	9,578	(3)
139	Exceptional Needs Grant	116	168	(52)
710	Winter Bonus	750	682	68
4,713	Job Seekers (Income Based)	6,030	4,072	1,958
1,320	Administration Contribution	1,715	1,167	548
75,873	Total Non-Contributory Benefits	79,115	73,534	5,581
273,208	TOTAL	276,789	270,922	5,867

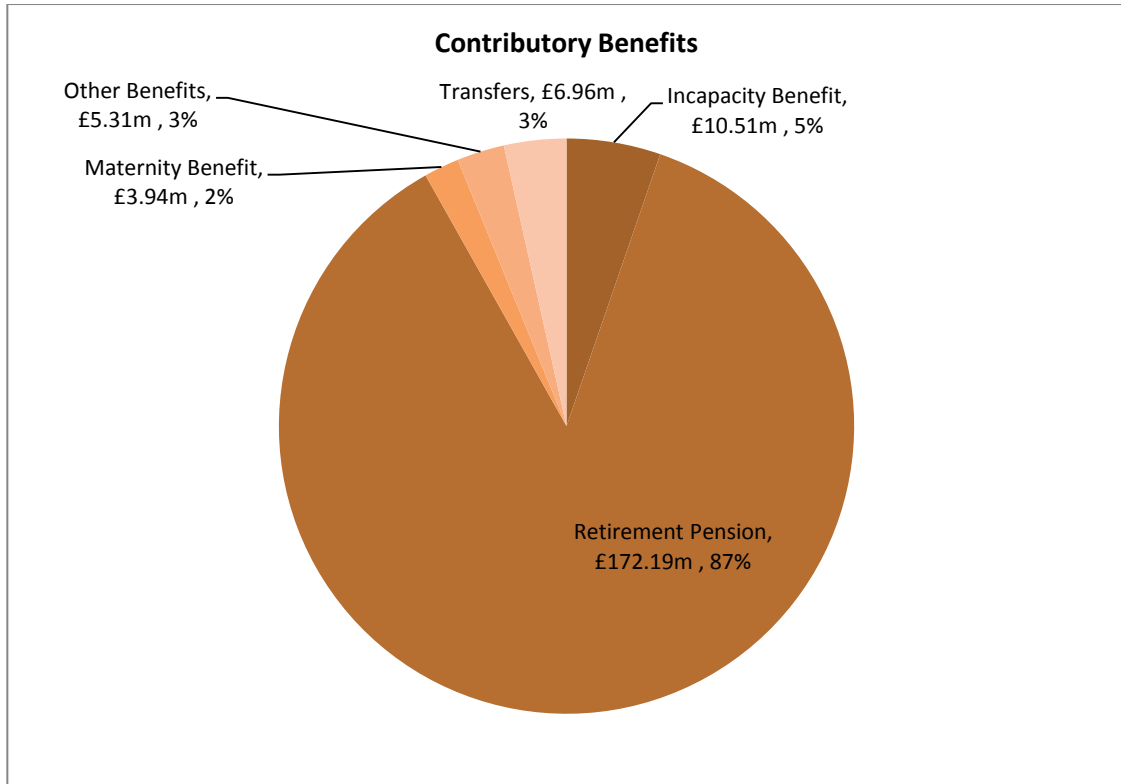


Social Security Account – Income

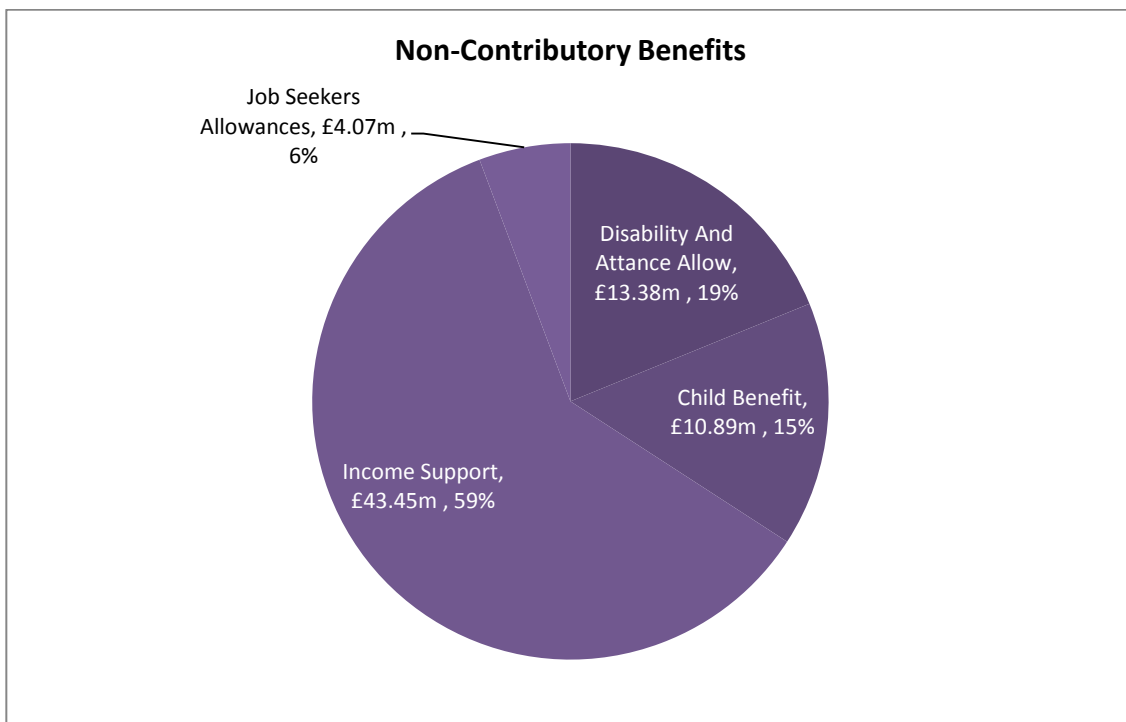
ANALYSIS OF INCOME				
Actual 2014-15 £000	INCOME	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	National Insurance Fund			
(169,487)	Contributions - Class 1	(169,193)	(172,875)	3,682
(765)	Contributions - Class 2	(1,581)	(1,172)	(409)
(156)	Contributions - Class 3	(158)	(121)	(37)
(4,205)	Contributions - Class 4	(4,311)	(4,115)	(196)
36,453	Less: allocated to Manx NHS	36,453	36,453	-
(3)	Contributions Equivalent Premium	(10)	(94)	84
(41,184)	Agency Settlement With UK DHSS	(44,500)	(46,789)	2,289
269	Class 1 National Insurance Refunds	-	253	(253)
18	Class 2 National Insurance Refunds	-	34	(34)
17	Class 3 National Insurance Refunds	-	8	(8)
290	Class 4 National Insurance Refunds	-	261	(261)
(0)	Other Services - Other Services	-	(0)	0
(70)	Property Rents	(72)	(72)	-
-	Interest On Investments	-	-	-
(20,500)	Transfers from/(to) NIIA	(13,499)	(14,000)	501
(199,323)	Movement for year	(196,870)	(202,229)	5,359
2,724	Balance at 1st April		736	(736)
(736)	Balance at 31 March	804	4,105	-
(197,335)	Charge to Revenue for year	(196,067)	(197,389)	4,623



Analysis of Social Security Benefits



Note: Figures exclude Bad Debt provision and Computer Maintenance contribution





6.8. Cabinet Office

NET EXPENDITURE BY DIVISION							
Note	ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
			Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000	
1	3,292	Crown & External Relations	2,501	3,534	(886)	2,648	(147)
	440	Policy & Strategy	769	322	-	322	447
	17,023	Govt. Technology Services	17,133	18,058	(847)	17,212	(79)
	4,966	Office of Human Resources	4,519	4,780	(40)	4,740	(221)
	349	Government Reform Team	731	672	(62)	610	121
	26,069	Total	25,654	27,366	(1,835)	25,531	122

Note

- For comparative purposes the Welcome Centre has been included in the 2014/15 figures as it transferred into the Cabinet Office in 2015/16.

Commentary

The Cabinet Office came in under budget by £122k for the period 2015/16, despite challenging circumstances and income targets. The underspend was mainly due to additional savings made in the Freedom of Information budget and better than expected contract savings in GTS.

In addition to the general underspend, the Department continued to meet its savings targets. The Government Technology Service delivered a further £250k to add to the £750k made the previous year. The Office of Human Resources also made its savings targets of £250k on top of savings made in 2014-15 of £150k.

The Cabinet Office has continued to develop its remit as the corporate centre of Government. In April 2015 the Welcome Centre joined the Cabinet Office as part of a plan to further develop the range of cross Government services in a single place. In addition, the Planning Policy team moved from the Department of Infrastructure in January 2016 and will help strengthen policy development for the Council of Ministers. Both these teams contribute to an overall increase in budget for the Department of around £200k.

During the year, the Department ran four by-elections. By-elections can happen at any time and can make it difficult to accurately forecast budget outturn. In the same way, the Cabinet Office also provides the Passport, Nationality and Immigration service for the Island which is a demand led service and subject to annual fluctuation.

The Government Technology Service is currently running one of the most ambitious transformation programmes in Government which was approved by Tynwald in June 2015. The £5m investment fund, which is overseen by Treasury, will support the delivery of at least £5m of cashable savings and a similar amount in non-cashable savings through improved efficiency and better services. This will be achieved through new and innovative uses for technology in all parts of Government, but in particular in the Police, Health Services and Education.



6.9. Executive Government

NET EXPENDITURE BY DIVISION							
Note	ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
				Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
		<u>Administration</u>					
	143	Industrial Relations Office	157	149	-	149	8
	76	Veterans Welfare Service	88	73	-	73	15
	93	Information Commissioner	153	204	(95)	109	44
	312		398	426	(95)	331	67
		<u>Administration of Justice</u>					
	2,887	Attorney General's Office	3,231	3,285	(54)	3,231	0
1	1,314	General Registry	2,662	3,766	(2,211)	1,555	1,106
	4,201		5,892	7,051	(2,265)	4,786	1,106
2	31,245	Pensions	30,758	67,177	(36,419)	30,758	(1)
	2,418	Overseas Aid	2,400	2,328	-	2,328	72
	38,177	Total Executive Government	39,449	76,981	(38,778)	38,204	1,245

Note

- For comparative purposes the 2014/15 figures have been adjusted to take out Legal Aid costs which transferred to the Treasury in 2015/16. Additionally, the Registries (land & civil registries) transferred to the Department of Economic Development.
- Further details of spend on pensions is given below.

Pensions Spending

ANALYSIS OF EXPENDITURE				
Actual 2014-15 £000	EXPENDITURE	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	<u>Pensions and Grants</u>			
65,901	Government Unified Scheme	48,678	61,543	(12,865)
14,617	Teachers Pension	10,299	16,010	(5,711)
6,866	Police Pension Regulations 1991 & 2010	4,315	7,994	(3,679)
453	Manual Workers No 1 Scheme	365	369	(4)
415	Judicial Scheme	317	420	(103)
25	Tynwald 1995	-	876	(876)
1	Other Expenditure	2	-	2
88,279	Sub-Total	63,976	87,212	(23,236)
172	Refunds of Contributions	160	291	(131)
6,555	Transfer Values Paid	3,122	9,230	(6,108)
95,007	Sub-Total Expenditure	67,258	96,733	(29,475)
(27,156)	Transfer from PSE Pension Reserve	-	(29,556)	29,556
67,851	TOTAL EXPENDITURE	67,258	67,177	81



Pensions Income

ANALYSIS OF INCOME				
Actual 2014-15 £000	INCOME	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	<u>Contributions Received</u>			
(23,836)	Government Unified Scheme	(24,794)	(24,147)	(647)
(8,981)	Teachers Pension	(9,290)	(9,037)	(253)
(1,050)	Police Pension Regulations 1991 & 2010	(1,149)	(1,002)	(147)
(5)	Manual Workers Nos.1 Scheme	(9)	(5)	(4)
(33)	Judicial Schemes	(35)	(37)	2
(86)	Tynwald 1995	-	(87)	87
(10)	Other Income	-	-	-
(34,001)	Sub-Total	(35,277)	(34,315)	(962)
(2,605)	Transfer Values Received	(1,223)	(2,103)	880
-	Transfer to PSE Pension Reserve	-	-	-
(36,605)	TOTAL INCOME	(36,500)	(36,419)	(81)
67,851	Expenditure brought Forward	67,258	67,177	81
31,245	NET SPEND	30,758	30,758	(1)

Pensions Spending - Analysis

ANALYSIS OF AMOUNTS PAID				
Actual 2014-15 £000	EXPENDITURE	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	<u>Analysis of Amounts Paid:</u>			
54,330	Monthly Pensions Paid	38,158	59,712	(21,554)
33,949	Lump Sum Amounts Paid	25,818	27,500	(1,682)
172	Refunds of Contributions	160	291	(131)
6,555	Transfer Values Paid	3,122	9,230	(6,108)
95,007	Total	67,258	96,733	(29,475)
	<u>Analysis of Tynwald Members' Pensions:</u>			
781	Monthly Pensions Paid	-	818	(818)
-	Lump Sum Amounts Paid	-	58	(58)
781	Total	-	876	(876)

The overall level of expenditure on pensions was lower than anticipated and this has meant that a lower amount has been drawn from the Public Sector Pension Reserve (£29.6 million) than was anticipated in the budget (£42.9 million).



6.10. Manx Museum and National Trust

Revenue

NET EXPENDITURE BY DIVISION						
ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
			Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
3,765	Manx Museum and National Trust	3,953	4,786	(853)	3,933	21
3,765	Total MMNT	3,953	4,786	(853)	3,933	21

Manx National Heritage had a successful trading year in sustaining admission and retail income within difficult economic climates both for our local and visitor service users.

Capital

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000		Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
	PAYMENTS			
20	Rushen Abbey Development	-	-	-
32	Digitisation & Public Electronic Access	55	79	(24)
66	Heritage Property Conservation	225	69	156
279	Minor Capital Works	150	148	2
166	Gallery Redisplay	250	250	0
563		680	547	133

We continue to invest in our assets and have successfully completed a number of minor capital upgrades to our galleries at the Manx Museum and House of Manannan that all help to sustain our repeat visitor audiences.



6.11. Road Transport Licensing Committee

NET EXPENDITURE BY DIVISION						
ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
			Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
79	Road Transport Licensing Committee	105	131	(47)	84	21
79	Total RTLC	105	131	(47)	84	21

6.12. Statutory Boards (Revenue Funded)

NET EXPENDITURE BY DIVISION						
ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
			Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
(555)	Communications Commission	(458)	394	(996)	(602)	144
(547)	Financial Supervision Authority	-	5,239	(5,239)	-	-
(1,093)	Gambling Supervision Commission	(1,920)	770	(1,645)	(875)	(1,046)
665	Office of Fair Trading	712	698	(58)	640	72
(0)	Public Sector Pensions Authority	-	7	(7)	0	(0)
(1,530)	Total Stat Boards	(1,667)	7,108	(7,945)	(837)	(829)

Gambling Supervision Commission

Income is below budget due to reduced applications and a significant reduction in licensed operators. Expenditure is slightly below budget due to a staff vacancy and reduced application expenditure.

6.13. Legislature (Parliament)

NET EXPENDITURE BY DIVISION						
ACTUAL 2014-15 Net Spend £000		BUDGET 2015-16 Net Spend £000	ACTUAL 2015-16			
			Gross Spend £000	Gross Income £000	Net Spend £000	Net Variance £000
3,925	Legislature	4,156	3,921	(68)	3,852	304
781	Members' Pensions	-	1	-	1	(1)
4,705	Total	4,156	3,922	(68)	3,853	303

The cost for Members' pensions has now transferred to the Public Sector Pensions Authority within Executive Government.



6.14. Manx Utilities Authority (Capital Programme only)

CAPITAL EXPENDITURE BY SCHEME				
Actual 2014-15 £000	PAYMENTS	Budget 2015-16 £000	Actual 2015-16 £000	Variance 2015-16 £000
1,533	All Island Refurbishment of Infrastructure	1,600	1,712	(112)
-	IRIS Regional Programme	500	-	500
	Transmission Mains:			
187	- TM Castletown/Santon	40	20	19
-	- TM Port Erin/Castletown	9	-	9
219	- TM Mount Murray/Newtown	-	8	(8)
27	Treatment Plant Santon	5	1	4
-	Repay Local Authority Drainage Loans	153	-	153
348	IRIS Pumping Stations Refurbishment	250	168	82
3,643	Regional Sewerage Strategy Phase 1	12,657	6,734	5,923
376	Sewer Flood Alleviation in Douglas Onchan & Andreas	250	69	181
4,700	MEA Borrowing - Capital Programme	6,833	3,432	3,401
11,034		22,297	12,144	10,153



(Detailed Government Accounts are continued on next page)



7. Externally Managed Invested Funds

7.1. Summary of Externally Invested Funds

SUMMARY OF EXTERNAL INVESTMENTS							
Invested Fund	Balances Brought Forward 1 April 2015 £000	Income		Net Profit on Sale of Investments £000	Expenditure		Balances Carried Forward 31 March 2016 £000
		Contributions Seizures & Other £000	Investment Income £000		Transfers to Internal Accounts £000	Other Expenses £000	
Hospital Estate Development Fund	42,428	-	856	172	-	3,211	40,245
Manx Currency Account	79,683	1,750	1,000	137	459	594	81,517
Media Development Fund	34,096	33	9	(8,820)	0	374	24,944
National Insurance Fund - Investment A/c	682,030	-	14,236	42,661	14,000	1,645	723,282
Public Service Employees Pension Reserve	200,931	-	4,435	13,310	28,880	2,175	187,621
Reserve Fund	295,666	-	7,300	14,198	6,380	593	310,191
MUA Bond Repayment Fund	-	44,260	628	95	-	46	44,937
Sub-total	1,334,833	46,042	28,463	61,753	49,719	8,637	1,412,736
General Revenue Account Temporary Loans	237,974	22,555	-	-	-	-	260,529
Total: Invested Funds	1,572,807	68,598	28,463	61,753	49,719	8,637	1,673,265



Summary of Externally Invested Funds and Reserves (continued)

BOOK VALUE AND MARKET VALUE BY FUND				
Invested Fund	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
Hospital Estate Development Fund	42,428	43,450	40,245	40,746
Manx Currency Account	79,683	80,628	81,517	82,085
Media Development Fund	34,096	34,096	24,944	24,944
National Insurance Fund - Investment A/c	682,030	775,255	723,282	741,256
Public Service Employees Pension Reserve	200,931	226,423	187,621	191,575
Reserve Fund	295,666	342,067	310,191	331,046
MUA Bond Repayment Fund	-	-	44,937	47,179
Sub-total	1,334,833	1,501,919	1,412,736	1,458,832
General Revenue Account Temp Loans	237,974	237,974	260,529	260,529
Total Invested Funds	1,572,807	1,739,893	1,673,265	1,719,361

BOOK VALUE AND MARKET VALUE BY ASSET TYPE				
Asset Class	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
Property	408	725	408	725
Investment in Films	20,707	20,707	10,890	10,890
United Kingdom Fixed Interest	216,898	235,275	245,953	261,039
United Kingdom Equities	316,817	373,889	357,206	354,532
Overseas Fixed Interest	103,104	116,740	8,643	8,759
Overseas Equities	300,457	366,683	240,838	273,645
Other Investments	84,440	91,716	24,923	25,354
Cash & Cash Instruments	235,961	240,142	449,799	449,811
Cash funds held by Treasury	294,016	294,016	334,606	334,606
Total	1,572,807	1,739,893	1,673,265	1,719,361



7.2. Hospital Estate Development Fund

HOSPITAL ESTATE DEVELOPMENT FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Income from Investments	1,096	856
Net (profit)/loss on realisation of Investments	241	172
Total Income	1,336	1,028
EXPENDITURE		
<u>Department of Health</u>		
Loan Charges on Nobles Hospital	2,278	3,162
<u>Other</u>		
Custodian Fees	5	5
Investment Management Fees	45	44
Total Expenditure	2,328	3,211
Net Movement for Year	(992)	(2,183)
Balance brought forward at 1 April	43,419	42,428
Balance carried forward at 31 March	42,428	40,245

Notes

1. Investments at 31 March were:

INVESTMENTS BY ASSET TYPE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
United Kingdom Fixed Interest	34,118	35,484	33,544	34,577
United Kingdom Equities	2,145	1,767	1,892	1,350
Overseas Equities	256	291	264	272
Cash & Cash Instruments	5,909	5,909	4,546	4,548
Total	42,428	43,450	40,245	40,746

2. The Hospital Estate Development Fund was established by Tynwald on the 20 October 1994.
3. The purpose of the Fund is to meet the Loan Charges arising from the Capital Expenditure in respect of the New Hospital after the 1 April 1996.

(accompanying notes are continued on the following page)



4. The Loan Charges in respect of Capital Expenditure on Noble's Hospital up to the 31 March 1996 are charged to the Votes of the Department of Health and Social Care.
5. A review of the remaining expected life of the fund is performed annually.

At 31 March 2016 it was anticipated that the fund would be exhausted in 2033-34 (2015: 2033-34). Key assumptions made during this forecast are:

- a. Net return on investments being constant at 4.3% (2015: 4.3%); and
- b. Consolidated Loans Fund Pool Rate increasing from 0.0% to 1.0% in 2015-16 and then to 1.5% in 2016-17 and 2.0% thereafter.
- c. Loan sanction duration 50 years (2013: 50 years).



7.3. **Manx Currency Account**

MANX CURRENCY ACCOUNT		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Income from Investments	1,066	1,000
Net profit or loss on realisation of Investments	181	137
Increase/(decrease) in Notes in Circulation	2,925	679
Increase/(decrease) in base metal Coins in Circulation	1,056	1,002
Income on Commemorative Coin Sales	97	69
Total Income	5,325	2,887
EXPENDITURE		
<u>Treasury</u>		
Custodian Fees	4	4
Investment Management Fees	34	34
Expenses of the Note Issue	527	295
Cost of Circulating Coin Sales	517	246
Commemorative Coin Expenses	16	14
<u>Transfers</u>		
Transfer to General Revenue Account	57	459
Total Expenditure	1,155	1,053
Net Movement for Year	4,171	1,834
Balance brought forward at 1 April	75,513	79,683
Balance carried forward at 31 March	79,683	81,517

(Accompanying notes are set out on the following page)



Manx Currency Account (continued)

Notes

1. Investments at 31 March were:

INVESTMENTS BY ASSET TYPE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
United Kingdom Fixed Interest	26,549	27,551	27,173	27,948
United Kingdom Equities	1,386	1,296	1,242	1,025
Overseas Equities	203	235	212	222
Cash & Cash Instruments	4,701	4,701	4,365	4,365
Cash funds held by Treasury	46,845	46,845	48,525	48,525
Total	79,683	80,628	81,517	82,085

2. The face value of Manx Currency in circulation at 31 March was:

FACE VALUE OF MANX CURRENCY IN CIRCULATION		
	As at 31 Mar 15 £000	As at 31 Mar 16 £000
Notes	61,458	62,137
Coins	14,798	15,800
Total	76,256	77,937
Fund Balance	79,683	81,517
Balance in excess of face value	3,427	3,581

3. The balance at 31 March on the Coins Account comprises:

COMPOSITION OF THE COINS ACCOUNT		
	As at 31 Mar 15 £000	As at 31 Mar 16 £000
Cash at Bank	5,680	7,738
Money at call or short notice	8,700	8,700
Total	14,380	16,438

4. Net profit on Commemorative Coin Sales for the year was £55,538 (2014-15: £75,675).



7.4. Media Development Fund

MEDIA DEVELOPMENT FUND				
	2014-15	2015-16		
	Total £000	Internal Fund £000	External Fund £000	Total £000
INCOME				
Recoupment of investments	10	9	-	9
Investment Income	2,008	30	3	33
Net profit/(loss) on investments	-	-	(8,820)	(8,820)
	2,018	38	(8,817)	(8,779)
EXPENDITURE				
<u>Treasury</u>				
Transfer to Working Capital	1,930	-	-	-
Commission on Recoupment	87	-	-	-
Isle of Man Film Obligations	7	-	9	9
Investment Manager's Fees	365	-	365	365
<u>Transfers</u>				
Transfer to Internal Fund	-	(9,562)	9,562	0
Total Expenditure	2,389	(9,562)	9,936	374
Net Movement for Year	(370)	9,600	(18,752)	(9,152)
Balance brought forward at 1 April	34,466	539	33,557	34,096
Balance carried forward at 31 March	34,096	10,139	14,805	24,944

Notes

1. Investments at 31 March were:

COMPOSITION OF THE FUND BALANCE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
Balance on externally managed funds	25,683	25,683	11,500	11,500
Cash Balance of Internal Fund	8,413	8,413	13,444	13,444
Total	34,096	34,096	24,944	24,944

(Accompanying notes are continued on the following page)



Media Development Fund (continued)

2. Investments held by the Fund Managers at 31 March were:

INVESTMENTS BY ASSET TYPE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
Investment in Films	20,707	20,707	10,890	10,890
Cash & Cash Instruments	4,976	4,976	610	610
Total	25,683	25,683	11,500	11,500

3. The purpose of the Fund, together with Isle of Man Film Limited (an incorporated Isle of Man company) is to support the development of the media and film industry by providing funds to invest in larger budget film productions and local media infrastructure facilities. In this manner, it is intended to create additional local employment opportunities and to enable a greater proportion of film and media related activities to be undertaken on the Isle of Man.
4. The Media Development Fund was established by the Treasury with effect from 31 March 2002. It was announced during the 2007-08 Budget in March 2007 that the fund would be externally managed on behalf of the Treasury and in August 2007 £50 million of the balance on the internal fund was transferred to the external fund managers. During 2012-13 the management of the external fund and control of £25 million of cash balances transferred from CinemaNX Limited to Pinewood Film Advisors Limited.
5. On a regular basis the investment manager of the external fund reviews the amount recoverable from each film investment and makes provisions against the value of investments in certain films to more prudently reflect the future receipts anticipated. During 2015-16 provisions of £8.82 million were applied (2014-15: £nil) which updates the valuation of the investments that was undertaken in 2011. The impact of this write-down is to reduce the value of the fund by £8.82 million.



7.5. National Insurance Account

NATIONAL INSURANCE ACCOUNT				
	2014-15	2015-16		
	Total £000	Operating Account £000	Investment Account £000	Total £000
INCOME				
National Insurance Contributions	137,639	141,440	-	141,440
Income from Investments	14,399	-	14,236	14,236
Net profit or loss on realisation of Investments	15,168	-	39,556	39,556
Net profit or loss on Currency Transfers	241	-	3,105	3,105
Financial adjustments with United Kingdom	41,184	46,789	-	46,789
<u>Transfers</u>	-	-	-	
Income transferred to Operating Account	-	14,000	(14,000)	0
Total Income	208,631	202,229	42,897	245,126
EXPENDITURE				
Benefits	194,058	194,364	-	194,364
Administration Costs	2,563	2,123	-	2,123
Consultancy and ICT Costs	715	260	-	260
Custodian Fees	56	-	60	60
Investment Management Fees	1,632	-	1,585	1,585
<u>Transfers</u>				
Transfer to Health Inspection Fund	-	641	-	641
Total Expenditure	199,022	197,389	1,645	199,033
Net Movement for Year	9,609	4,841	41,252	46,093
Balance brought forward at 1 April	671,685	(736)	682,030	681,294
Balance carried forward at 31 March	681,294	4,105	723,282	727,387

Notes

1. The National Insurance Fund comprises
 - (i) the National Insurance Operating Account which represents the operating balance on income and expenditure transactions (i.e. cash). A more detailed statement of the National Insurance Operating Account is included within the Treasury, Social Security Division accounts.
 - (ii) the National Insurance Investment Account which is invested by external Investment Managers on behalf of the Treasury.

(Accompanying notes are continued on the following page)

**National Insurance Account (continued)**

2. Balances of the combined fund at 31 March were:

COMPOSITION OF THE FUND BALANCE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
Balance on externally managed fund	681,622	774,530	722,874	740,531
Freehold Property vested in the Treasury	408	725	408	725
Sub-total NI Investment A/C	682,030	775,255	723,282	741,256
Cash Balance of Operating Account	(736)	(736)	4,105	4,105
Total	681,294	774,519	727,387	745,361

3. Investments held by the Fund Managers at 31 March were:

INVESTMENTS BY ASSET TYPE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
UK Fixed Interest	62,056	68,817	90,508	95,142
UK Equities	168,846	203,067	206,744	205,634
Overseas Fixed Interest	74,545	83,975	3,914	4,065
Overseas Equities	194,800	229,696	129,956	143,530
Other Investments	66,576	71,366	24,369	24,800
Cash & Cash Instruments	114,799	117,609	267,383	267,360
Total	681,622	774,530	722,874	740,531

4. National Insurance Contributions comprise:

	2014-15	2015-16
Gross Contributions	(174,022)	(177,820)
Less: Allocation to Health Services	36,453	36,453
Total	(137,569)	(141,367)

5. Financial adjustments with the United Kingdom comprise:

	2014-15	2015-16
Up-rating for pre 1978 transfers	(3,357)	(3,273)
Provisional receipt for split liability	(42,829)	(43,329)
Final settlement of split liability	3,571	-
Sub-Total Receipts	(42,615)	(46,602)
Annual Contribution Settlement	1,426	(187)
Total	(41,189)	(46,789)

Note: Final settlement of split liability was not complete for 2015-16



7.6. Public Service Employees Pension Reserve

PUBLIC SERVICE PENSION RESERVE				
	2014-15	2015-16		
	Total	Internal	External	Total
	£000	Fund £000	Fund £000	£000
INCOME				
Interest on funds held by Treasury	17	53	-	53
Income from Investments	4,881	-	4,382	4,382
Net profit/(loss) on realisation of Investments	7,571	-	13,271	13,271
Net profit/(loss) on Currency Transfers	(86)	-	39	39
Total Income	12,384	53	17,692	17,745
EXPENDITURE				
<u>Department of Infrastructure</u>				
Staffing Reductions	133	413	-	413
<u>Treasury</u>				
Manx Radio Restructuring	23	263	-	263
<u>Public Sector Pensions Authority</u>				
Operating Expenses	775	751	-	751
Pensions Project	337	421	-	421
<u>Other</u>				
Custodian Fees	19	-	18	18
Investment Management Fees	337	-	309	309
<u>Transfers</u>				
Transfer to General Revenue Account	27,000	28,880	-	28,880
Transfer from External Fund	-	(42,000)	42,000	-
Total Expenditure	28,623	(11,272)	42,327	31,055
Net Movement for Year	(16,239)	11,324	(24,635)	(13,310)
Balance brought forward at 1 April	217,170	784	200,147	200,931
Balance carried forward at 31 March	200,931	12,108	175,512	187,621

(Accompanying notes are on the following page)



Notes

1. Balances of the combined fund at 31 March were:

COMPOSITION OF THE FUND BALANCE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
Balance on externally managed fund	200,147	225,639	175,512	179,467
Cash Balance of Internal Fund	784	784	12,108	12,108
Total	200,931	226,423	187,621	191,575

2. Investments held by the Fund Managers at 31 March 2016 were:

INVESTMENTS BY ASSET TYPE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
United Kingdom Fixed Interest	29,679	32,836	23,330	25,688
United Kingdom Equities	57,564	66,051	55,312	53,004
Overseas Fixed Interest	16,007	18,766	0	0
Overseas Equities	38,428	46,977	29,616	33,512
Other Investments	9,558	11,205	0	0
Cash & Cash Instruments	48,911	49,803	67,254	67,263
Total	200,147	225,639	175,512	179,467

3. The overall fund comprises an externally managed fund and an internally managed fund. Balances are transferred to the external fund when approved through the Government budget.
4. The Public Service Employees Pension Reserve was established by the Treasury on the 1st April 1994.
5. The purpose of the Fund is to accumulate within a General Revenue Account Reserve the receipt of Transfer Values in respect of incoming employees and to provide a long term reserve to stabilise the annual finance of :
- Transfer Values payable for outgoing employees;
 - Lump sums payable to retiring employees;
 - On-going costs of Pension Administration and the implementation of the Government Unified Scheme; and
 - The emerging pensions liability.
6. The internal fund's income arises from transfers from General Revenue approved in the budget, the transfer of any unspent vote from the Superannuation section of Executive Government and allocation of interest on funds held by Treasury.



7.7. Reserve Fund Account

RESERVE FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Income from Investments	7,972	7,300
Net profit/(loss) on realisation of Investments	3,189	13,942
Net profit/(loss) on Currency Transfers	(303)	256
Total Income	10,858	21,497
EXPENDITURE		
<u>Other</u>		
Custodian Fees	31	32
Investment Management Fees	525	561
<u>Transfers</u>		
Transfer to General Revenue	11,000	-
General Revenue (income)	6,669	6,380
Total Expenditure	18,225	6,972
Net Movement for Year	(7,367)	14,525
Balance brought forward at 1 April	303,033	295,666
Balance carried forward at 31 March	295,666	310,191

Notes

1. Investments at 31 March were:

INVESTMENTS BY ASSET TYPE				
	As at 31 March 2015		As at 31 March 2016	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000
United Kingdom Fixed Interest	64,496	70,588	56,704	61,159
United Kingdom Equities	86,877	101,709	83,248	84,771
Overseas Fixed Interest	12,551	13,999	3,671	3,526
Overseas Equities	66,770	89,484	73,030	88,034
Other Investments	8,306	9,144	554	554
Cash & Cash Instruments	56,665	57,144	92,984	93,001
Total	295,666	342,067	310,191	331,046

(Accompanying notes are continued on the following page)



Reserve Fund (continued)

2. In June 2012 Tynwald approved the purchase of a strategic shareholding in Pinewood Shepperton plc, the parent company of Pinewood Film Advisors Limited appointed to manage investments in film productions made from the Media Development Fund. Approval was granted for a stake of up to 19.99% at a cost of up to £24 million.

In October 2012 the purchase of 4,891,582 shares (representing a stake of 9.90%) was completed at a cost of £12,290,100. Since 2012, 2,839,327 shares have been sold realising £11,090,081.

As at 31 March 2016 the market value of the remaining shareholding was £11,482,367 (2015: £20,288,000).



7.8. MUA Bond Repayment Fund

MUA BOND REPAYMENT FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Income from Investments	-	628
Net profit or loss on realisation of Investments	-	100
Net profit or loss on Currency Transfers	-	(5)
<u>Transfers</u>		
Transfer to Fund Managers	-	44,260
Total Income	-	44,983
EXPENDITURE		
<u>Other</u>		
Custodian Fees	-	2
Investment Management Fees	-	43
Total Expenditure	-	46
Net Movement for Year	-	44,937
Balance brought forward at 1 April	-	-
Balance carried forward at 31 March	-	44,937

Notes

1. Investments at 31 March were:

INVESTMENTS BY ASSET TYPE		
	As at 31 March 2016	
	Book Cost £000	Market Value £000
United Kingdom Fixed Interest	14,694	16,525
United Kingdom Equities	8,768	8,748
Overseas Fixed Interest	1,058	1,168
Overseas Equities	7,760	8,074
Cash & Cash Instruments	12,657	12,664
Total	44,937	47,179

(Accompanying notes are continued on the following page)



MUA Bond Repayment Fund (Continued)

2. The Isle of Man Water Authority ("IOMWA") and the Manx Electricity Authority ("MEA") raised capital programme funds in the early 2000's from the sale of Bonds backed by the Isle of Man Treasury. An initial repayment fund (The Water Repayment Fund) was set up in 2006-07 to repay the IOMWA Bonds totalling £75 million over a 30 year term with a repayment date in March 2030. The 'MEA Bond' was £185 million over a slightly longer term and an August 2034 repayment date. There was no fund set up initially to repay this debt in 2014.
3. A key part of the rationale for the subsequent merger of the MEA and Isle of Man Water and Sewerage Authority (the successor to the IOMWA) to form the Manx Utilities Authority ("MUA") was the ability of the merged utility to have the internal cash flows to set up a further Bond repayment fund that would be also able to repay the MEA 2034 loan in full on maturity.
4. The administration of the Water Repayment Fund was transferred to the Treasury with effect from 1 April 2015 titled 'IOM Government MUA Bond Repayment Fund'. The MUA Bond Repayment Fund is not segregated between the IOMWA and MEA components. Treasury reports on the value of the MUA Bond Repayment Fund to the MUA, within 1 month of each quarter-end including book cost, market values and performance figures to monitor whether it still considers the fund is able to meet the Bond repayments when they fall due in 2030 and 2034. Treasury confirmed that the fund was on schedule to meet its liabilities in April 2016.
5. A portfolio totalling £32,759,851 was transferred from the MUA in April 2015 and a further £11,500,000 was paid to the fund by the MUA in March 2016. The market value of the fund was £47,179,262 at 31 March 2016.



8. Internal Revenue Funds and Reserves

8.1. Summary of Internally Invested Funds and Reserves

SUMMARY OF INTERNAL FUNDS							
	Balances Brought Forward 1 April 2015 £000	Income			Expenditure		Balances Carried Forward 31 March 2016 £000
		Contributions Seizures & Other £000	Transfers from Departments £000	Investment Income £000	Transfers to Other Funds £000	Other Expenses £000	
Internal Revenue Fund or Reserve							
Agricultural Development Fund	3,916	-	-	15	-	847	3,084
Economic Development Fund	9,223	-	-	82	-	100	9,205
Government Energy Initiatives Capital Fund	2,129	-	73	9	-	359	1,852
Government Marketing Initiatives Fund	4,321	-	-	15	-	1,179	3,158
Health Inspection Fund	2,107	2,641	-	12	-	598	4,162
Housing Reserve Fund	13,995	2,319	370	48	-	7,494	9,237
ICT Fund	6,015	-	609	20	-	3,119	3,524
Insurance Fund	0	-	-	-	-	0	(0)
Land & Property Acquisition Reserve	2,525	-	-	11	-	-	2,536
Legal Costs Reserve	6,618	-	-	22	-	2,883	3,757
Medical Indemnity Fund	5,361	-	-	20	-	983	4,399
Restructuring Fund	4,697	-	-	17	-	1,493	3,221
Seized Assets Fund	3,609	220	-	14	-	465	3,378
Town & Village Centre Regen. Fund	6,720	-	-	21	-	3,648	3,092
Total: Internal Funds	71,238	5,180	1,052	305	-	23,170	54,605



8.2. Agriculture and Forestry Fund

AGRICULTURE AND FORESTRY FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	15	15
<u>Contribution from Departments:</u>		
Dept. of Environment, Food and Agriculture	210	-
Total Income	225	15
EXPENDITURE		
<u>Dept. of Environment, Food and Agriculture</u>		
Marketing Officer	11	-
Meat Plant Subvention	610	765
Meat Plant Infrastructure	-	17
Phytophthora Clearing	-	65
Total Expenditure	621	847
Net Movement for Year	(396)	(833)
Balance brought forward at 1 April	4,313	3,916
Balance carried forward at 31 March	3,916	3,084

Notes

1. The Agricultural Development Fund was established by the Treasury in the 2007-08 Budget and was renamed to the Agriculture and Forestry Fund in 2014.
2. The purpose of the fund is to assist the Department of Environment, Food and Agriculture in providing additional financial support to the agricultural community during the transition from production-based subsidies towards a form of de-coupled support intended to enable Island farmers to adjust positively to the potential loss of the red meat derogation in 2010. Additionally, the fund can now be utilised to respond to dangerous disease within the forestry estate.
3. Applications for monies held in this Fund are considered by Treasury and must be used to implement strategies designed to provide sales and marketing initiatives, processing efficiencies and administrative restructurings. Any proposal needs to demonstrate its contribution to the transitional process and provide sustainable benefits for the industry in the medium to long term.



8.3. Economic Development Fund

ECONOMIC DEVELOPMENT FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Income from Investments	65	49
Interest on Funds held by Treasury	49	33
Total Income	114	82
EXPENDITURE		
<u>Department of Economic Development</u>		
Grant Assistance (EDF)	(102)	-
Offshore Wind Consultancy	36	-
MoneyVAL Contract	-	100
<u>Transfers</u>		
Transfer to ICT Fund	2,000	-
Transfer to TVCRF	3,000	-
Total Expenditure	4,934	100
Net Movement for Year	(4,820)	(18)
Balance brought forward at 1 April	14,043	9,223
Balance carried forward at 31 March	9,223	9,205
Loan Balances included at 31 March		
e-Ilan Communications Limited	160	120
Sefton Group plc	1,300	1,300
Cash Balance on Fund	7,763	7,785

Notes

1. A reserve was established by the Treasury on 31 March 1999 and has since been renamed the Economic Development Fund.
2. The purpose of the Fund is to provide financial assistance to organisations undertaking projects which are not eligible under any other Government scheme and which are deemed to have a positive contribution to the local economy. Applications are processed by the Department of Economic Development with Treasury concurrence required.
3. During 2008-09 a loan in the amount of £400,000 was made from the Fund (together with a grant of £200,000) to e-Ilan Communications Limited, a subsidiary of the Manx Utilities Authority. The loan is repayable at a rate of £40,000 per annum and interest payable annually is charged at a variable rate interest notified by Treasury, currently 0.0% per annum.
4. During 2013-14 a loan in the amount of £1,300,000 was made from the Fund to the Sefton Group plc. The loan is repayable in full after five years and interest payable quarterly is charged at a rate of 5.0% per annum.
5. The value of guarantees granted as at 31 March 2016 was £410,000 (2015: £410,000).



8.4. Government Energy Initiatives Capital Fund

GOVERNMENT ENERGY INITIATIVES CAPITAL FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	8	9
<u>Contribution from Departments</u>		
Department of Education and Children	42	53
Department of Infrastructure	-	15
Manx Utilities Authority	-	5
Total Income	50	82
EXPENDITURE		
<u>Department of Infrastructure</u>		
Ballacottier School	-	33
QEII School	-	68
Noble's Hospital Lighting	-	107
<u>Department of Home Affairs</u>		
IOM Prison Air Tightness Work	-	151
<u>Department of Education and Children</u>		
Air Tightness Upgrades	36	-
Cavity Insulation	16	-
Lighting Controls	100	-
<u>Department of Environment, Food and Agriculture</u>		
Energy Savings Trust - Internet Tools	3	-
<u>Department of Health and Social Care</u>		
Passivhaus - Janet's Corner	50	-
<u>Manx Utilities Authority</u>		
Bright Ideas Energy Advice	14	-
Total Expenditure	219	359
Net Movement for Year	(169)	(277)
Balance brought forward at 1 April	2,298	2,129
Balance carried forward at 31 March	2,129	1,852

Notes

1. The Government Energy Initiatives Capital Fund was established by the Treasury in the 2008-09 Budget.
2. The purpose of the Fund is to provide additional funding to Government Departments for schemes for reducing their carbon emissions and costs by reducing the use of fossil fuels. Resultant savings will be shared between the fund and the Department. Applications will be prioritised by the Department of Environment, Food and Agriculture and the Treasury based upon the environmental and financial savings that are expected to result from the initiatives proposed.
3. From 1st April 2016 this fund will be closed and the balance transferred to the Invest to Save Fund.



8.5. Government Marketing Initiatives Fund

MARKETING INITIATIVES FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	18	15
Total Income	18	15
EXPENDITURE		
<u>Department of Economic Development</u>		
Development of e-gaming	18	42
Funds Development Strategy	30	39
ICT Sector Marketing Strategy	56	166
Opportunities for Additional Growth	119	258
Promotion of Captive Insurance Industry	7	15
Tourism Division Marketing Budget	62	81
TT Marketing	161	125
Country Marketing Strategy	141	249
Pensions Industry Strategy	-	0
Ship Registry	16	-
Target Market Access	20	-
<u>Cabinet Office</u>		
Public Relations Contract	177	204
Total Expenditure	809	1,179
Net Movement for Year	(791)	(1,164)
Balance brought forward at 1 April	5,113	4,321
Balance carried forward at 31 March	4,321	3,158

Notes

1. The Government Marketing Initiatives Fund was established by the Treasury in the 2005-06 Budget with a £2 million transfer from the General Revenue Account.
2. The Fund is designed to provide financial support for marketing initiatives or projects that promote the Island to various markets and encourage access to business development opportunities.
3. There is an identified need to fund marketing initiatives that can often involve more than one Department and the purpose of this Fund is to provide financial support for such initiatives. From 1 April 2007, Treasury approves application up to £100,000. Applications over £100,000 are referred to the Council of Ministers.



8.6. Health Inspection Fund

HEALTH INSPECTION FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	7	12
<u>Transfers</u>		
Transfer from General Revenue	-	2,000
NHS Contribution from NI Fund	-	641
Total Income	7	2,653
EXPENDITURE		
<u>Department of Health and Social Care</u>		
Children's & Adolescents Mental Health I	-	25
Children's & Adolescents Mental Health II	-	27
Patient Tracking System	-	143
Programme Management Costs	-	199
<u>Cabinet Office</u>		
Programme Management Costs	-	204
Total Expenditure	-	598
Net Movement for Year	7	2,055
Balance brought forward at 1 April	2,100	2,107
Balance carried forward at 31 March	2,107	4,162

Notes

1. The Health Inspection Fund was established by the Treasury with effect from 31 March 2014 with a £2.1 million transfer from the General Revenue Account.
2. The purpose of the Fund is to provide finance for the controlled implementation of changes which may now be required as a result of reviews undertaken at Noble's Hospital. Draw-downs to fund additional resources will be made if approved by the Council of Ministers.
3. A further £2 million transfer from General Revenue to the Health Inspection Fund was announced in the Isle of Man Government Budget 2015 in February 2015 and was transferred in during the year.



8.7. **Housing Reserve Fund**

HOUSING RESERVE FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
House Purchase Assistance Scheme repayments	4,290	2,319
Interest on Funds held by Treasury	42	48
<u>Contribution from Departments</u>		
Department of Health and Social Care	2,500	-
Department of Infrastructure, Sale of Land	-	370
<u>Transfers</u>		
Transfer from General Revenue	-	-
Total Income	6,833	2,736
EXPENDITURE		
DOI Transfer to Capital Account for:		
- Planned Maintenance Schemes	1,461	1,870
- House Purchase Assistance Scheme	2,074	2,626
- Clagh Vane Redevelopment Projects	315	976
- Crossag Farm	64	56
- Janet's Corner Projects	987	15
- Ballacubbon Phases 1 & 2	-	6
- House Improvement and Energy Conservation	74	-
	4,975	5,550
DOI Transfer to Revenue Account for:		
- Local Housing Deficiency	-	1,945
Total Expenditure	4,975	7,494
Net Movement for Year	1,858	(4,758)
Balance brought forward at 1 April	12,138	13,995
Balance carried forward at 31 March	13,995	9,237

Notes

1. The Housing Reserve Fund was established by the Treasury with effect from 31 March 2002.
2. The purpose of the Fund is to provide finance for housing related projects, and amounts from the Fund are to be transferred to the Capital Account to meet the cost of those projects which have been approved by Tynwald.
3. The life of the Fund is extended by investment interest on its free balance and from the sale of land to developers and properties to first time buyers.
4. At the end of 2014-15 the Department of Health and Social Care transferred £2.5 million into the fund in order to supplement the local authority deficiency revenue budget (now the responsibility of the Department of Infrastructure) during 2015-16 and beyond.



8.8. Insurance Fund

INSURANCE FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on funds held by Treasury	8	-
Income - General	(4)	-
Total Income	4	-
EXPENDITURE		
<u>Treasury</u>		
Net Cost of Central Insurance Programme	1,864	0
Liability Claims & Advances to Claims Handlers	600	-
Total Expenditure	2,464	0
Net Movement for Year	(2,460)	(0)
Balance brought forward at 1 April	2,460	0
Balance carried forward at 31 March	0	(0)

Notes

1. The Insurance Fund was established by Treasury with effect from 1 April 1994.
2. As the cost of Government's insurance programme is now met from General Revenue, this fund will be closed in 2016-17.



8.9. **ICT Fund**

ICT FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	14	20
<u>Transfers and Contribution from Departments</u>		
Transfer from EDF	2,000	-
Department of Economic Development	500	-
Treasury	242	200
Cabinet Office	1,459	409
Financial Services Authority	29	-
Total Income	4,244	629
EXPENDITURE		
<u>Cabinet Office</u>		
Digital Strategy	-	672
Desktop Replacement	-	620
Student Awards Database	-	122
New Generation Passports	84	445
OneMann (On-line Services / Migrate Portal)	498	997
Cashless Catering	48	48
Aircraft Registry Database	248	-
Common Services - Customer Management	51	-
Corporate Tills	6	-
Enterprise Architecture	178	-
Hotswop	240	-
MannGIS (online mapping)	15	-
RecordsMann (Electronic Records)	55	-
<u>Department of Education and Children</u>		
Isle of Man College ICT Equipment	36	-
<u>Department of Home Affairs</u>		
Police - Data Mining	-	24
Prison - Records Management	20	-
<u>Treasury</u>		
Axapta Financial System Upgrade	288	142
<u>Financial Services Authority</u>		
DNFBP ¹ Regime	-	50
Total Expenditure	1,768	3,119
Net Movement for Year	2,476	(2,490)
Balance brought forward at 1 April	3,539	6,015
Balance carried forward at 31 March	6,015	3,524

1. Designated Non-Financial Businesses and Professions

(Accompanying notes are on the following page)



ICT Fund (continued)

Notes

1. The Information and Communication Technology ("ICT") Fund was established by the Treasury with effect from 31 March 2000.
2. The purpose of the Fund is to provide additional funding to meet the cost of Information Technology initiatives.
3. The Fund is built up by transfers from General Revenue Account and by investment income by way of interest on its balances.
4. From 1st April 2016 the ICT Fund is rebranded under the banner of the Digital Strategy Fund.

**8.10. Land and Property Acquisition Reserve**

LAND AND PROPERTY ACQUISITION RESERVE		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	8	11
<u>Contribution from Departments</u>		
Department of Infrastructure	459	-
Total Income	466	11
EXPENDITURE		
Total Expenditure	-	-
Net Movement for Year	466	11
Balance brought forward at 1 April	2,059	2,525
Balance carried forward at 31 March	2,525	2,536

Notes

1. The Land and Property Acquisition Reserve was established by the Treasury with effect from 31 March 2000.
2. The purpose of the Reserve is to provide additional funding to meet the cost of acquiring land for land bank and other purposes and to be able to move swiftly as and when desirable or required land necessary for public services becomes available.
3. The Reserve is built up by transfers from General Revenue Account and by investment income by way of interest on its balances.
4. All land bank acquisitions, both planned and unplanned and any other unanticipated approved land acquisitions are made through the Capital Account. The cost of Capital expenditure on unplanned land acquisitions is met by transfers from the Land and Property Acquisition Reserve.



8.11. Legal Costs Reserve

LEGAL COSTS RESERVE		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	27	22
Total Income	27	22
EXPENDITURE		
<u>Treasury</u>		
Legal Aid Costs	-	1,500
<u>General Registry</u>		
Criminal Injuries Compensation Tribunal	51	-
Failed Prosecution Cost Awards	76	97
Irrecoverable VAT on Failed Prosecutions	10	19
<u>Cabinet Office</u>		
Legal Costs	119	632
<u>Attorney General's Office</u>		
Drafting Costs	93	43
Legal Costs	607	26
Salary Costs	182	132
Failed Prosecution Costs	-	5
Child & Family Care Matters	-	300
<u>Financial Supervision Commission</u>		
Legal Costs	135	130
Total Expenditure	1,274	2,883
Net Movement for Year	(1,247)	(2,861)
Balance brought forward at 1 April	7,865	6,618
Balance carried forward at 31 March	6,618	3,757

Notes

1. The Legal Costs Reserve was established by the Treasury in the 2005-06 Budget on 15 February 2005.
2. The purpose of the Fund is to meet the cost of large and complex legal cases, and other exceptional legal costs.



8.12. Medical Indemnity Fund

MEDICAL INDEMNITY FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on funds held by Treasury	23	20
Total Income	23	20
EXPENDITURE		
<u>Department of Health and Social Care</u>		
Payment of Claims	1,385	983
Total Expenditure	1,385	983
Net Movement for Year	(1,362)	(962)
Balance brought forward at 1 April	6,722	5,361
Balance carried forward at 31 March	5,361	4,399

Notes

1. The Medical Indemnity Fund was established by Treasury with effect from 1 April 1994.
2. The purpose of the Fund is to generate a Reserve to meet valid self-insured claims for damages made by or on behalf of patients against staff working in the Island Hospitals employed by the Department of Health and Social Security.
3. The Fund's income arises from annual savings in insurance premiums and the investment income thereon.
4. Estimated liability of claims:

ESTIMATED LIABILITY OF CLAIMS		
	As at 31 Mar 15 £000	As at 31 Mar 16 £000
Probability:		
High	3,178	2,800
Medium	331	1,060
Low	157	110
Total Estimated Liability	3,666	3,970
Number of Claims Outstanding	22	23



8.13. Restructuring Fund

RESTRUCTURING FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on funds held by Treasury	28	17
<u>Contribution from Departments</u>		
Department of Home Affairs	300	-
Total Income	328	17
EXPENDITURE		
<u>Department of Health and Social Care</u>		
Redundancy Costs	1,796	90
Hilary House Dilapidations	-	208
<u>Department of Home Affairs</u>		
Criminal Justice Project Manager	33	40
Conversion Works at Police HQ	-	300
<u>Department of Infrastructure</u>		
Voluntary Resignation Scheme	933	231
Office Rationalisation	-	180
<u>Treasury</u>		
Hilary House Legal Costs Reimbursement	-	10
<u>Cabinet Office</u>		
Have Your Say Survey	-	36
Transforming Government Scope Project	218	-
Voluntary Resignation Scheme	747	-
<u>Financial Supervision Commission</u>		
Restructuring Costs	590	398
Total Expenditure	4,317	1,493
Net Movement for Year	(3,989)	(1,476)
Balance brought forward at 1 April	8,686	4,697
Balance carried forward at 31 March	4,697	3,221

Notes

1. The Restructuring Fund was established by Tynwald in the 2010-11 Budget.
2. The purpose of the Fund is two-fold:
 - a. to enable additional expertise to be brought in to deliver medium-term savings;
 - b. to provide advice on developing international situations where these may impact on budgetary plans.
3. From 1st April 2016 the fund is being rebranded as the new Invest to Save Fund to provide upfront investment in order to generate savings in support of the Medium Term Financial Strategy.

**8.14. Seized Asset Fund**

SEIZED ASSET FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Receipts	1,296	220
Interest on Fund balance	12	14
Total Income	1,308	234
EXPENDITURE		
<u>Department of Home Affairs</u>		
Legal Interception	-	89
Online Financial Crimes Reporting System	-	34
Covert Motorcycle Surveillance Training	-	4
Confidential Claims	-	338
Total Expenditure	-	465
Net Movement for Year	1,308	(231)
Balance brought forward at 1 April	2,301	3,609
Balance carried forward at 31 March	3,609	3,378

Notes

1. The Seized Assets Fund was established by Tynwald with effect from 12 October 1994. The Fund arises from a recommendation contained in a Department of Home Affairs Report on Drug Abuse to the Council of Ministers, dated May 1994.
2. In June 2012 the purpose of the Fund was amended by Treasury in conjunction with the Department of Home Affairs and is now:

“To enable the proceeds of drug seizures and other crimes to:

a) be applied to the specific countering of all criminal activities, in particular the damage caused to people and communities by serious and organised crime;

b) be utilised to protect the public through the promotion and implementation of community safety initiatives.

c) fund Constabulary initiatives which are closely related to emerging threats and developing issues, as defined by the Strategic Tasking and Co-ordinating Group of the Constabulary.

d) be used to provide grant assistance at Treasury’s discretion to assist with community initiatives which are designed to counter the undesirable effects of drugs and alcohol.”



8.15. Town & Village Centre Regeneration Fund

TOWN & VILLAGE REGENERATION FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Interest on Funds held by Treasury	21	21
Transfer from Economic Development Fund	3,000	-
Total Income	3,021	21
EXPENDITURE		
Castletown	54	1,028
Douglas	1,439	927
Laxey	365	665
Peel	18	78
Ramsey	587	905
South-West	11	45
All-Island	6	-
Total Expenditure	2,479	3,648
Net Movement for Year	542	(3,628)
Balance brought forward at 1 April	6,178	6,720
Balance carried forward at 31 March	6,720	3,092

Notes

1. The Town & Village Centre Regeneration Fund was established by the Treasury in the 2008-09 Budget in February 2008.
2. The Fund was established with a £8.0 million transfer from General Revenue Account in 2007-08.
3. The purpose of the Fund is to provide funding to revitalise the centres of the Isle of Man's towns and villages. It is available for use by Government to design and carry out infrastructure work on retail areas to improve the look and feel of the environment.
4. From 1st April 2016 any new Government capital regeneration schemes will be funded from within Government's Capital Programme, with this fund being available for existing commitments and grant applications for funding under the terms of the Town and Village Centre Regeneration Scheme only.



9. Third Party Funds

9.1. Gubay Fund

GUBAY FUND		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Donation Received	-	0
Investment Income	1	1
Total Income	1	1
EXPENDITURE		
Student Support Initiatives	37	32
Sports Initiatives	29	14
Total Expenditure	66	46
Net Movement for Year	(65)	(45)
Balance brought forward at 1 April	238	174
Balance carried forward at 31 March	174	129

Notes

1. This account was established by the Treasury on 15 May 2006 to receive, invest and distribute the £1.0 million gift from Mr A. Gubay.
2. The Fund is a gift for the advancement of sporting achievement and educational attainment by residents of the Isle of Man.
3. Agreed use of the Funds:
 - a. **Education** – The Fund will be used to contribute to the cost of high educational achievers being able to study at one of the top ten world class universities. Any assistance provided will be in addition to that which the Department of Education and Children would normally grant to such persons.
 - b. **Sport** – The Fund will be utilised to facilitate off-Island travel, subsistence and training and benefit on and off-Island support services so as to enable recipients to fulfil their potential.



9.2. Manx Ex-Services Fund 2002

MANX EX-SERVICES FUND 2002		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Grant from Public Lottery Trust	-	-
RAF Association	10	-
Total Income	10	-
EXPENDITURE		
Provision of home comforts and facilities	5	4
Total Expenditure	5	4
Net Movement for Year	5	(4)
Balance brought forward at 1 April	8	13
Balance carried forward at 31 March	13	9

Notes

1. The Manx Ex-Services Fund 2002 was established by a Memorandum of Understanding between the Council of Ministers and the Isle of Man War Pensions Committee in August 2002.
2. The stated purpose of the Fund is "that it be disbursed for the benefit of men and women who have served in the British Royal Navy, Army, Royal Air Force, the British Wartime Merchant Service and other British wartime services and their dependants".
3. The Fund is administered by a sub-committee of the Isle of Man War Pensions Committee.

**9.3. National Lottery Act 1999**

NATIONAL LOTTERY ACT 1999		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
National Lottery Excise Duty arising from Lottery Sales in the Isle of Man :	1,480	1,512
Total Income	1,480	1,512
EXPENDITURE		
Advances to the Sports Council	519	513
Advances to the Arts Council	492	485
Advances to Culture Vannin	369	363
Advances to the Manx Lottery Trust	100	150
Total Expenditure	1,480	1,512

Notes

1. Lottery Duty arising from the UK National Lottery Sales in the Island is not retained by Government and is entirely distributed by Treasury to various local organisations in proportions which can vary from year to year.
2. The income shown in the statement above for the current year is extracted from the Customs and Excise Accounts. The actual amount of National Lottery excise duty arising from local Lottery sales is known at the end of the financial year. However it is actually collected in the United Kingdom and it is not allocated from the "Payments on Account from the UK" to Customs & Excise Division until after these accounts are published. Also, because receipts and payments occur monthly in arrears, the receipts and payments specified by the relevant distribution approvals will overlap the accounting year end.



10. Collection Accounts

10.1. Treasury Rates Collection

TREASURY RATES COLLECTION		
	Actual 2014-15 £000	Actual 2015-16 £000
INCOME		
Gross amount to be collected for year	30,368	32,876
	30,368	32,876
Less :		
Discounts	(1,077)	(1,177)
Exemptions	(107)	(135)
Cost of Collection	(102)	(106)
Refunds	(5)	(8)
Total Deductions	(1,292)	(1,425)
Total Rates due for the year	29,077	31,451
Less: Arrears of Rates	(482)	(488)
Add: Previous Years Arrears recovered	437	418
Total Rates collected during the year	29,032	31,381
EXPENDITURE		
Distributed as follows :		
Burial Ground Authorities	393	426
Manx Utilities Authority	20,397	22,440
Town and Village Commissioners	5,976	6,062
Parish Commissioners	2,264	2,453
Total Rates distributed during the year	29,032	31,381

Notes

1. The Treasury Rates Section collects Rates on an agency basis for most Local Authorities and the Isle of Man Water Authority. The following Local Authorities collect their own Rates:-

- a. Braddan Parish Commissioners;
- b. Douglas Corporation; and
- c. Onchan District Commissioners.



11. Additional Information

11.1. Introduction

The following information includes some of the information that would ordinarily be included within Notes to the Accounts but does not contain all such information, which will be published as part of the audited Isle of Man Government Accounts.

11.2. Borrowing

The external debt of Government (other than temporary borrowing by way of Bank overdraft) comprises Bonds issued under the Isle of Man Loans Acts 1974. The amount outstanding at 31st March 2016 was £260,000,000 (2015: £260,000,000). This is in respect of Bond Issues made by the Treasury on behalf of the former Manx Electricity Authority (£185,000,000 repayable on the 14th August 2034) and the former Isle of Man Water Authority (£75,000,000 repayable on the 29th March 2030). The Manx Utilities Authority has a financial plan to repay to the Treasury the amounts received from the Bonds so that the Treasury can meet the Bond repayments as they fall due.

11.3. Leasing

At 31 March 2016 there was one material finance lease extant (2015: 1): the Energy from Waste Plant in Braddan has been the subject of a sale and lease back agreement and during the year to the 31 March 2016 the annual rental of £3,404,000 (2014-15: £3,404,000) was charged to the Revenue Account of the Department of Infrastructure. That amount is payable annually until the final payment which is due on 28 September 2028.

11.4. Pensions

The aggregate amount transferred to the General Revenue Account and Executive Government from the Public Service Employees Pension Reserve in the year to 31 March 2016 was £30.728 million (2015: £28.268 million).

11.5. Strategic Gas Oil Reserve

The value of the strategic gas oil reserve at the 31 March 2016 was £1,069,200 (3.0 million litres); 2015: £1,352,250, 3.0 million litres).

Due to on-going maintenance of the storage tanks, the actual volume of gas oil held at 31 March 2016 was 1.7 million litres (2015: 2.2 million litres) and the remaining 1.3 million litres will be reinstated following completion of the maintenance works. The value of the physical stock held was £624,515 (2015: £981,112) with the balance of the value being due to Treasury by the Manx Utilities Authority. This value has not been included within the balance sheet in these Accounts.

Continued.....



11.6. Summary of Current Assets and Current Liabilities

The following shows current assets and current liabilities as at 31 March 2016 analysed by Department. Amounts due to creditors in the course of payment and other similar transitional balances are included within the figures for Treasury.

SUMMARY OF CURRENT ASSETS AND CURRENT LIABILITIES				
DEPARTMENT	CURRENT ASSETS		CURRENT LIABILITIES	
	Debtors	Stocks and Stores	Creditors	Third Party Deposits
	£000	£000	£000	£000
Economic Development	2,056	-	11,503	19
Education & Children	3,112	-	2,967	1,644
Environment, Food & Agriculture	282	18	2,519	-
Health and Social Care	6,794	1,350	3,893	1,183
Home Affairs	156	-	138	554
Infrastructure	3,873	2,238	2,325	-
Treasury	3,151	-	8,079	4,377
Cabinet Office	559	-	573	-
Executive Government	28	-	685	53
Manx National Heritage	(3)	-	45	-
Road Transport Licensing Committee	2	-	0	-
Statutory Boards	930	-	69	0
Expenses of the Legislature	3	-	2	-
TOTAL at 31st March 2016	20,943	3,606	32,798	7,831

11.7. 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 2016, a total of £214.4 million (2015: £214.4 million) had been advanced under these schemes and £212.9 million (2014: £212.9 million) had been recovered, leaving an outstanding balance due to Government of £1.5 million (2015: £1.5 million). These advances are anticipated to be substantially recoverable from future liquidation distributions.

As at 31 March 2016 the anticipated shortfall in liquidation distributions (based on the Liquidator's low outcome estimate of 100.0p/£) was £1.1 million (2015: 98.6p/£, £1.1 million) and represented Treasury's proposed share of the administrative costs of the Depositors' Compensation Scheme. A provision of £3.9 million was charged to the Reserve Fund during 2010-11 and was reduced by £2.8 million during 2014-15 to an amount of £1.1 million which was unchanged in 2015/16.



12. Appendix A. Index of Abbreviations

Abbreviation	Description
AFF	Agriculture and Forestry Fund
CO	Cabinet Office
CLF	Consolidated Loans Fund
CSO	Chief Secretary's Office (now part of the Cabinet Office)
DED	Department of Economic Development
DEC	Department of Education & Children
DEFA	Department of Environment, Food & Agriculture
DHA	Department of Home Affairs
DHSC	Department of Health and Social Care
DOI	Department of Infrastructure
EDF	Economic Development Fund
FSA	Financial Services Authority
FSC	Financial Supervision Commission
GEICF	Government Energy Initiatives Capital Fund
GMIF	Government Marketing Initiatives Fund
GSC	Gambling Supervision Commission
GTS	Government Technology Service (now part of the Cabinet Office)
HEDF	Hospital Estate Development Fund
HMRC	United Kingdom HM Revenue and Customs
HIF	Health Inspection Fund
HRF	Housing Reserve Fund
ICT Fund	Information Communications Technology Fund
IOMPO	Isle of Man Post Office
IPA	Insurance and Pensions Authority
ITIP	Income Tax Instalment Plan
KSFIOML	Kaupthing Singer & Friedlander (Isle of Man) Limited (in Liquidation)
LCR	Legal Costs Reserve
LGML	Laxey Glen Mills Ltd
LPAR	Land and Property Acquisition Reserve
LRIF	Land Registry Indemnity Fund
MDF	Media Development Fund
MUA	Manx Utilities Authority (previously MEA & IOMWA & IOMWSA)
MHF	Manx Heritage Foundation
MIF	Medical Indemnity Fund
MNH	Manx National Heritage
MMNT	Manx Museum and National Trust
NI	National Insurance
NIIA	National Insurance Investment Account
OHR	Office of Human Resources (now part of the Cabinet Office)
PSEPR	Public Service Employees Pension Reserve
PSPA	Public Sector Pensions Authority
RTLCL	Road Transport Licensing Committee
SAF	Seized Assets Fund
TVCRF	Town & Village Centre Regeneration Fund
UK	United Kingdom
VAT	Value Added Tax