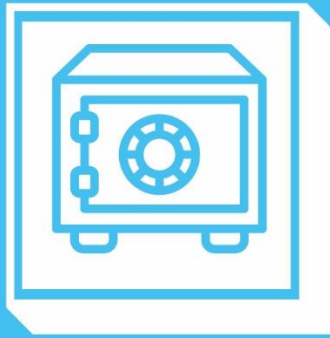
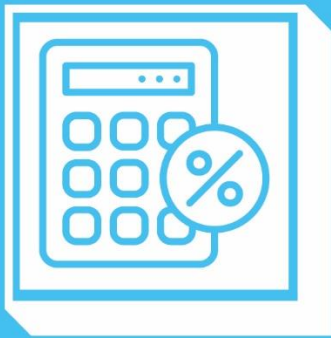


# DETAILED GOVERNMENT ACCOUNTS 2020-21







**Isle of Man**  
**Government**

*Reiltys Ellan Vannin*

**DETAILED ACCOUNTS**

**For the year ended 31 March 2021**

**LAID BEFORE TYNWALD BY THE TREASURY**



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## **1. Foreword by the Minister**

The Light Blue Book for the financial year ended 31 March 2021 presents the financial outturn of Government and includes the financial impact of the Coronavirus pandemic during the year.

These accounts show the financial impact of the pandemic at around £246m, split approximately between £111m reduced Government revenue, £109m in direct support costs and £26m other costs, for example the purchase of PPE.

However our reserves remain strong, and indeed the market value has grown by £37.3m over the year, standing at £1.84bn at the end of March.

A full breakdown of the relevant variances of Government income and expenditure to budget is included in these accounts. At an overall level we forecasted to return a surplus of just under £12m in the year and ended up with a deficit of just over £60m, a figure supported by increased transfers from funds notably the contingency reserve.

Capital expenditure for the year was just under £72m, close to last year's level despite the pandemic. The coming year will see changes to how Government capital expenditure is financed and reported with the introduction of the new Capital Financing Reserve. We are also well underway with a full review of Government's strategic infrastructure to inform the budget next year.

Most Departments remained within their revenue budgets and actively managed the revenue impacts of the pandemic by approved fund claims and reducing costs where possible. No supplementary votes for revenue were made by Departments in the year.

In February I introduced a Budget of Resilience for this Island, one that built upon the resilience and strength of our Island's finances to continue to invest in our economy whilst maintaining the prudent financial approach seen over the past few years. Whilst the pandemic has undoubtedly affected our financial position these accounts provide continued evidence of the strength of our finances and will provide a platform for future economic recovery.

**Hon. Alfred Cannan MHK**  
**Minister for the Treasury**



## 2. Introduction

This book is the unaudited detailed Government accounts for the year ended 31 March 2021 (also referred to as the 'Light Blue Book').

Each year effort is made to align the detail of the Light Blue Book with the Budget Pink Book to aid transparency and understanding of the year's financial transactions and the year-end financial position. This has continued for the 2020-21 Light Blue Book.

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 Light Blue Book provides comparisons to Government's Budget and comparisons to the previous year. More detail has been provided to show the income and expenditure of each department separately, rather than to provide the information on a net basis.

For the capital transactions we include information on the cumulative position of the current projects, the cumulative position is as at the end of March 2021. Some work is ongoing to ensure consistency with the Pink Book in relation to the cumulative capital budgets. For 2020-21 we have included the capital adjustments approved in the Budget Update 2020 (Purple Book).

### **Government restructuring**

There were no significant movement of functions within Government during 2020-21.

### **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 as if they do not add up.

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



### 3. Financial highlights

#### 3.1 HEADLINES

<p style="text-align: center;"><b>OVERVIEW</b></p> <ul style="list-style-type: none"> <li>The 2020-21 financial year resulted in a net deficit of £60.4m against a budget of £12m (adverse variance of £72m). The Budget Update 2020 reflected the expectation of results lower than the budgeted position for the year due to the impact of Covid 19 on the Islands' economy and the support that was provided.</li> <li>Income was significantly lower than budgeted, a total of £1.013m, £111m lower than budget and £145m adverse to last year.</li> <li>Expenditure was £39m lower than budget.</li> <li>The net movement on the Net General Revenue Account was £99m, this has resulted in a deficit position of £7.1m for the year.</li> </ul>	<p style="text-align: center;"><b>INCOME TAX &amp; NATIONAL INSURANCE</b></p> <ul style="list-style-type: none"> <li>£235m was collected in income tax which was £11.2m lower than budget and £6.1m lower than last year.</li> <li>Resident and non-resident tax were better than budget by £2.5m. The impact of Covid 19 on the economy has resulted in ITIP receipts being lower than budget by £13.6m and lower than last year by £3.5m</li> <li>National insurance income was £8.8m lower than budget due to a reduced agency settlement. Contributions are higher than budget by £1m.</li> </ul>
<p style="text-align: center;"><b>THE RESERVES</b></p> <ul style="list-style-type: none"> <li>The closing market value of the externally managed reserves including cash was £1,838m including the investment in the IOMSPG. This is an improvement of £37.3m against 2019-20 and enabled a withdrawal of £40m to rebalance the NI Operating Account deficit.</li> <li>The Internal Funds closed at £78m, this is £21m lower than the opening balance of £99m and is a result of Contingency Fund transfers being made to support the Covid 19 impact on Departmental revenue.</li> </ul>	<p style="text-align: center;"><b>CAPITAL</b></p> <ul style="list-style-type: none"> <li>Capital spending for the year was £71.6m versus an original budget of £159.1m, a 45% rate of delivery (55% in 2019-20).</li> <li>Many capital schemes have been deferred to future years due to the impact of Covid 19 lockdowns throughout the year. These are detailed in the Budget Update 2020.</li> <li>Capital receipts of £3.3m were received in the year versus a budget of £1m.</li> <li>Drawdowns from the Housing Reserve Fund were £1.6m in 2020.21.</li> </ul>
<p style="text-align: center;"><b>REVENUE INCOME</b></p> <ul style="list-style-type: none"> <li>Total Income was adverse to budget by £111m, £88m of this variance is within Taxation income, £63.5m is within Customs and Excise and £11.2m in Income Tax.</li> <li>Operating Income is lower than budget by £23m mainly in the sales of services.</li> </ul>	<p style="text-align: center;"><b>REVENUE EXPENDITURE</b></p> <ul style="list-style-type: none"> <li>No Supplementary votes were approved in 2020-21</li> <li>Actual expenditure was £39m lower than budget and £15.9m lower than prior year. This is a result of £77m being transferred from internal reserves. Expenditure before transfers is £41.8m higher than budget and £45.2m higher than prior year.</li> <li>Employee costs staff were higher than budget by £14.6m and higher than prior year by £16.5m. Unpaid leave accruals are included which have been previously adjusted for in the Dark Blue Book.</li> <li>Supplies and Services are higher than budget by £37m and higher than prior year by £33m. This overspend is related to pandemic expenses recovered from transfers.</li> </ul>
<p style="text-align: center;"><b>BENEFITS</b></p> <ul style="list-style-type: none"> <li>NI funded benefits are £75m higher than budget, this is wholly due to the unbudgeted provision of covid 19 salary support schemes and Manx Earnings Replacement Allowance (MERA).</li> <li>Spending on revenue funded benefits was lower than budget by £1m, a contingency transfer reduced overspend by £1.7m to cover increased jobseekers allowance.</li> </ul>	





### 3.2 Government revenue

**Table 3.2a**

<b>GOVERNMENT REVENUE SUMMARY</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
Income	(1,013,086)	(1,124,796)	(111,710)	(1,157,874)	(144,787)
Expenditure	1,073,514	1,112,817	39,303	1,088,983	15,469
<b>(Surplus)/Deficit</b>	<b>60,427</b>	<b>(11,980)</b>	<b>(72,407)</b>	<b>(68,891)</b>	<b>(129,318)</b>
Transfers (From)/to Reserve Fund	(7,000)	-	7,000	20,000	27,000
Transfers to Other Reserves	45,700	17,700	(28,000)	46,750	1,050
Balance brought forward	(92,043)	(112,043)	(20,000)	(89,902)	2,141
<b>Balance carried forward</b>	<b>7,084</b>	<b>(106,322)</b>	<b>(113,407)</b>	<b>(92,043)</b>	<b>(99,127)</b>

#### Notes

- Overall, Government's position for 2020-21 was worse than the revised budget by £72.4m due to the impact of the Coronavirus pandemic on income tax and VAT receipts.

**Table 3.2b**

<b>GOVERNMENT SPEND SUMMARY BY DEPARTMENT</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
<b>Treasury Income</b>					
Customs and Excise	(328,440)	(391,935)	(63,495)	(444,531)	(116,092)
Income and Other Taxes	(234,981)	(246,135)	(11,153)	(241,124)	(6,143)
Other Treasury Income	(6,632)	(5,987)	645	(10,305)	(3,672)
Social Security	(224,550)	(233,450)	(8,900)	(226,980)	(2,430)
<b>Sub-total -Treasury Income</b>	<b>(794,603)</b>	<b>(877,507)</b>	<b>(82,904)</b>	<b>(922,940)</b>	<b>(128,337)</b>
<b>Government Departments</b>					
Cabinet Office	33,354	33,354	-	30,475	(2,879)
Economic Development	1,316	1,467	152	1,062	(253)
Education & Children	114,172	114,187	14	108,504	(5,668)
Environment, Food & Agriculture	17,068	17,068	-	17,088	20
Health & Social Care	225,906	225,922	16	230,995	5,089
Home Affairs	38,037	38,045	8	37,447	(590)
Infrastructure	68,743	68,743	(0)	70,258	1,516
Treasury (Gross Expenditure)	341,734	350,508	8,774	338,383	(3,351)
	<b>840,330</b>	<b>849,294</b>	<b>8,964</b>	<b>834,213</b>	<b>(6,116)</b>
<b>Other Bodies</b>					
Executive Government	11,318	11,372	54	11,204	(114)
Manx Museum and National Trust	-	-	-	4,646	4,646
Statutory Boards (Revenue Funded)	(952)	(83)	869	(722)	230
Legislature (Parliament)	4,334	4,944	610	4,708	373
<b>Sub-total - Voted Services</b>	<b>855,031</b>	<b>865,527</b>	<b>10,497</b>	<b>854,049</b>	<b>(981)</b>
<b>(Surplus)/Deficit</b>	<b>60,427</b>	<b>(11,980)</b>	<b>(72,407)</b>	<b>(68,891)</b>	<b>(129,318)</b>

#### Notes

- Further analysis on departmental spending is provided within section 6.
- Manx Museum and National Trust funded via a grant from Treasury's budget from 2020-21 onwards



### 3.3 Government capital

**Table 3.3a**

<b>GOVERNMENT CAPITAL ACCOUNT</b>					
	Actual	Budget	Variance	Actual	Variance
£000	2020-21	2020-21	to Budget	2019-20	to 2019-20
Capital Receipts	(3,335)	(1,000)	2,335	(513)	2,822
Contributions from Internal Funds	(1,562)	(3,800)	(2,238)	(4,253)	(2,691)
Loan Advance from Reserve Fund	-	-	-	(75,354)	(75,354)
Loan Repayments	(47,091)	(45,742)	1,349	(44,919)	2,172
Interest Earned	(16,032)	(13,357)	2,675	(15,969)	63
<b>Sub- Total Receipts &amp; Repayments</b>	<b>(68,020)</b>	<b>(63,899)</b>	<b>4,121</b>	<b>(141,008)</b>	<b>(72,988)</b>
Capital Expenditure	71,595	71,000	(595)	147,002	75,407
<b>(Surplus)/Deficit</b>	<b>3,575</b>	<b>7,101</b>	<b>3,526</b>	<b>5,994</b>	<b>2,419</b>
Balance brought forward	(56,791)	(47,584)	9,207	(62,785)	(5,994)
<b>Balance carried forward</b>	<b>(53,216)</b>	<b>(40,483)</b>	<b>12,733</b>	<b>(56,791)</b>	<b>(3,575)</b>

#### Notes

1. The budgeted capital expenditure figure above assumes 45% delivery of the budgeted capital programme, hence the figure of £71 million rather than the £159.1 million in the table below.
2. The 2019-20 spend includes the Isle of Man Steam Packet Group loan transferring to the reserve.

**Table 3.3b**

<b>CAPITAL SPENDING BY DEPARTMENT</b>												
£000 Department	Actual Spend 2020-21	Budget							Revised Budget	Variance to Budget 2020-21	Actual 2019-20	Variance to 2019-20
		Original Budget	Contingency Transfers	Purple Book Adjusts	C3/C2 Adjusts	Supp Votes	C3 Not Sought	Adjust- Ments				
Cabinet Office	1,093	4,048	163	(1,955)	-	-	-	(1,792)	2,256	1,163	1,453	(359)
Courts	-	245	-	(245)	-	-	-	(245)	-	-	-	-
Education, Sport & Culture	981	4,750	79	(21)	-	227	(882)	(596)	4,154	3,173	2,767	(1,786)
Enterprise	822	3,946	-	(2,229)	-	-	-	(2,229)	1,717	895	258	564
Environment, Food & Agriculture	357	962	1	(109)	-	-	-	(108)	854	496	726	(369)
Health and Social Care	5,101	10,676	-	1,965	-	11,700	(4,000)	9,665	20,341	15,240	3,213	1,888
Home Affairs	1,215	2,304	83	327	-	-	-	410	2,714	1,499	875	341
Infrastructure (Excl. Housing)	49,126	84,262	1,086	5,587	-	1,837	-	8,510	92,772	43,646	52,097	(2,971)
Treasury	884	16,623	(1,831)	43	-	-	(969)	(2,757)	13,866	12,983	1,147	(263)
Statutory Boards	275	542	-	235	-	-	-	235	777	502	273	2
Manx Museum & National Trust	152	495	-	113	-	-	-	113	608	456	189	(37)
Expenses of the Legislature	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total Central Government</b>	<b>60,007</b>	<b>128,853</b>	<b>(418)</b>	<b>3,711</b>	<b>-</b>	<b>13,764</b>	<b>(5,851)</b>	<b>11,206</b>	<b>140,059</b>	<b>80,051</b>	<b>62,998</b>	<b>(2,990)</b>
Manx Utilities Authority	11,587	30,163	418	(10,757)	-	-	(2,973)	(13,312)	16,851	5,264	8,650	2,937
Isle of Man Steam Packet Group	-	-	-	-	-	-	-	-	-	-	75,354	(75,354)
<b>TOTAL CAPITAL SPEND</b>	<b>71,595</b>	<b>159,016</b>	<b>-</b>	<b>(7,046)</b>	<b>-</b>	<b>13,764</b>	<b>(8,824)</b>	<b>(2,106)</b>	<b>156,910</b>	<b>85,316</b>	<b>147,002</b>	<b>(75,407)</b>

#### Notes

1. The budget adjustments include approvals from the Capital Contingency Budget, Supplementary Votes, Column 1 and 2 adjustments, and amounts which were included in Column 3 of the budget but for which approval was not sought during the year. Adjustments also include revised approvals detailed in the Budget Update 2020 (Purple Book).
2. More details are given in the tables provided in sections 5 and 6.
3. The impact of Covid-19 lockdowns has resulted in many schemes being deferred to future years.



### 3.4 Reserves summary

SUMMARY OF RESERVES								
£000	Book Value Balances B/Fwd At 1 Apr 20	INCOME			EXPENDITURE		TRANSFERS	Book Value Balances C/Fwd At 31 Mar 21
		Transfers From/(To) Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfers To Revenue /Capital Accounts	Other Expenses	Inter-fund Transfers Expense/ (Income)	
<b>Invested Fund</b>								
<b>Managed External Invested Funds</b>								
Hospital Estate Development Fund	29,668	-	-	1,185	-	3,668	-	27,185
Manx Currency Account - Notes	33,710	-	-	398	381	61	-	33,664
NI Fund - Investment A/c	851,544	-	-	25,424	40,000	2,005	-	834,964
Public Service Employees Pension Res.	70,936	-	-	1,487	-	149	35,500	36,774
Reserve Fund	384,233	-	-	15,773	12,823	941	-	386,242
MUA Bond Repayment Fund	67,359	-	6,500	39	-	155	-	73,744
Media Development Fund (Reserve Fund)	959	-	-	174	429	-	-	704
Enterprise Development Scheme	3,812	-	-	-	7	2,369	-	1,437
<b>Total: External Funds</b>	<b>1,442,220</b>	<b>-</b>	<b>6,500</b>	<b>44,481</b>	<b>53,640</b>	<b>9,346</b>	<b>35,500</b>	<b>1,394,714</b>
<b>Internal Element of External Funds</b>								
Manx Currency Account	65,993	-	-	4,164	-	1,101	(755)	69,811
Public Service Employees Pension Reserve	11,218	-	-	7	1,291	-	3,320	6,614
Media Development Fund (Reserve Fund)	16,131	-	-	17	-	-	(428)	16,576
Enterprise Development Scheme	6,272	-	-	14	-	-	(180)	6,467
<b>Total: Internal Element of External Funds</b>	<b>99,615</b>	<b>-</b>	<b>-</b>	<b>4,202</b>	<b>1,291</b>	<b>1,101</b>	<b>1,957</b>	<b>99,467</b>
<b>Total: External Funds Incl Internal Element</b>	<b>1,541,834</b>	<b>-</b>	<b>6,500</b>	<b>48,682</b>	<b>54,931</b>	<b>10,447</b>	<b>37,457</b>	<b>1,494,182</b>
<b>Internal Funds</b>								
Academic Business Planning Fund	1,397	(600)	987	2	400	-	-	1,385
Agriculture and Forestry Fund	1,485	1,700	-	2	900	-	-	2,287
Brexit Fund	2,680	-	-	2	111	-	-	2,571
Contingency Fund	47,464	18,100	-	13	54,912	-	-	10,666
Digital Strategy Fund	4,317	1,000	-	5	345	-	-	4,977
Economic Development Fund	9,768	-	-	10	-	-	5,000	4,778
Economic Recovery Fund	-	10,500	-	6	12,426	-	(5,000)	3,079
Environmental Protection Fund	-	5,000	-	2	353	-	-	4,650
Government Energy Initiatives Capital Fund	-	-	-	-	-	-	-	-
Healthcare Transformation Fund	8,887	5,000	-	8	4,840	-	-	9,055
Housing Reserve Fund	1,411	-	5,575	10	2,105	-	-	4,890
Invest to Save Fund	2,194	-	-	2	314	-	-	1,883
Land & Property Acquisition Reserve	6,914	-	-	8	-	-	-	6,921
Legal Costs Reserve	3,166	1,000	-	3	1,361	-	-	2,808
Marketing Initiatives Fund	1,528	1,000	-	2	-	-	-	2,531
Medical Indemnity Fund	2,950	3,000	-	4	2,146	-	-	3,807
Seized Assets Fund	3,022	-	7,298	19	144	-	-	10,195
Town & Village Centre Regen. Fund	1,514	-	-	2	-	-	-	1,515
<b>Total Internal Funds</b>	<b>98,696</b>	<b>45,700</b>	<b>13,860</b>	<b>99</b>	<b>80,357</b>	<b>-</b>	<b>-</b>	<b>77,998</b>
<b>TOTAL</b>	<b>1,640,531</b>	<b>45,700</b>	<b>20,360</b>	<b>48,781</b>	<b>135,288</b>	<b>10,447</b>	<b>37,457</b>	<b>1,572,180</b>
<b>Note - Total for the Funds which have an internal and an external element</b>								
Manx Currency Account	99,703	-	-	4,561	381	1,162	(755)	103,476
Public Service Employees Pension Reserve	82,153	-	-	1,494	1,291	149	38,820	43,388
Media Development Fund (Reserve Fund)	17,089	-	-	191	429	-	(428)	17,280
Enterprise Development Scheme	10,084	-	-	14	7	2,369	(180)	7,903

#### Notes

- Net withdrawals from the externally managed funds including fees etc. totalled £98.5m (2019-20 £48.7m). The increase is due to a withdrawal of £40m from the NI Fund to re balance the NI Operating Account deficit and a withdrawal of £7m from the Reserve Fund to cover operating cash requirements.
- The 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. 2020-21 has seen a significant improvement in the market value of investments which fell sharply in quarter 4 2019-20.
- The market values of the funds as at 31 March 2021 are presented later in the document (section 7).



### 3.5 Balance sheet

**Table 3.5**

<b>BALANCE SHEET</b>			
<b>£000</b>	<b>Actual 2020-21</b>	<b>Actual 2019-20</b>	<b>Movement</b>
<b>ASSETS</b>			
Loan Schemes	77,249	77,445	(196)
Capital Advances	1,048,467	1,030,468	17,999
External Investments	1,392,304	1,440,155	(47,852)
Investment in IOMSPG	48,752	48,752	-
Cash and Bank Balances	167,088	267,347	(100,258)
Debtors	80,461	34,725	45,736
Stock	9,208	4,013	5,195
<b>Total Assets</b>	<b>2,823,528</b>	<b>2,902,906</b>	<b>(79,377)</b>
<b>LIABILITIES</b>			
Loans in respect of bond issue	260,000	260,000	-
Creditors	135,645	37,847	(97,798)
Third Party Funds	14,160	9,860	(4,299)
NI Operating Account	4,808	33,275	28,467
Currency in Circulation	98,783	94,293	(4,489)
<b>Total Liabilities</b>	<b>513,396</b>	<b>435,276</b>	<b>(78,120)</b>
<b>Total Net Assets/Liabilities</b>	<b>2,310,132</b>	<b>2,467,630</b>	<b>(157,497)</b>
<b>RESERVES</b>			
<b>Restricted</b>			
Internal Funds	76,436	98,696	(22,260)
Capital Fund	845,382	829,350	16,032
External Investment Reserves	1,009,157	1,063,308	(54,152)
<b>Total Restricted Reserves</b>	<b>1,930,975</b>	<b>1,991,354</b>	<b>(60,380)</b>
<b>Unrestricted</b>			
External Investment Reserves - Reserve Fund	386,242	384,233	2,010
Net General Revenue Account	(7,084)	92,043	(99,127)
<b>Total Unrestricted Reserves</b>	<b>379,158</b>	<b>476,276</b>	<b>(97,118)</b>
<b>Total Reserves</b>	<b>2,310,132</b>	<b>2,467,630</b>	<b>(157,497)</b>

#### Notes

- External Investment reserves have been separated between those restricted and unrestricted.
- Cash and Bank Balances have fallen by £100m compared to 2019-20 due to the timing of the annual payment from the UK Work and Pensions which was received in April 2021 (2018-19 and 2019-20 were received in the 2019-2020 financial year).
- Debtors include accruals which have increased in the year by the accrued UK Work and Pension amount in detailed in 2 above.
- Creditors include accruals and provisions and have increased in the year due to approved but unpaid Covid support schemes, unpaid annual leave, quarterly VAT settlement adjustments and FERSA provisions.
- The book value of investments has fallen £47 million during 2020-21, this is due to planned withdrawals from the PSEPR and NI fund. The market value of the investments can be seen on table 7.1.1.



## 4. General Revenue Account

### 4.1 Net General Revenue Account (NGRA)

Table 4.1

NET GENERAL REVENUE ACCOUNT					
£000	Actual 2020-21	Budget 2020-21	Variance To Budget	Actual 2019-20	Variance to 2019-20
(Surplus)/Deficit for the year	60,427	(11,980)	(73,407)	(68,891)	(129,318)
<b>Transfers from:</b>					
Reserve Fund	(7,000)	(5,000)	2,000	20,000	27,000
	<b>53,427</b>	<b>(16,980)</b>	<b>(70,407)</b>	<b>(48,891)</b>	<b>(102,318)</b>
<b>Transfers to:</b>					
Agricultural Development Fund	1,700	1,700	-	1,000	(700)
BREXIT Fund	-	-	-	1,000	1,000
Contingency Fund	17,500	17,500	-	40,000	22,500
Digital Strategy Fund	1,000	1,000	-	-	(1,000)
Economic Recovery Fund	10,500	10,500	-	-	(10,500)
Environmental Protection Fund	5,000	5,000	-	-	(5,000)
Healthcare Transformation Fund	5,000	5,000	-	-	(5,000)
Legal Costs Reserve	1,000	1,000	-	1,500	500
Marketing Initiatives Fund	1,000	1,000	-	-	(1,000)
Medical Indemnity Fund	3,000	3,000	-	3,000	-
Town & Village Regeneration Fund	-	-	-	250	250
	<b>45,700</b>	<b>45,700</b>	<b>-</b>	<b>46,750</b>	<b>1,050</b>
<b>Net Movement for Year</b>	<b>99,127</b>	<b>28,720</b>	<b>(70,407)</b>	<b>(2,141)</b>	<b>(101,268)</b>
Balance at 1st April	(92,043)	(112,043)	(20,000)	(89,902)	2,141
<b>Balance at 31 March</b>	<b>7,084</b>	<b>(83,322)</b>	<b>(90,407)</b>	<b>(92,043)</b>	<b>(99,127)</b>

#### Notes

1. In the 2020-21 Budget it was originally envisaged that the General Revenue Account would produce a surplus for the year of £11.9m. However the year resulted in a net deficit of £60m due to a lower than budgeted level of VAT income, income tax receipts and increased spending on social security benefits resulting from the impact on the economy of Covid-19.
2. A net total of £38.7m was transferred into reserves during the year, which together with the £60m deficit for the year resulted in a carried forward balance on Net General Revenue Account as at 31 March 2021 of -£7.1m (a decrease of £99.1m). The deficit position is a liability to be recovered from the Reserve Fund in 2021-22.



**Net General Revenue Account (NGRA) (continued)**

**Table 4.1b**

<b>BALANCE ON NGRA REPRESENTED BY:</b>				
<b>£000</b>	<b>Actual 31 Mar 21</b>	<b>Actual 31 Mar 20</b>	<b>Movement</b>	<b>Notes</b>
Imprest Advances	48	50	(2)	
Monies at Call or Short Notice	130,600	254,400	(123,800)	1 below
Stock & Debtors	89,669	35,283	54,385	2 below
Amounts due from UK HMRC	-	3,455	(3,455)	3 below
Investment in Subsidiary	48,752	48,752	-	
IOMSPC Loan	75,354	75,354	-	
	<b>344,423</b>	<b>417,295</b>	<b>(72,872)</b>	
Balance due to Bankers	(90,802)	(111,952)	21,150	
N.I. Operating Account	(4,808)	(33,275)	28,467	
Reserve Funds	(106,092)	(132,317)	26,225	
Creditors	(50,182)	(37,847)	(12,334)	
Amounts due to UK HMRC	(85,463)	-	(85,463)	
Third Party Funds	(14,160)	(9,860)	(4,299)	
	<b>(351,507)</b>	<b>(325,252)</b>	<b>(26,255)</b>	
<b>Balance as at 31 March</b>	<b>(7,084)</b>	<b>92,043</b>	<b>(99,127)</b>	

**Notes**

1. Monies at call or short notice have reduced in the year due to the annual receipt of the UK Work and Pensions settlement being in April 2021, after year end. During 2019-20 two amounts were received in the year. In addition, cash balances in 2019-20 were being managed on deposits and other cash instruments due to the stock market impacts from Covid-19; these are now being invested under the externally managed investments.
2. Stock and Debtor balances have increased in the year due to an increase in receivable accruals resulting from the timing of the receipt from the UK Work and Pensions (see note 1 above), an increase in stock held for PPE and by sensitively managing debtors for non-payment.
3. The provision for repayment to UK HMRC includes a provision for the quarterly VAT settlement which was received in April 2021 and an estimated provision for FERSA.



## 4.2 Revenue budget adjustments by department

Various adjustments were made to the original Pink Book budget. The revised budgets for each department are as follows with more details below:

**Table 4.2**

<b>RECONCILIATION OF BUDGET ADJUSTMENTS 2020-21</b>						
<b>£000</b>	<b>Original Budget (Pink Book)</b>	<b>Supp. Votes</b>	<b>Inter-Dept. Transfers</b>	<b>Transfer from Revenue Contingency</b>	<b>Other Adjs.</b>	<b>Revised Budget</b>
<b>Treasury Income</b>						
Customs and Excise	(391,935)	-	-	-	-	(391,935)
Income and Other Taxes	(246,135)	-	-	-	-	(246,135)
Other Treasury Receipts	(7,169)	-	-	-	1,182	(5,987)
Social Security	(271,800)	-	-	-	38,350	(233,450)
<b>Total Income</b>	<b>(917,039)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,532</b>	<b>(877,507)</b>
<b>Government Departments</b>						
Cabinet Office	34,084	-	(730)	-	-	33,354
Enterprise	1,661	-	(194)	-	-	1,467
Education, Sport & Culture	110,087	-	4,100	-	-	114,187
Environment, Food & Agriculture	17,130	-	(62)	-	-	17,068
Health & Social Care	226,790	-	(868)	-	-	225,922
Home Affairs	37,633	-	412	-	-	38,045
Infrastructure	73,552	-	(4,809)	-	-	68,743
Treasury (Gross Expenditure)	386,954	-	3,133	(47)	(39,532)	350,508
<b>Other Bodies</b>						
Executive Government	11,325	-	-	47	-	11,372
Manx National Heritage	982	-	(982)	-	-	-
Statutory Boards (Rev. Funded)	(83)	-	0	-	0	(82)
Expenses of the Legislature	4,944	-	(0)	-	(0)	4,944
<b>Total Expenditure</b>	<b>905,059</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>(39,531)</b>	<b>865,528</b>
<b>Surplus/Deficit</b>	<b>11,980</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>11,980</b>
Transfer from/(to) Reserves	-	-	-	-	-	-
Balance Brought Forward	-	-	-	-	-	-
<b>(Surplus)/Deficit</b>	<b>(11,980)</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>0</b>	<b>(11,980)</b>

### Notes

#### 1. Supplementary votes

There were no revenue supplementary approvals in 2020-21.

#### 2. Approvals by the Treasury for use of the Revenue Contingency Budget:

See table on next page.

#### 3. Other adjustments

These reflect a restatement of the NI transfer to the NHS from income to expense.



### 4.3 Approvals by the Treasury for use of the Revenue Contingency Budget

**Table 4.3**

<b>Transfers from Revenue Contingency Budget 2020-21</b>	
<b>£</b>	<b>Transfers from Contingency</b>
<b>Department / Description</b>	
<b>Information Commissioner</b>	
Legislation delays - impact to fee income	47
<b>Social Security Division</b>	
Administration expenses	1,274
<b>Total Use of Contingency</b>	<b>1,321</b>
<b>Treasury</b>	
Revenue Contingency Budget	(1,321)
<b>NET TRANSFERS FROM CONTINGENCY</b>	<b>-</b>

### 4.4 Revenue budget adjustments by category

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

**Table 4.4**

<b>RECONCILIATION OF 2020-21 BUDGETS BY CATEGORY</b>				
<b>£000</b>	<b>Original Pink Book Budget</b>	<b>Public Sector Pensions</b>	<b>NI NHS Contribution Adjustment</b>	<b>Revised Budget</b>
Income	(1,078,610)	(77,003)	39,532	(1,123,810)
Employee Costs	399,757	115,003	-	514,491
Public Service Pension	-	-	-	-
Infrastructure Costs	41,950	-	-	42,356
Transport Costs	10,817	-	-	10,610
Supplies & Services	92,624	-	-	89,451
Agency & Contracted Services	85,165	-	-	88,525
Loan Charges	49,541	-	-	49,541
Social Security Clients	332,010	-	(39,532)	313,554
Other	54,766	(38,000)	-	3,301
<b>Total Budget</b>	<b>(11,980)</b>	<b>-</b>	<b>-</b>	<b>(11,980)</b>

#### Notes

1. As the budget for public sector pensions nets to nil, the amounts by category were not built into the Pink Book budget amounts.
2. The adjustment for employee pension contributions is to show the total additional gross income received and the subsequent use of that in offsetting pension costs.
3. Virements represent approved budget adjustments within a department.





#### 4.5 Government spending by department

**Table 4.5**

<b>GOVERNMENT SPEND BY DEPARTMENT</b>											
£000	Actual 2020-21			Revised Budget 2020-21			Variance to Budget			Actual 2019-20 Net Spend	Variance to Net Spend
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend		
<b>Treasury Income</b>											
Customs and Excise	-	(328,440)	(328,440)	-	(391,935)	(391,935)	-	(63,495)	(63,495)	(444,531)	(116,092)
Income and Other Taxes	-	(234,981)	(234,981)	-	(246,135)	(246,135)	-	(11,153)	(11,153)	(241,124)	(6,143)
Other Treasury Income	-	(6,632)	(6,632)	-	(5,987)	(5,987)	-	645	645	(10,305)	(3,672)
Social Security	-	(224,550)	(224,550)	-	(233,450)	(233,450)	-	(8,900)	(8,900)	(226,980)	(2,430)
<b>Sub-total - Treasury Income</b>	<b>-</b>	<b>(794,603)</b>	<b>(794,603)</b>	<b>-</b>	<b>(877,507)</b>	<b>(877,507)</b>	<b>-</b>	<b>(82,904)</b>	<b>(82,904)</b>	<b>(922,940)</b>	<b>(128,337)</b>
<b>Government Departments</b>											
Cabinet Office	34,365	(1,011)	33,354	34,599	(1,245)	33,354	234	(234)	-	30,475	(2,879)
For Enterprise	24,377	(23,061)	1,316	28,616	(27,148)	1,467	4,239	(4,087)	152	1,062	(253)
Education & Children	119,374	(5,202)	114,172	125,474	(11,287)	114,187	6,100	(6,085)	14	108,504	(5,668)
Environment, Food & Agriculture	20,765	(3,697)	17,068	21,063	(3,995)	17,068	298	(298)	-	17,088	20
Health & Social Care	277,824	(51,918)	225,906	279,237	(53,315)	225,922	1,412	(1,396)	16	230,995	5,089
Home Affairs	39,283	(1,246)	38,037	39,338	(1,294)	38,045	55	(48)	8	37,447	(590)
Infrastructure	115,749	(47,006)	68,743	126,775	(58,032)	68,743	11,026	(11,026)	(0)	70,258	1,516
Treasury (Gross Expenditure)	341,734	-	341,734	350,508	-	350,508	8,774	-	8,774	338,383	(3,351)
	<b>973,471</b>	<b>(133,142)</b>	<b>840,330</b>	<b>1,005,610</b>	<b>(156,316)</b>	<b>849,294</b>	<b>32,139</b>	<b>(23,174)</b>	<b>8,964</b>	<b>834,213</b>	<b>(6,116)</b>
<b>Other Bodies</b>											
Executive Government	86,013	(74,695)	11,318	91,199	(79,826)	11,372	5,185	(5,131)	54	11,204	(114)
Manx Museum and National Trust	-	-	-	-	-	-	-	-	-	4,646	4,646
Statutory Boards (Revenue Funded)	9,216	(10,167)	(952)	10,068	(10,151)	(83)	852	16	869	(722)	230
Legislature (Parliament)	4,399	(64)	4,334	4,953	(9)	4,944	555	55	610	4,708	373
<b>Sub-total - Voted Services</b>	<b>1,073,099</b>	<b>(218,068)</b>	<b>855,031</b>	<b>1,111,830</b>	<b>(246,303)</b>	<b>865,527</b>	<b>38,731</b>	<b>(28,234)</b>	<b>10,497</b>	<b>854,049</b>	<b>(981)</b>
<b>(Surplus)/Deficit</b>	<b>1,073,099</b>	<b>(1,012,672)</b>	<b>60,427</b>	<b>1,111,830</b>	<b>(1,123,810)</b>	<b>(11,980)</b>	<b>38,731</b>	<b>(111,138)</b>	<b>(72,407)</b>	<b>(68,891)</b>	<b>(129,318)</b>

#### Notes

1. The revised budget figure includes the supplementary votes, contingency transfers and virements which are detailed earlier in this section.
2. The Manx Museum and National Trust is shown as a Treasury grant from 2020-21 onwards.



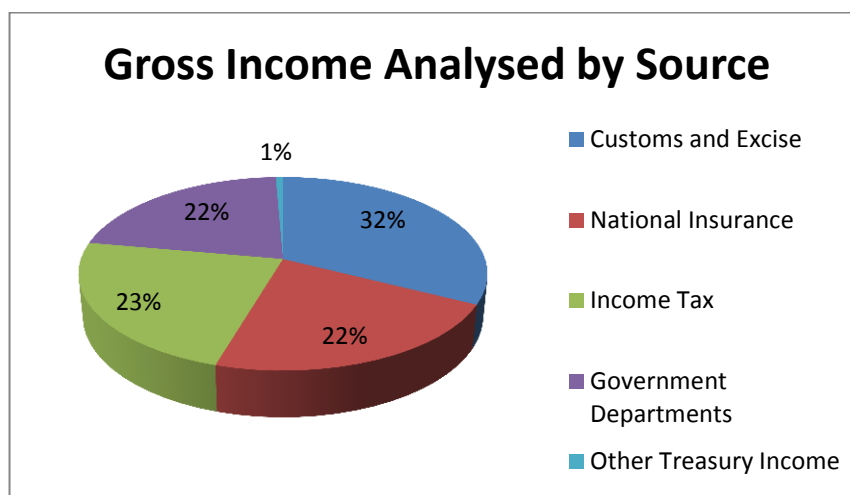
#### 4.6 Breakdown of income

Table 4.6

BREAKDOWN OF INCOME BY TYPE					
£000	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019-20
<b>TAXATION INCOME</b>					
Income Tax	(234,981)	(246,135)	(11,154)	(241,127)	(6,146)
Social Security	(224,394)	(233,178)	(8,784)	(226,770)	(2,376)
Duties In Common With The UK	(28,940)	(80,200)	(51,260)	(33,782)	(4,842)
Consumer Taxes	(89,871)	(303,635)	(213,764)	(126,771)	(36,899)
Customs Receipts From UK	(204,811)	1,500	206,311	(274,175)	(69,364)
Isle Of Man Duties	(4,058)	(9,100)	(5,042)	(8,928)	(4,870)
Other Taxation Income	(58,008)	(57,999)	9	(59,527)	(1,519)
Pensions	(72,506)	(77,000)	(4,494)	(68,846)	3,661
	<b>(917,570)</b>	<b>(1,005,747)</b>	<b>(88,178)</b>	<b>(1,039,926)</b>	<b>(122,356)</b>
<b>THIRD PARTY CONTRIBUTIONS</b>					
Reimbursements	(4,823)	(5,643)	(820)	(5,217)	(393)
	<b>(4,823)</b>	<b>(5,643)</b>	<b>(820)</b>	<b>(5,217)</b>	<b>(393)</b>
<b>OPERATING INCOME</b>					
Sale Of Goods	(2,555)	(3,496)	(941)	(3,577)	(1,022)
Sales Of Services	(28,627)	(45,669)	(17,043)	(43,032)	(14,406)
Rental Income	(14,393)	(17,490)	(3,097)	(16,849)	(2,456)
Fees Levies And Charges	(28,664)	(31,059)	(2,395)	(29,404)	(739)
	<b>(74,240)</b>	<b>(97,715)</b>	<b>(23,475)</b>	<b>(92,863)</b>	<b>(18,623)</b>
<b>GRANT INCOME</b>					
Grant Income	(3,589)	(3,543)	46	(3,299)	290
	<b>(3,589)</b>	<b>(3,543)</b>	<b>46</b>	<b>(3,299)</b>	<b>290</b>
<b>OTHER NON TRADING INCOME</b>					
Other Non-Trading Income	(12,450)	(11,162)	1,289	(16,569)	(4,119)
	<b>(12,450)</b>	<b>(11,162)</b>	<b>1,289</b>	<b>(16,569)</b>	<b>(4,119)</b>
<b>TOTAL INCOME</b>	<b>(1,012,672)</b>	<b>(1,123,810)</b>	<b>(111,138)</b>	<b>(1,157,874)</b>	<b>(145,202)</b>

#### Note

Pension income is £3.6m higher than prior year as a result of increased GUS pension contributions.





#### 4.7 Breakdown of expenditure

£000	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019-20
<b>EMPLOYEE COSTS</b>					
Wages And Salaries	401,120	392,737	(8,383)	380,820	(20,300)
Employee Transport And Subsistence	705	1,719	1,015	1,968	1,263
Training	1,482	2,521	1,039	2,189	707
Other Staff Costs	101	53	(48)	89	(12)
Recruitment Costs	819	674	(145)	738	(82)
Severance Payments	99	-	(99)	-	(99)
Expenses	0	-	(0)	1	1
Agency Staff	9,801	1,784	(8,018)	11,855	2,054
	<b>414,128</b>	<b>399,488</b>	<b>(14,640)</b>	<b>397,659</b>	<b>(16,469)</b>
<b>INFRASTRUCTURE EXPENSES</b>					
Structures	9,050	11,461	2,411	10,812	1,762
Grounds	1,032	825	(207)	1,007	(26)
Road Runways And Landscaping	(898)	(1,783)	(885)	(1,265)	(367)
Energy Costs	8,285	8,246	(39)	8,207	(78)
Rent Rates And Water Charges	6,214	6,531	316	6,406	191
Fixtures And Fittings	182	270	88	636	454
Cleaning And Waste Disposal	14,639	13,092	(1,547)	14,309	(330)
Property Insurance	-	-	-	-	-
Other Premises Expenses	3,631	3,714	84	3,659	28
	<b>42,136</b>	<b>42,356</b>	<b>221</b>	<b>43,770</b>	<b>1,634</b>
<b>TRANSPORT EXPENSES</b>					
Vehicle Purchase	12	12	(0)	(123)	(135)
Vehicle Repairs And Maintenance	2,276	2,239	(37)	2,896	620
Vehicle Running Costs	2,276	2,975	699	3,097	821
Contract Hire And Operating Leases	186	214	28	188	2
Public Transport Costs	4,705	5,017	312	4,790	85
Transport - Insurance	0	7	7	7	7
Transport - Carriage	352	146	(206)	178	(174)
	<b>9,806</b>	<b>10,610</b>	<b>804</b>	<b>11,032</b>	<b>1,226</b>
<b>SUPPLIES AND SERVICES</b>					
Equipment	10,533	10,267	(266)	10,862	329
Furniture	306	216	(90)	289	(17)
Materials	24,064	24,995	931	23,974	(90)
Printing Stationery And General Office Expenses	2,192	2,716	524	2,230	38
Advertising Publicity Marketing	2,986	2,827	(159)	4,246	1,260
Services	24,636	25,645	1,009	29,553	4,917
Communications And Computing	17,982	14,969	(3,013)	17,169	(813)
Expenses	47,975	11,431	(36,545)	9,743	(38,232)
Exchange Rate & Other Differences	(3,474)	(3,613)	(140)	(3,923)	(449)
	<b>127,199</b>	<b>89,451</b>	<b>(37,748)</b>	<b>94,142</b>	<b>(33,057)</b>
<b>Sub-Total Carried Forward</b>	<b>593,269</b>	<b>541,906</b>	<b>(51,363)</b>	<b>546,603</b>	<b>(46,666)</b>

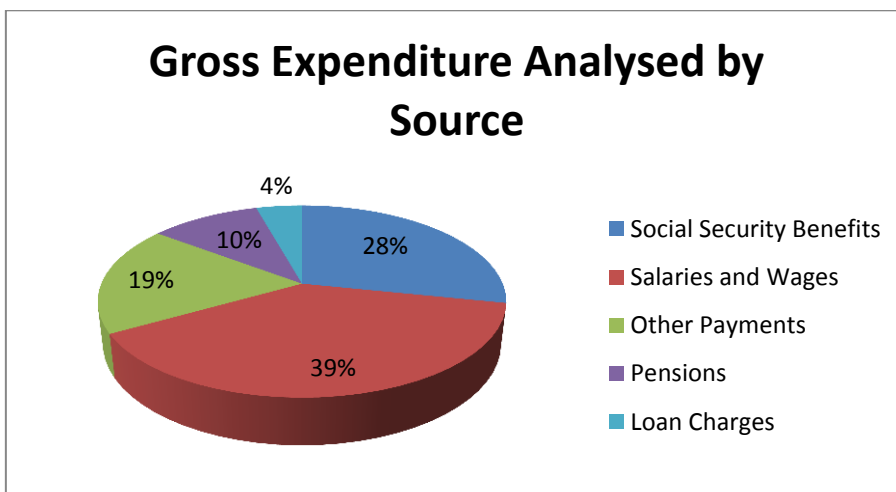
*Expenditure continues on next page...*



**Breakdown of expenditure (Continued)**

**Table 4.7 (Continued)**

<b>BREAKDOWN OF SPEND BY CATEGORY (Continued)</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
<b>GROSS EXPENDITURE (continued)</b>					
Brought forward	593,269	541,906	(51,363)	546,603	(46,666)
<b>AGENCY AND CONTRACTED SERVICES</b>					
Contribution To UK Government	3,236	3,178	(58)	3,178	(58)
Contribution To Local Authorities	3,138	4,003	864	2,475	(663)
Contribution To Departments	358	341	(17)	456	98
Medical And Care Services	79,756	81,004	1,248	83,877	4,121
	<b>86,489</b>	<b>88,525</b>	<b>2,037</b>	<b>89,986</b>	<b>3,497</b>
<b>TRANSFER PAYMENTS</b>					
Grants And Subsidies	45,690	45,494	(197)	35,490	(10,200)
Compensation Payments	987	275	(712)	5,161	4,174
Social Security Clients	302,741	309,587	6,846	301,253	(1,488)
Loan Charges	46,585	46,660	75	46,819	234
Other Costs	3,309	1,797	(1,512)	8,281	4,972
Aid Payments	2,462	2,500	38	2,500	38
Legal Aid Schemes	3,031	2,853	(177)	3,098	67
Internal Recharges	(1,318)	1,901	3,218	(1,173)	145
Reimbursements From Internal Funds	(121,653)	(44,670)	76,984	(49,901)	71,752
	<b>281,834</b>	<b>366,396</b>	<b>84,562</b>	<b>351,527</b>	<b>69,693</b>
<b>OTHER COSTS</b>					
Pension Expenditure	111,507	115,003	3,495	100,867	(10,641)
<b>Total Expenditure</b>	<b>1,073,099</b>	<b>1,111,830</b>	<b>38,731</b>	<b>1,088,983</b>	<b>15,884</b>





### 4.8 Pay Analysis – actual 2020-21 versus revised budget

**Table 4.8**

EMPLOYEE COSTS - ACTUAL V BUDGET																					
£000	ACTUAL							REVISED BUDGET							VARIANCE TO BUDGET						
	Basic Pay	Overtime	National Insurance	Pension	Agency Staff	Other	Total 2020-21	Basic Pay	Overtime	National Insurance	Pension	Agency Staff	Other	Total Budget	Basic Pay	Overtime	National Insurance	Pension	Agency Staff	Other	Total
<b>Department</b>																					
DFE	7,835	50	864	968	74	156	9,946	7,937	213	883	947	15	341	10,336	102	163	19	(21)	(59)	185	389
DESC	67,658	2,526	6,590	9,700	70	1,127	87,670	64,546	1,780	7,056	11,070	63	1,016	85,531	(3,112)	(746)	466	1,371	(7)	(111)	(2,139)
DEFA	7,439	129	785	1,040	48	122	9,563	7,168	79	725	1,005	63	253	9,293	(271)	(49)	(61)	(35)	14	130	(270)
DHSC	104,021	10,836	13,227	14,657	8,793	20,816	172,349	113,814	4,717	13,550	17,742	1,200	9,049	160,072	9,792	(6,119)	323	3,086	(7,593)	(11,767)	(12,278)
DHA	21,179	1,175	2,500	2,963	199	2,555	30,570	22,475	994	2,217	3,131	32	2,355	31,204	1,296	(181)	(283)	169	(167)	(200)	633
DOI	29,558	2,297	3,440	4,089	290	1,824	41,497	29,360	2,693	3,302	4,791	293	1,509	41,950	(198)	397	(138)	703	4	(314)	453
Treasury	13,423	73	1,399	1,941	51	96	16,984	14,232	101	1,451	2,119	38	193	18,134	809	27	52	177	(13)	97	1,149
Cabinet Office	16,942	392	1,954	2,173	243	1,477	23,182	14,810	96	1,645	1,977	5	1,101	19,634	(2,131)	(296)	(309)	(197)	(238)	(377)	(3,548)
<b>Executive Government</b>																					
IRO	253	14	30	38	2	2	340	266	-	25	35	1	1	328	13	(14)	(5)	(3)	(1)	(1)	(12)
VWS	72	0	7	11	0	2	92	67	2	7	10	1	7	94	(5)	2	(1)	(1)	1	5	1
ICO	250	-	27	37	-	4	318	321	-	22	28	-	10	380	71	-	(6)	(10)	-	6	62
GR	3,134	7	337	386	12	83	3,959	2,925	10	328	452	35	159	3,909	(209)	3	(9)	66	23	76	(50)
AGC	4,275	10	491	627	-	60	5,463	4,200	-	440	579	-	40	5,259	(75)	(10)	(52)	(48)	-	(19)	(204)
<b>Statutory Boards</b>																					
Comms Commn.	382	-	43	41	16	(2)	480	427	-	42	57	-	9	535	44	-	(1)	16	(16)	12	55
FSA	4,052	82	450	491	2	70	5,147	4,282	-	505	628	25	238	5,679	230	(82)	55	138	23	168	532
GSC	829	-	99	108	1	34	1,071	979	2	100	130	-	52	1,262	150	2	1	22	(1)	18	191
PSPA	737	8	80	105	-	15	944	739	8	80	127	-	18	972	2	(0)	1	22	-	4	29
FIU	575	2	63	61	-	45	746	595	-	50	55	0	62	762	20	(2)	(13)	(6)	0	17	16
Legislature	2,405	5	345	390	-	709	3,853	2,454	7	388	460	13	837	4,159	49	2	43	70	13	127	305
<b>TOTAL</b>	<b>285,019</b>	<b>17,605</b>	<b>32,734</b>	<b>39,824</b>	<b>9,801</b>	<b>29,193</b>	<b>414,175</b>	<b>291,597</b>	<b>10,703</b>	<b>32,815</b>	<b>45,342</b>	<b>1,784</b>	<b>17,249</b>	<b>399,491</b>	<b>6,579</b>	<b>(6,901)</b>	<b>81</b>	<b>5,519</b>	<b>(8,018)</b>	<b>(11,944)</b>	<b>(14,684)</b>

**Notes**

- Other costs include arrears, employee travel, training, recruitment costs and the cost of unused annual leave. The unused annual leave accrual has been accounted for within the Dark Blue Book in previous years.
- See Appendix A at section 12 for a list of abbreviations.



### 4.9 Pay analysis – actual 2021-20 versus actual 2019-20

Table 4.9

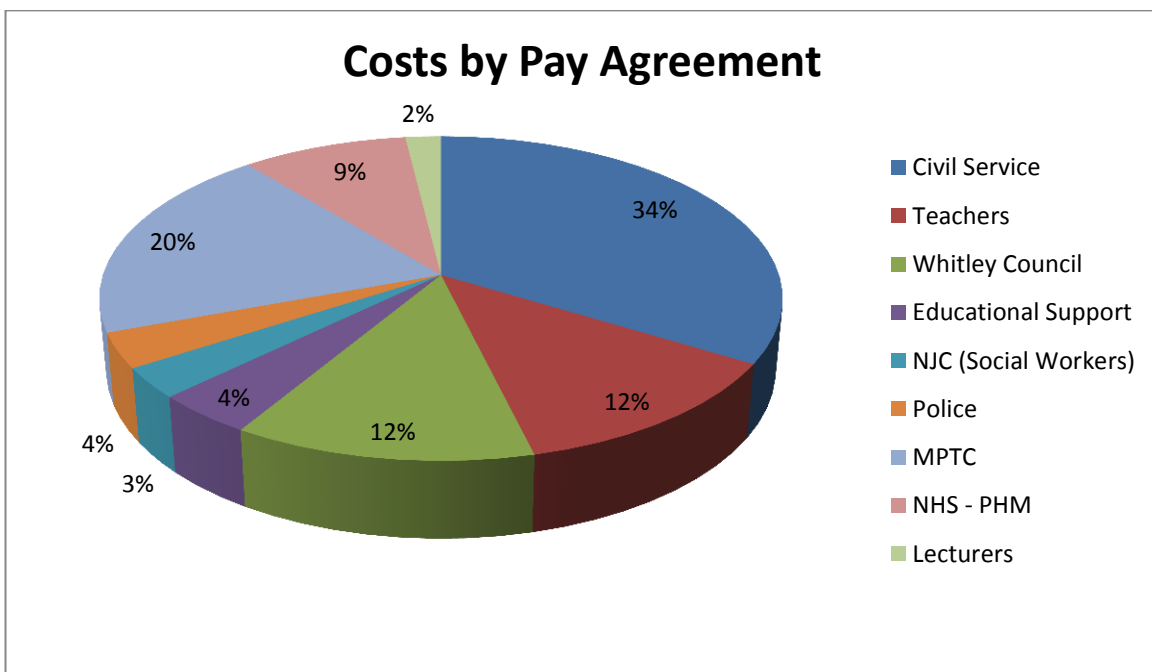
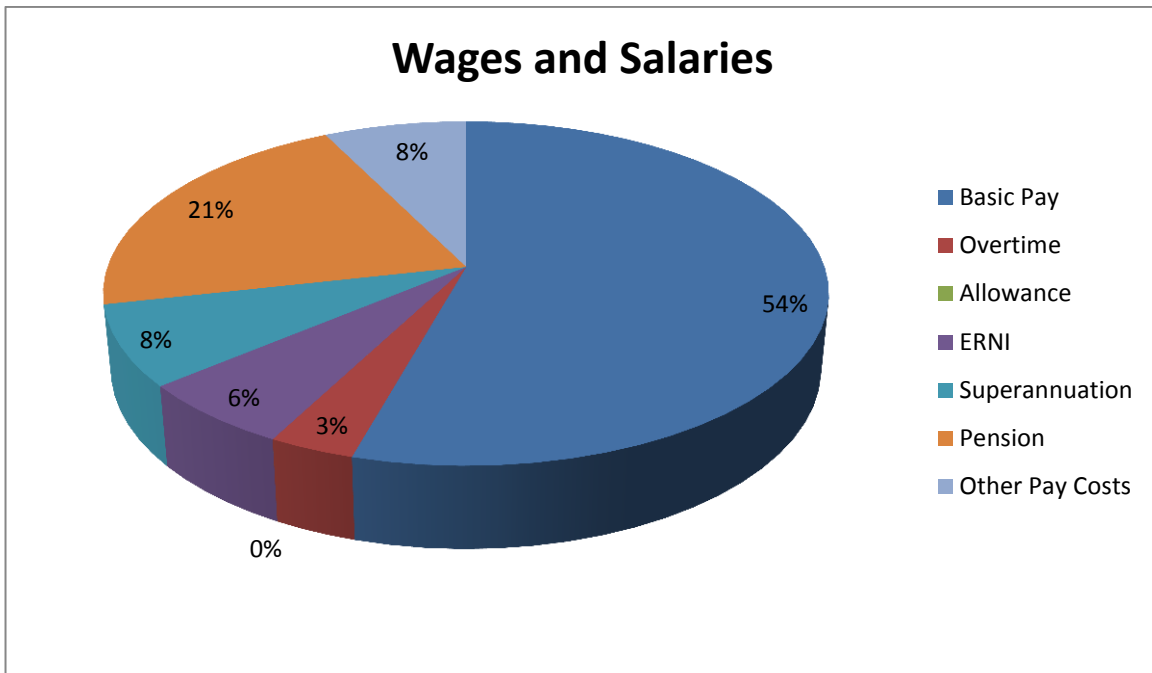
£000	EMPLOYEE COSTS - ACTUAL V LAST YEAR																				
	ACTUAL 2020-21							ACTUAL 2019-20							VARIANCE TO 2019-20						
	Basic Pay	Overtime	National Insurance	Pension	Agency Costs	Other	Total 2020-21	Basic Pay	Overtime	National Insurance	Pension	Agency Costs	Other	Total 2019-20	Basic Pay	Overtime	National Insurance	Pension	Agency Costs	Other	Total Variance
<b>Department</b>																					
DFE	7,835	50	864	968	74	156	9,946	7,459	225	862	961	124	290	9,920	(376)	175	(2)	(7)	50	135	(26)
DESC	67,658	2,526	6,590	9,700	70	1,127	87,670	60,407	3,444	6,104	8,882	101	1,050	79,988	(7,251)	918	(486)	(818)	31	(77)	(7,682)
DEFA	7,439	129	785	1,040	48	122	9,563	6,863	132	759	975	156	281	9,165	(576)	4	(27)	(64)	107	159	(398)
DHSC	104,021	10,836	13,227	14,657	8,793	20,816	172,349	103,165	9,805	12,925	14,115	10,690	13,372	164,072	(856)	(1,031)	(302)	(542)	1,897	(7,444)	(8,277)
DHA	21,179	1,175	2,500	2,963	199	2,555	30,570	19,951	1,404	2,458	2,896	57	2,676	29,442	(1,228)	229	(42)	(66)	(142)	121	(1,128)
DOI	29,558	2,297	3,440	4,089	290	1,824	41,497	31,863	3,946	3,818	4,315	493	2,586	47,021	2,306	1,650	378	226	203	762	5,524
Treasury	13,423	73	1,399	1,941	51	96	16,984	11,623	126	1,229	1,675	100	206	14,959	(1,801)	53	(170)	(267)	49	110	(2,026)
Cabinet Office	16,942	392	1,954	2,173	243	1,477	23,182	13,792	152	1,560	1,794	108	991	18,397	(3,150)	(240)	(394)	(380)	(134)	(487)	(4,785)
<b>Executive Government</b>																					
IRO	253	14	30	38	2	2	340	184	17	23	26	7	6	264	(70)	3	(7)	(12)	5	4	(76)
VWS	72	0	7	11	0	2	92	70	2	8	10	1	3	94	(2)	2	0	(0)	1	2	2
ICO	250	-	27	37	-	4	318	-	-	17	1	-	247	265	(250)	-	(11)	(36)	-	244	(53)
GR	3,134	7	337	386	12	83	3,959	2,999	4	325	366	5	98	3,796	(135)	(3)	(13)	(20)	(7)	15	(163)
AGC	4,275	10	491	627	-	60	5,463	3,827	1	438	550	-	90	4,905	(448)	(10)	(54)	(77)	-	30	(558)
<b>Statutory Boards</b>																					
Comms Commn.	382	-	43	41	16	(2)	480	282	-	32	27	9	2	353	(100)	-	(10)	(14)	(6)	4	(127)
FSA	4,052	82	450	491	2	70	5,147	4,014	66	449	493	4	129	5,154	(38)	(15)	(1)	2	2	58	8
GSC	829	-	99	108	1	34	1,071	763	-	95	109	-	58	1,025	(66)	-	(4)	1	(1)	24	(46)
OFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PSPA	737	8	80	105	-	15	944	676	4	75	101	-	16	873	(61)	(3)	(4)	(4)	-	2	(71)
FIU	575	2	63	61	-	45	746	507	-	57	57	-	51	672	(67)	(2)	(6)	(4)	-	7	(73)
MMNT	-	-	-	-	-	-	-	2,594	61	254	344	-	129	3,383	2,594	61	254	344	-	129	3,383
Legislature	2,405	5	345	390	-	709	3,853	2,413	6	349	402	0	750	3,919	8	1	4	12	0	40	66
<b>TOTAL</b>	<b>285,019</b>	<b>17,605</b>	<b>32,734</b>	<b>39,824</b>	<b>9,801</b>	<b>29,193</b>	<b>414,175</b>	<b>273,450</b>	<b>19,395</b>	<b>31,836</b>	<b>38,098</b>	<b>11,855</b>	<b>23,032</b>	<b>397,666</b>	<b>(11,569)</b>	<b>1,791</b>	<b>(898)</b>	<b>(1,726)</b>	<b>2,054</b>	<b>(6,161)</b>	<b>(16,509)</b>

#### Notes

1. Compared to last year pay costs have increased by 4% overall which includes inflationary increases agreed through the approved pay awards. Pay costs also include a provision across all departments to capture the cost of unused annual leave, this adjustment was previously only included in the Dark Blue Book for 2019-20.
2. The largest increase (27%) is seen in other costs which is due to the unused annual leave accrual detailed above.
3. Other costs include arrears, employee travel, training, recruitment costs and for 2020-21 unused annual leave.
4. Agency costs have reduced by 17% which reflects the suspension of services in Nobles during the various lockdowns in 2020-21.
5. See Appendix A at section 12 for a list of abbreviations.



**Pay analysis (Continued) – 2020-21**



*Note: Costs by pay agreement exclude pensions and certain other costs which are not analysed by pay agreement*



## 5. Accounts of the Consolidated Loans Fund (CLF)

### 5.1 Capital Transactions Account (Capital Cash)

**Table 5.1**

<b>CAPITAL TRANSACTIONS ACCOUNT</b>					
<b>£000</b>	<b>Actual 2019-20</b>		<b>Actual 2020-21</b>		
	<b>Advances</b>	<b>Net</b>	<b>Advances</b>	<b>Repaid</b>	<b>Net</b>
Balance brought forward at 1 April	<b>(62,785)</b>	<b>(62,785)</b>			<b>(56,791)</b>
<b>Loan Transactions</b>					
Loan from Reserve Fund to Capital Fund	(75,354)	(75,354)	-	-	-
Interest on Capital Fund	-	(15,969)	-	(16,032)	(16,032)
	<b>(138,139)</b>	<b>(154,108)</b>	<b>-</b>	<b>(16,032)</b>	<b>(72,823)</b>
<b>Borrowing Account Transactions</b>					
Cabinet Office	1,453	1,289	1,093	(672)	421
Economic Development	258	(616)	822	(673)	150
Education and Children	2,767	(2,993)	981	(4,582)	(3,601)
Environment, Food and Agriculture	726	(33)	357	(519)	(162)
Health and Social Care	3,213	(3,671)	5,101	(5,933)	(832)
Home Affairs	875	(1,981)	1,215	(2,502)	(1,287)
Infrastructure	52,097	35,881	49,126	(18,502)	30,623
Treasury	1,147	601	884	(944)	(60)
Statutory Boards	273	205	275	(99)	176
Manx National Heritage	189	(601)	152	(803)	(651)
Expenses of the Legislature	-	(342)	-	(266)	(266)
<b>Borrowing Authorities</b>					
Manx Utilities	8,650	(1,008)	11,587	(11,594)	(7)
Isle of Man Steam Packet Group	75,354	75,354	-	-	-
<b>SUB-TOTAL</b>	<b>147,002</b>	<b>102,083</b>	<b>71,595</b>	<b>(47,091)</b>	<b>24,504</b>
	<b>8,863</b>	<b>(52,025)</b>	<b>71,595</b>	<b>(63,123)</b>	<b>(48,319)</b>
<b>Other Capital Transactions:</b>					
Contributions from Internal Funds applied in reducing outstanding advances		(4,253)		(1,804)	(1,804)
Capital Receipts applied in reducing outstanding advances		(513)		(3,335)	(3,335)
<b>Balance carried forward at 31 March</b>	<b>8,863</b>	<b>(56,791)</b>	<b>71,595</b>	<b>(68,262)</b>	<b>(53,458)</b>

#### Note

1. Compared to last year capital expenditure was marginally lower (£71.648m vs £71.595m). Budgeted expenditure was higher than the prior year however the impact of Covid-19 lockdowns resulted in less being spent than planned, many of the schemes have been deferred to future years.
2. The capital advances for 2019-20 include the Isle of Man Steam Packet Group loan being transferred to the CLF reserve, the loan was provided in the previous financial year.
3. Loan charge repayments for the year are based on historic spend plus the budgeted capital spend for the year. The original budgeted spend on which the loan charge calculation made was £159.1m, so the current year repayments seem high in comparison to the actual spend.
4. Capital receipts have significantly increased in the year, details can be found in table 5.5.



## 5.2 Capital interest transactions

**Table 5.2**

<b>INTEREST TRANSACTIONS</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>Interest Receivable</b>		
Investment Interest	(329)	(44)
Bond interest charged to MANX UTILITIES (ex-MEA)	(9,944)	(9,944)
Bond interest charged to MANX UTILITIES (ex-WSA)	(4,219)	(4,219)
Balance - Net Interest recharged to Borrowing	(15,640)	(15,988)
	<b>(30,132)</b>	<b>(30,195)</b>
<b>Interest Payable</b>		
Bond interest charged to MANX UTILITIES (ex-MEA)	9,944	9,944
Bond interest charged to MANX UTILITIES (ex-WSA)	4,219	4,219
Interest on Capital Fund	15,969	16,032
	<b>30,132</b>	<b>30,195</b>

## 5.3 Loans Fund balance sheet

**Table 5.3**

<b>LOANS FUND BALANCE SHEET AT 2020-21</b>		
<b>£000</b>	<b>As at 31 Mar 20</b>	<b>As at 31 Mar 21</b>
<b>Assets</b>		
Advances to Borrowing Accounts	1,107,913	1,127,278
Cash at Bank	56,791	53,458
	<b>1,164,704</b>	<b>1,180,736</b>
<b>Liabilities</b>		
Bond Issue on behalf of Manx Utilities	(260,000)	(260,000)
Loan to Reserve Fund	(75,354)	(75,354)
	<b>(335,354)</b>	<b>(335,354)</b>
<b>Net Assets</b>	<b>829,350</b>	<b>845,382</b>
<b>Reserves</b>		
Capital Fund	829,350	845,382
	<b>829,350</b>	<b>845,382</b>

As detailed in the 2021-22 Pink Book, from 2021-22 the Capital Financing Reserve will be in place and this will fund capital spend for departments from that year onwards.

All outstanding loans with Central Government departments only will be repaid from the Consolidated Loans Fund Reserve.

The value of the outstanding loans being repaid is £606.4m. This will leave net residual capital loans outstanding amounting to £185.3m on the 1st April 2021.



## 5.4 Capital payments – analysis of budgets and supplementary votes

**Table 5.4a**

**CAPITAL EXPENDITURE APPROVED FOR THE YEAR ENDED 31 Mar 21**

£000	Column 1	Column 2	Column 3	Column 3 unapproved	Purple Book Adjustments	Contingency Transfers	Supp. Votes	Approved Budget
			1	2	3	4	5	
Cabinet Office	1,520	2,528	-	-	(1,955)	163	-	2,256
Courts	-	245	-	-	(245)	-	-	-
Education, Sport & Culture	1,294	500	2,956	(882)	(21)	79	227	4,154
Enterprise	1,676	2,270	-	-	(2,229)	-	-	1,717
Environment, Food & Agriculture	213	749	-	-	(109)	1	-	854
Health and Social Care	2,834	3,842	4,000	(4,000)	1,965	-	11,700	20,341
Home Affairs	451	1,853	-	-	327	83	-	2,714
Infrastructure	38,418	45,844	-	-	5,587	1,086	1,837	92,772
Treasury	-	15,654	969	(969)	43	(1,831)	-	13,866
Statutory Boards	314	228	-	-	235	-	-	777
Manx National Heritage	295	200	-	-	113	-	-	608
<u>Borrowing Authorities:</u>								
MUA - Capital Programme	20,839	9,324	-	-	(10,757)	418	-	19,824
<b>Total</b>	<b>67,854</b>	<b>83,237</b>	<b>7,925</b>	<b>(5,851)</b>	<b>(7,046)</b>	<b>-</b>	<b>13,764</b>	<b>159,883</b>

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 Budget between:

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

Expenditure shown in Column 3 of the capital estimates in the Pink Book 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 2021:

### Notes

1. The Column 3 amounts above only include Column 3 amounts presented in the Budget. Schemes which were subsequently approved by Tynwald during the financial year are detailed in table 5.4b below.
2. The contingency transfers are detailed in table 5.4c below.
3. Supplementary votes are detailed in table 5.4d below.
4. Capital scheme adjustments to Pink Book approvals are referenced in Column 3, 4 and 5 in table 5.4a. Details on Purple Book Adjustments can be found in the Budget Update 2020 (Purple Book).

**Table 5.4b**

**TYNWALD APPROVALS OF COLUMN 3 ITEMS**

£000 Project / Scheme	Dept.	Overall Amount Approved	Amount Approved for 2020-21
Castle Rushen High School - Playing Fields	DESC	2,074,000	2,074,000
<b>Total</b>		<b>2,074,000</b>	<b>2,074,000</b>

**Capital payments – analysis of budgets and supplementary votes (continued)**

The following schemes were the transfers from the Capital Contingency Budget which were approved by the Treasury during the year:

<b>Transfers from Capital Project Contingency Budget</b>			
<b>£000</b>	<b>Original</b>	<b>Transfers</b>	<b>Revised</b>
<b>Department / Board</b>	<b>Budget</b>	<b>from</b>	<b>Budget</b>
<b>Scheme</b>	<b>2020-21</b>	<b>Contingency</b>	<b>2020-21</b>
<b>Cabinet Office</b>			
Technology NUIX Solution	57	163	220
<b>Cabinet Office Total</b>	<b>57</b>	<b>163</b>	<b>220</b>
<b>Education and Children</b>			
Classroom Scheme Phase 2 - St Mary's	600	79	679
<b>Education and Children Total</b>	<b>600</b>	<b>79</b>	<b>679</b>
<b>Environment, Forestry and Agriculture</b>			
Mill Yard Road Development	-	1	1
<b>Environment, Forestry and Agriculture Total</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Home Affairs</b>			
Port Erin Replacement Fire Station	-	1	1
Minor Capital Works - DHA	-	41	41
Fire and Rescue Equipment	100	40	140
<b>Home Affairs Total</b>	<b>100</b>	<b>83</b>	<b>183</b>
<b>Infrastructure</b>			
House Purchase Assistance Scheme	500	201	701
X-Ray Machines Upgrade	-	12	12
Strategic Structural Maintenance	2,544	580	3,124
Pulrose River Bridge	-	80	80
Derby Castle Shed Cladding	-	5	5
Victoria Pier Scour Protection	-	53	53
Minor Capital Works - Public Transport	1,450	154	1,604
<b>Infrastructure Total</b>	<b>4,494</b>	<b>1,086</b>	<b>5,580</b>
<b>Manx Utilities</b>			
Network Refurbishment	1,412	22	1,434
Regional Sewer Strategy 2	1,170	341	1,511
Sewer Network Refurbishment	1,435	55	1,490
<b>Manx Utilities Total</b>	<b>4,017</b>	<b>418</b>	<b>4,435</b>
<b>Total Use of Contingency</b>	<b>9,268</b>	<b>1,830</b>	<b>11,098</b>
<b>Treasury</b>			
Capital Project Contingency Budget	4,000	(1,830)	2,170
<b>TOTAL</b>	<b>13,268</b>	<b>-</b>	<b>13,268</b>

In accordance with Order Paper No. 2, all contingency approvals relate to timing differences which will be recovered by departments from future year budgets.

**Capital payments – analysis of budgets and supplementary votes (continued)**

In terms of presentation, the following schemes represent supplementary votes approved in 2020-2021.

**Table 5.4d**

SUPPLEMENTARY VOTES		
£000 Project / Scheme	Dept.	Amount Approved for 2020-21
Older Persons Residential & Resource Unit East	DHSC	11,700,000
Public Transport Vehicle Replacement Programme	DOI	1,837,193
NSC Pool Hall Refurbishment	DESC	227,085
<b>Total</b>		<b>13,764,278</b>

The following schemes are timing differences but require funding which was approved in previous Budgets to be brought forward into 2020-21 in order to meet expenditure incurred:

**Table 5.4e**

TIMING DIFFERENCES - PREVIOUSLY APPROVED			
£000 Project / Scheme	Dept.	Budget Approved for 2020-21	Amount carried forward into 2020-21
Technology - NUIX Solution	CAB	57	163
Mill Yard Road Development	DEFA	-	1
Port Erin Replacement Fire Station	DHA	-	1
House Purchase Assistance Scheme	DOI	500	201
X-Ray Machine Upgrade	DOI	-	12
Pulrose River Bridge	DOI	-	80
Derby Castle Shed Cladding	DOI	-	5
Network Refurbishment	MANX UTILITIES	1,412	22
Regional Sewerage Strategy 2	MANX UTILITIES	1,170	341
Sewer Network Refurbishment	MANX UTILITIES	1,435	55
<b>Total</b>		<b>13,114</b>	<b>2,079</b>

The following schemes were included in Column 3 of the 2020-21 Budget but no approval was sought from Tynwald during the year:

**Table 5.4f**

SCHEMES NOT APPROVED		
£000 Project / Scheme	Dept.	Amount Not Approved for 2020-21
Castle Rushen High School	DESC	882
Older Persons RRU - Summerhill	DHSC	4,000
Broadcasting House Refurbishment	RML	969
<b>Total</b>		<b>5,851</b>

Castle Rushen High School received a supplementary vote of £2.074m in the year. The original C3 Future Approval was £2.956m.

Capital payments by department are now included within the departmental section 6.



## 5.5 Capital receipts

CAPITAL RECEIPTS		
£000	Actual 2019-20	Actual 2020-21
<b>1. SALE OF ASSETS</b>		
<b>Department of Education and Children</b>		
Clifton Park	(479)	(226)
	<b>(479)</b>	<b>(226)</b>
<b>Department of Environment, Food &amp; Agriculture</b>		
National Glens and Footpaths	(1)	-
	<b>(1)</b>	-
<b>Department of Home Affairs</b>		
Castletown Fire Station	-	(375)
Homefield	-	(995)
Port Erin Fire Station	-	(5)
	-	<b>(1,375)</b>
<b>Department of Infrastructure</b>		
Sale of land – Hills Meadow and Ballure Road	(33)	-
Vehicle Test Centre - deposit		(126)
Lord Street Site Payment		(1,144)
Sale of former Abattoir		(464)
	<b>(33)</b>	<b>(1,734)</b>
Total Capital Receipts from Sale of Assets	<b>(513)</b>	<b>(3,335)</b>
<b>2. CONTRIBUTIONS TO CAPITAL FROM INTERNAL FUNDS</b>		
<u>Housing Reserve Fund</u>		
Department of Infrastructure	(3,922)	(1,562)
<u>Land and Property Acquisition Reserve</u>		
Department of Infrastructure	(331)	-
	<b>(4,253)</b>	<b>(1,562)</b>
<b>Total Capital Receipts</b>	<b>(4,766)</b>	<b>(4,897)</b>

### Notes

- The capital receipts in this table exclude loan charge repayments and interest.



## 5.6 Summary of capital advances

Table 5.6

SUMMARY OF CAPITAL ADVANCES									
£000 DEPARTMENT	Advances Outstanding at 1 Apr 20	Transfers Between Departments 2020-21	Revised Advances O/S at 1 Apr 20	Advances		Repayments			Advances Outstanding at 31 Mar 21
				Year 2020-21	Total to 31 Mar 21	Advances Repaid 2020-21	Capital Receipts 2020-21	Total Repaid to 31 Mar 21	
Cabinet Office	2,080	-	2,080	1,093	3,585	672	-	1,084	2,501
Enterprise	8,702	-	8,702	822	36,629	673	-	27,777	8,852
Education and Children	92,789	-	92,789	981	200,238	4,582	226	111,275	88,962
Environment, Food & Agriculture	14,234	-	14,234	357	33,981	519	-	19,910	14,072
Health and Social Care	120,408	-	120,408	5,101	233,790	5,933	-	114,214	119,575
Home Affairs	49,404	-	49,404	1,215	82,339	2,502	1,375	35,597	46,742
Infrastructure	288,122	560	288,681	49,126	701,793	18,502	3,297	385,785	316,007
Treasury	6,058	-	6,058	884	112,573	944	241	106,817	5,757
Statutory Boards	344	-	344	275	741	99	-	222	519
Manx National Heritage	8,924	-	8,924	152	24,579	803	-	16,305	8,273
Expenses of the Legislature	4,390	-	4,390	-	10,257	266	-	6,133	4,124
Manx Utilities	437,105	(560)	436,546	11,587	694,979	11,594	-	258,439	436,539
Isle of Man Steam Packet Group	75,354		75,354	-	75,354	-	-	-	75,354
<b>Advances to Borrowing Accounts</b>	<b>1,107,913</b>	<b>-</b>	<b>1,107,913</b>	<b>71,595</b>	<b>2,210,837</b>	<b>47,091</b>	<b>5,139</b>	<b>1,083,559</b>	<b>1,127,278</b>
Less: Loan Schemes	2,091	-	-	-	141,760	196	-	139,865	1,895
<b>TOTAL CAPITAL ADVANCES</b>	<b>1,105,822</b>	<b>-</b>	<b>1,107,913</b>	<b>71,595</b>	<b>2,069,077</b>	<b>46,895</b>	<b>5,139</b>	<b>943,694</b>	<b>1,125,383</b>

### Notes

More detail on the spending by department, board and office is provided in section 6.



## 5.7 Summary of loan sanctions and capital expenditure

Table 5.7

SUMMARY OF LOAN SANCTIONS AND CAPITAL EXPENDITURE					
£000 DEPARTMENT	Unexercised Loan Sanctions	Loan Sanctions	Aggregate Loan Sanctions	Capital Expenditure	Balance of Sanctions Unexercised
	1 Apr 20	2020-21	2020-21	2020-21	31 Mar 21
Cabinet Office	1,730	2,507	4,237	1,093	3,144
Enterprise	1,992	2,270	4,262	822	3,440
Education, Sport & Culture	7,685	-	7,685	981	6,704
Environment, Food & Agriculture	742	382	1,124	357	767
Health and Social Care	388	12,562	12,950	5,101	7,849
Home Affairs	1,374	1,317	2,691	1,215	1,476
Infrastructure	44,468	46,765	91,233	49,126	42,107
Treasury	9,249	15,687	24,936	884	24,052
Executive Government	2,756	-	2,756	-	2,756
Manx National Heritage	386	214	600	152	448
Statutory Boards	5,866	-	5,866	275	5,591
Expenses of the Legislature	1,588	-	1,588	-	1,588
Manx Utilities	14,901	34,196	49,097	11,587	37,510
<b>TOTAL</b>	<b>93,126</b>	<b>115,900</b>	<b>209,026</b>	<b>71,595</b>	<b>137,431</b>

Lower than budgeted levels of expenditure have resulted in excess loan sanctions of £137m at the end of 2020-21.



## 5.8 Statement of loans made – advances, repayments and balances outstanding

Table 5.8

LOANS MADE BY GOVERNMENT £000						
Consolidated Loans Fund	Balance Outstanding at 1 Apr 20	Advances Year 2020-21	Repayments Year 2020-21	Total to 31 Mar 21	Balance Outstanding at 31 Mar 21	Movement
Agricultural Holdings Scheme 1978	50	-	14	5,416	36	(14)
Agricultural Holdings Scheme 2000	381	-	26	580	355	(26)
Agricultural Credits Acts 1924-66	9	-	3	2,792	6	(3)
Fishing Industry	8	-	3	5,034	5	(3)
<b>Agriculture and Fisheries Sub-Total</b>	<b>448</b>	<b>-</b>	<b>47</b>	<b>13,821</b>	<b>401</b>	<b>(47)</b>
Building By Private Enterprise Schemes 1968/74	-	-	-	2,704	-	-
Housing Advances Schemes	(0)	-	-	21,447	(0)	-
House Purchase Schemes	12	-	3	56,655	9	(3)
House Purchase & Refurbishment Scheme 1991	250	-	41	25,787	210	(41)
Royal British Legion Housing Association	-	-	-	676	-	-
<b>Housing Sub-total</b>	<b>262</b>	<b>-</b>	<b>44</b>	<b>107,270</b>	<b>219</b>	<b>(44)</b>
Sports Club Improvement Scheme	-	-	-	178	-	-
Local Authorities	1,380	-	105	18,596	1,275	(105)
<b>Miscellaneous Sub-Total</b>	<b>1,380</b>	<b>-</b>	<b>105</b>	<b>18,774</b>	<b>1,275</b>	<b>(105)</b>
<b>TOTAL</b>	<b>2,091</b>	<b>-</b>	<b>196</b>	<b>139,865</b>	<b>1,895</b>	<b>(196)</b>

### Notes

- As the loan schemes are now closed to new entries, no further advances have been made by Government.



## 5.9 Housing loans schemes

Table 5.9a

<b>HOUSING ADVANCES AND HOUSE PURCHASE SCHEMES</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
<b>EXPENDITURE</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Revenue Account</b>		
Administration Expenses	-	-
Loan Charges - Interest	-	-
Loans Written Off	-	-
Surplus transferred to Treasury	1	1
	<b>1</b>	<b>1</b>
<b>Capital Account</b>		
Advances on Property	-	-
Outstanding at 31st March	12	9
	<b>12</b>	<b>9</b>

Table 5.9b

<b>HOUSE PURCHASE &amp; REFURBISHMENT SCHEME</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
<b>EXPENDITURE</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Revenue Account</b>		
Administration Expenses	-	-
Surplus transferred to Treasury	13	9
	<b>13</b>	<b>9</b>
<b>Capital Account</b>		
Advances on Property	-	-
Outstanding at 31st March	250	210
	<b>250</b>	<b>210</b>

Table 5.9c

<b>HOUSE PURCHASE &amp; REFURBISHMENT SCHEME</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
<b>EXPENDITURE</b>	<b>2019-20</b>	<b>2020-21</b>
Housing Advances & House Purchase Schemes	1	1
House Purchase & Refurbishment Scheme	13	9
<b>Total</b>	<b>14</b>	<b>10</b>

**Housing loans schemes (continued)**

**Table 5.9d**

<b>HOUSING ADVANCES AND HOUSE PURCHASE SCHEMES</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
<b>INCOME</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Revenue Account</b>		
Interest on Advances	1	1
Deficit transferred to Treasury	-	-
	<b>1</b>	<b>1</b>
<b>Capital Account</b>		
Advances on Property	-	-
Outstanding at 1st April	30	12
Transfer from Capital Loans Fund	-	-
Transactions Account to meet repayments	(14)	(3)
	<b>16</b>	<b>9</b>

**Table 5.9e**

<b>HOUSE PURCHASE &amp; REFURBISHMENT SCHEME</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
<b>EXPENDITURE</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Revenue Account</b>		
Interest on Advances	13	10
Additional Sums Recovered	-	-
	<b>13</b>	<b>10</b>
<b>Capital Account</b>		
Advances on Property		
Outstanding at 1st April	350	250
Transfer from Capital	-	-
Transactions Account to meet repayments	(100)	(41)
	<b>250</b>	<b>210</b>



## 6. Detail by departments, boards and offices

### 6.1 Cabinet Office

#### Revenue

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
Office of Human Resources	5,433	(6)	<b>5,427</b>	5,263	-	<b>5,263</b>	(170)	6	<b>(163)</b>	5,327	(7)	<b>5,321</b>	(106)	(1)	<b>(106)</b>
Chief Secretary's Office	3,189	(284)	<b>2,905</b>	3,522	-	<b>3,522</b>	333	284	<b>617</b>	2,157	1	<b>2,158</b>	(1,032)	285	<b>(748)</b>
Crown & External Relations	3,103	(647)	<b>2,456</b>	2,861	(1,097)	<b>1,763</b>	(243)	(450)	<b>(693)</b>	2,984	(1,107)	<b>1,876</b>	(120)	(460)	<b>(580)</b>
Change and Reform Team	699	(22)	<b>677</b>	885	(94)	<b>792</b>	186	(72)	<b>114</b>	868	(88)	<b>780</b>	169	(66)	<b>103</b>
Government Technology Services	18,640	(47)	<b>18,594</b>	19,146	(54)	<b>19,092</b>	506	(7)	<b>499</b>	19,717	(54)	<b>19,663</b>	1,077	(8)	<b>1,069</b>
Economic Affairs	301	-	<b>301</b>	455	-	<b>455</b>	155	-	<b>155</b>	348	-	<b>348</b>	47	-	<b>47</b>
OCSIA	-	-	-	-	-	-	-	-	-	331	(1)	<b>330</b>	331	(1)	<b>330</b>
Public Health Directorate	1,621	(3)	<b>1,617</b>	2,041	-	<b>2,041</b>	420	3	<b>424</b>	-	-	-	(1,621)	3	<b>(1,617)</b>
Business Change	1,377	-	<b>1,377</b>	425	-	<b>425</b>	(952)	-	<b>(952)</b>	-	-	-	(1,377)	-	<b>(1,377)</b>
Climate Change	2	(2)	<b>(0)</b>	-	-	-	(2)	2	<b>0</b>	-	-	-	(2)	2	<b>0</b>
<b>Total</b>	<b>34,365</b>	<b>(1,011)</b>	<b>33,354</b>	<b>34,599</b>	<b>(1,245)</b>	<b>33,354</b>	<b>234</b>	<b>(234)</b>	<b>(0)</b>	<b>31,732</b>	<b>(1,257)</b>	<b>30,475</b>	<b>(2,633)</b>	<b>(246)</b>	<b>(2,879)</b>

#### Commentary

The Cabinet Office had a net expense of £33.354m for the 20/21 financial year, which matched its budgeted allocation. The budget allocation included the movement out of OCSIA and financial resources to the new Financial Advisory Service to the Department of Home Affairs and Treasury respectively.

2020/21 presented several significant challenges which included;

- Rapid formation of the COVID Response Team as a centralised response to the requirement to manage the on-going threat presented by COVID-19 in July 2020. The team was made up of a number of elements – COVID 111, Travel Notification Service and Contact Tracing.



**Cabinet Office – income and expenditure (continued)**

At the close of the year £2.05m was claimed from the COVID contingency reserve for this initiative. Internally, the effects of the pandemic also saw staff displaced from all over Government and necessitated rapid technology solutions and immediate OHR policy development.

- Transition in of the Public Health Division which was favourable to budget due to the prioritisation of COVID related work in the period. Government Technology Services, achieved budget, noting a small amount of approved additional spend on Corona virus related activities towards the end of the financial year and a change for income accounting recommended for 2020/21 (reducing the income target to remove all internal recoveries from the target).

**Table 6.1b**

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Variance</b>
<b>CATEGORY</b>	<b>2020-21</b>	<b>2020-21</b>	<b>to Budget</b>	<b>2019-20</b>	<b>to 2019-20</b>
<b>INCOME</b>					
Taxation Income	1	-	(1)	(2)	(3)
Third Party Contributions	(49)	(54)	(5)	(55)	(6)
Operating Income	(955)	(1,191)	(236)	(1,204)	(249)
Grant Income	-	-	-	-	-
Other Non-Trading Income	(7)	-	7	5	12
<b>Total Income</b>	<b>(1,011)</b>	<b>(1,245)</b>	<b>(234)</b>	<b>(1,257)</b>	<b>(246)</b>
<b>EXPENDITURE</b>					
Employee Costs	23,182	19,634	(3,548)	18,397	(4,785)
Infrastructure Costs	194	80	(114)	136	(58)
Transport Costs	32	9	(23)	9	(24)
Supplies & Services	19,426	14,605	(4,821)	16,902	(2,524)
Agency & Contracted Services	-	107	107	-	-
Loan Charges	725	725	(0)	195	(531)
Other Costs	(9,194)	(561)	8,633	(3,906)	5,288
<b>Total Expenditure</b>	<b>34,365</b>	<b>34,599</b>	<b>234</b>	<b>31,732</b>	<b>(2,633)</b>
<b>NET EXPENDITURE</b>	<b>33,354</b>	<b>33,354</b>	<b>0</b>	<b>30,475</b>	<b>(2,879)</b>

Income unpredictability throughout the year included;

- income loss in the Passport, Immigration and Nationality subdivision which amounted to £450k across the year as a result of the restricted movement arising from COVID-19
- loss of Welcome Centre income of £72k
- and additional income from COVID testing of £284k.

Health and Care Transformation programme accelerating at pace with £4.64m of expenditure against the HealthCare Transformation fund.

Establishment of the dedicated Climate Change programme and the first five year action plan to achieve net zero.

Establishment of the Business Change Division focussing on portfolio, programme and project management.

Delay of the Census into the 2021/22 financial year period.

The Department also successfully withheld claims from reserve fund where it was able, this demonstrated the Departments in year saving commitment to reach the budget update set down in the Purple Book.

**Cabinet Office – capital programme**

Table 6.1c

**CAPITAL EXPENDITURE BY SCHEME**

£000 Scheme Name	CURRENT YEAR - 2020-21					TOTAL TO 2020-21		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Gen Registry New IT System	650	(285)	365	295	70	1,950	1,585	365
Cabinet Office Minor Capital Works	250	60	310	133	177	1,076	689	387
Technology - Passports & Immigration System	1,032	(882)	150	39	111	1,101	39	1,062
Technology - NUIX Solution	57	163	220	220	-	870	573	297
Technology - DOI Network Migration	779	(400)	379	148	231	895	260	635
Technology - TT Race Timing Solution	859	(200)	659	258	401	989	439	550
Technology - Smart Services	358	(248)	110	-	110	358	-	358
Airport Information Management System (IMS)	63	-	63	41	22	120	98	22
<b>TOTAL</b>	<b>4,048</b>	<b>(1,792)</b>	<b>2,256</b>	<b>1,134</b>	<b>1,122</b>	<b>7,359</b>	<b>3,683</b>	<b>3,676</b>

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.

The Technology – NUIX Solution scheme received a contingency approval of £163k due to having insufficient in-year approvals, this has been identified as a timing difference with there being sufficient overall approvals to cover the full expenditure.

The Airport Information Management System (IMS) is an Infrastructure scheme being managed by Cabinet Office. This has been included in Cabinet Office to align against the Pink Book approvals but the expenditure incurred and associated repayments falls within Infrastructure.



## 6.2 Department for Enterprise

### Revenue

Table 6.2a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
Chief Executives Office	1,531	-	<b>1,531</b>	1,432	(5)	<b>1,427</b>	(99)	(5)	<b>(104)</b>	1,478	74	<b>1,551</b>	(54)	74	<b>20</b>
Isle of Man Ship Registry	2,902	(3,258)	<b>(356)</b>	3,389	(3,700)	<b>(311)</b>	488	(442)	<b>46</b>	3,295	(3,013)	<b>282</b>	393	245	<b>638</b>
Aircraft Registry	2,265	(3,398)	<b>(1,133)</b>	3,123	(4,590)	<b>(1,467)</b>	858	(1,192)	<b>(334)</b>	3,041	(3,984)	<b>(942)</b>	776	(586)	<b>190</b>
Fund Reclaims	2,558	(30)	<b>2,528</b>	-	-	-	(2,558)	30	<b>(2,528)</b>	(73)	0	<b>(73)</b>	(2,631)	30	<b>(2,601)</b>
Digital Agency	914	-	<b>914</b>	833	-	<b>833</b>	(81)	-	<b>(81)</b>	785	0	<b>785</b>	(129)	0	<b>(129)</b>
Finance Agency	632	-	<b>632</b>	686	-	<b>686</b>	55	-	<b>55</b>	572	-	<b>572</b>	(60)	-	<b>(60)</b>
Visit Agency	1,192	(1)	<b>1,191</b>	1,541	(26)	<b>1,515</b>	349	(24)	<b>325</b>	1,492	(41)	<b>1,452</b>	300	(39)	<b>261</b>
Central Registry	1,926	(15,184)	<b>(13,258)</b>	1,874	(14,561)	<b>(12,687)</b>	(52)	623	<b>571</b>	1,848	(14,826)	<b>(12,977)</b>	(78)	358	<b>280</b>
Motorsport	2,900	(236)	<b>2,664</b>	8,658	(3,163)	<b>5,495</b>	5,758	(2,928)	<b>2,830</b>	8,603	(2,821)	<b>5,783</b>	5,703	(2,585)	<b>3,119</b>
Enterprise Support	5,084	(87)	<b>4,997</b>	4,477	(185)	<b>4,291</b>	(607)	(99)	<b>(706)</b>	3,127	(158)	<b>2,969</b>	(1,957)	(71)	<b>(2,028)</b>
Strategy & Policy Division	2,073	(867)	<b>1,206</b>	2,169	(918)	<b>1,250</b>	96	(51)	<b>45</b>	2,204	(914)	<b>1,290</b>	131	(47)	<b>84</b>
Business Agency	400	-	<b>400</b>	433	-	<b>433</b>	33	-	<b>33</b>	377	(5)	<b>372</b>	(23)	(5)	<b>(28)</b>
<b>Total</b>	<b>24,377</b>	<b>(23,061)</b>	<b>1,316</b>	<b>28,616</b>	<b>(27,148)</b>	<b>1,467</b>	<b>4,239</b>	<b>(4,087)</b>	<b>152</b>	<b>26,749</b>	<b>(25,687)</b>	<b>1,062</b>	<b>2,373</b>	<b>(2,626)</b>	<b>(253)</b>

### Commentary

For the year ending 31st March 2021 excluding expenditure relating to qualifying fund items, the Department for Enterprise's net spend was £1.316m. The Department was able to absorb £2.528m of internal fund expenditure that would have ordinarily been reimbursed at year end. The resulting net position is £152k surplus against budget.

The position is solely resulting from the effects of the pandemic reducing activity levels in most Divisions but notably within Motorsport Division, where due to the impact of the cancellation of the TT and FOM, cost savings were £5.8m; although offset by a £3m income reduction; so a net saving of £2.8m.



### Department for Enterprise – income and expenditure (continued)

The Central Registry's activity reduced in the first quarter due to the pandemic as anticipated but from quarter 2 onwards activity resumed to above budgeted levels. Particularly within the Land Registry which was £623k above its annual income target, due to strong activity. Performance in the other two registries, Aircraft Registry and Isle of Man Ship Registry was reduced in the first two quarters but strengthened in the final quarter to around pre-covid levels.

Table 6.2b

INCOME & EXPENDITURE BY CATEGORY					
£000 CATEGORY	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019- 20
<b>INCOME</b>					
Taxation Income	(1)	(26)	(24)	(41)	(40)
Third Party Contributions	(30)	(3)	27	0	30
Operating Income	(23,030)	(27,120)	(4,090)	(25,707)	(2,677)
Grant Income	-	-	-	(13)	(13)
Other Non-Trading Income	1	-	(1)	73	72
<b>Total Income</b>	<b>(23,061)</b>	<b>(27,148)</b>	<b>(4,087)</b>	<b>(25,687)</b>	<b>(2,626)</b>
<b>EXPENDITURE</b>					
Employee Costs	9,946	10,336	389	9,920	(26)
Infrastructure Costs	513	679	166	1,092	579
Transport Costs	0	-	(0)	1	1
Supplies & Services	8,115	12,790	4,675	14,017	5,902
Loan Charges	905	905	0	1,063	158
Other Costs	4,898	3,906	(992)	655	(4,243)
<b>Total Expenditure</b>	<b>24,377</b>	<b>28,616</b>	<b>4,239</b>	<b>26,749</b>	<b>2,373</b>
<b>NET EXPENDITURE</b>	<b>1,316</b>	<b>1,467</b>	<b>152</b>	<b>1,062</b>	<b>(253)</b>

Performance in the other two registries, Aircraft Registry and Isle of Man Ship Registry was reduced in the first two quarters but strengthened in the final quarter to around pre-covid levels.

Enterprise Support Division predicted an increase in grant activity and for which, due to an overall net surplus position, a pre-approved contingency reimbursement was not required.

Visit Agency's activity was heavily reduced due to the pandemic impacting on both event expenditure, grant assistance and also accommodation income from registrations. Activity and so expenditure in the Agencies for Business and Finance was also reduced. Whilst the main Digital event costs were still incurred, an income recharge to stand partners could not occur, this coupled with non-receipt of internal fund income caused a slight overspend in Digital Agency.

During the year an aged debtors cleansing exercise was conducted and the net write-off affected most Divisions but caused an adverse position in the Chief Executive Office's target. This is due functions that are now transferred out of this cost structure being previously costed to this area.


**Department for Enterprise – capital programme**

Table 6.2c

**CAPITAL EXPENDITURE BY SCHEME**

£000 Scheme Name	CURRENT YEAR - 2020-21					TOTAL TO 2020-21		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Grandstand Development	170	-	170	90	80	250	140	110
Public Records Office - Digital Archive	100	-	100	33	67	100	33	67
Company Registry System (5AMLDD)	500	-	500	-	500	500	-	500
PRO - Archive Capability	170	(60)	110	-	110	170	-	170
Fibre Optic Network	3,006	(2,169)	837	700	137	3,500	908	2,592
<b>TOTAL</b>	<b>3,946</b>	<b>(2,229)</b>	<b>1,717</b>	<b>822</b>	<b>895</b>	<b>4,520</b>	<b>1,080</b>	<b>3,440</b>

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.





### 6.3 Department of Education, Sport and Culture

#### Revenue

Table 6.3a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
Primary Education	26,732	0	<b>26,732</b>	26,916	(37)	<b>26,878</b>	184	(38)	<b>146</b>	25,325	(60)	<b>25,264</b>	(1,408)	(61)	<b>(1,468)</b>
Secondary Education	33,492	(1,296)	<b>32,197</b>	33,364	(2,104)	<b>31,260</b>	(128)	(808)	<b>(937)</b>	32,022	(1,948)	<b>30,074</b>	(1,470)	(653)	<b>(2,123)</b>
University College Isle of Man	12,744	(1,173)	<b>11,571</b>	13,344	(1,638)	<b>11,707</b>	601	(464)	<b>136</b>	12,722	(1,507)	<b>11,216</b>	(21)	(333)	<b>(355)</b>
Student Grants	8,832	(121)	<b>8,711</b>	11,179	(194)	<b>10,986</b>	2,348	(73)	<b>2,275</b>	9,682	(163)	<b>9,519</b>	850	(41)	<b>808</b>
Education Works	4,569	-	<b>4,569</b>	4,569	-	<b>4,569</b>	-	-	<b>-</b>	-	-	<b>-</b>	(4,569)	-	<b>(4,569)</b>
Education Meals	2,117	(783)	<b>1,335</b>	2,356	(1,765)	<b>591</b>	239	(983)	<b>(743)</b>	2,702	(1,663)	<b>1,039</b>	585	(881)	<b>(296)</b>
Youth and Community	735	(8)	<b>727</b>	998	(62)	<b>935</b>	263	(54)	<b>209</b>	939	(4)	<b>936</b>	205	5	<b>209</b>
Educational Improvement Service	2,482	(42)	<b>2,440</b>	2,825	(99)	<b>2,726</b>	343	(57)	<b>286</b>	2,655	(87)	<b>2,568</b>	173	(45)	<b>128</b>
Corporate Services Division	11,141	(167)	<b>10,974</b>	11,720	(227)	<b>11,493</b>	579	(60)	<b>520</b>	12,933	(138)	<b>12,795</b>	1,792	29	<b>1,821</b>
Special Educational Needs	7,009	(5)	<b>7,004</b>	6,452	-	<b>6,452</b>	(557)	5	<b>(552)</b>	8,157	(25)	<b>8,132</b>	1,148	(20)	<b>1,128</b>
Culture Division	2,408	(800)	<b>1,608</b>	4,254	(3,603)	<b>652</b>	1,846	(2,802)	<b>(956)</b>	4,410	(3,260)	<b>1,150</b>	2,002	(2,460)	<b>(457)</b>
Sports & Arts	5,508	(808)	<b>4,700</b>	5,380	(1,560)	<b>3,820</b>	(128)	(752)	<b>(880)</b>	5,321	(1,175)	<b>4,146</b>	(186)	(367)	<b>(554)</b>
Arts Council	23	-	<b>23</b>	22	-	<b>22</b>	(0)	-	<b>(0)</b>	23	-	<b>23</b>	0	-	<b>0</b>
Apprenticeship & vocational training	1,583	0	<b>1,583</b>	2,094	-	<b>2,094</b>	511	(0)	<b>511</b>	1,642	-	<b>1,642</b>	59	(0)	<b>59</b>
<b>Total</b>	<b>119,374</b>	<b>(5,202)</b>	<b>114,172</b>	<b>125,474</b>	<b>(11,287)</b>	<b>114,187</b>	<b>6,100</b>	<b>(6,085)</b>	<b>14</b>	<b>118,534</b>	<b>(10,029)</b>	<b>108,504</b>	<b>(841)</b>	<b>(4,827)</b>	<b>(5,668)</b>

#### Commentary

Despite a challenging year the Department remained within budget, recording a £14k net expenditure underspend.

The Department received income of £5.2m against an income target of £11.3m. £2.8m of the shortfall related to Villa Marina Gaiety Theatre complex (VMGT) income which, in many cases, is paid to performers. Clearly with no shows there was a reduction in expenditure relating to this.



## Department of Education, Sport and Culture – income and expenditure (continued)

Income for school meals was reduced by £1.5m and whilst there was a reduction in expenditure on food provisions an overspend was inevitable with a net overspend of £747k in primary meals and £450k across secondary schools.

Closures as a result of the pandemic significantly impacted the income of the National Sports Centre, University College and the Youth and Music services.

Table 6.3b

INCOME & EXPENDITURE BY CATEGORY					
£000	Actual	Budget	Variance	Actual	Variance
CATEGORY	2020-21	2020-21	to Budget	2019-20	to 2019-20
<b>INCOME</b>					
Third Party Contributions	(33)	(165)	(131)	(92)	(59)
Operating Income	(4,734)	(10,486)	(5,752)	(9,361)	(4,626)
Grant Income	(27)	-	27	(71)	(44)
Other Non-Trading Income	(407)	(636)	(229)	(506)	(98)
<b>Total Income</b>	<b>(5,202)</b>	<b>(11,287)</b>	<b>(6,085)</b>	<b>(10,029)</b>	<b>(4,827)</b>
<b>EXPENDITURE</b>					
Employee Costs	87,670	85,531	(2,139)	79,988	(7,682)
Infrastructure Costs	4,085	5,116	1,030	3,926	(159)
Transport Costs	226	345	119	292	66
Supplies & Services	6,692	9,733	3,041	9,866	3,174
Loan Charges	6,479	6,479	(0)	7,713	1,234
Other Costs	14,222	18,271	4,049	16,748	2,527
<b>Total Expenditure</b>	<b>119,374</b>	<b>125,474</b>	<b>6,100</b>	<b>118,534</b>	<b>(841)</b>
<b>NET EXPENDITURE</b>	<b>114,172</b>	<b>114,187</b>	<b>14</b>	<b>108,504</b>	<b>(5,668)</b>

To contain the income reduction within the net budget, it was necessary to make significant expenditure reductions. As alluded to above, some reductions occurred as a reduction in cost of sales and also no performer fees at VMGT.

The Department provided for bad and doubtful student loans at 40% at this level, the 2020-21 cost was estimated at £760k. As a result of significantly lower levels of student debt (compared with England) our repayment levels are very encouraging and a more realistic provision of 30% was applied. This reduced the net revenue budget by £190k and a further one off reduction of £960k to the existing provision.

There were a number of savings within the Education Improvement Service, including the cancellation of some school heritage trips that would ordinarily take place during the summer term, staff savings through retirement, recruitment freeze on music teacher, Exam support, a reduction to secondary sports association grant, school inspections and equipment for schools experiencing difficulties.

During the 2020 budget round £500k was added to the DESC expenditure budget to allow the Department to continue funding current apprenticeships through the various levels of apprenticeship and allow an increase the apprenticeships on offer to match skills gaps and the push from employers to train their own staff on island, rather than trying to attract returning graduates.

No scheme changes were introduced until later in the year reducing the cost by £200k. During the year, contingency funding of £1.6m was received in relation to the unconsolidated teacher pay award. The significant under and over spends within division are as a result of the impact of the pandemic.


**Department of Education, Sport & Culture – capital programme**

Table 6.3c

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2020-21					TOTAL TO 2020-21		
	Original Budget	Adjust-ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Classroom Scheme Phase 2 - St Mary's	100	579	679	138	542	3,982	3,982	-
Covered Play and Teaching Areas Phase 3	100	-	100	-	100	260	101	158
CRHS Development	3,000	(1,655)	1,345	441	904	3,828	668	3,159
School Security	250	50	300	-	300	848	22	826
NSC - Floating Floor Replacement	-	-	-	(287)	287	3,040	3,688	(649)
NSC - Flumes Replacement	-	-	-	6	(6)	693	35	658
DDA Works	500	100	600	73	527	1,167	140	1,027
NSC Flood Control	-	-	-	-	-	530	376	154
National Sports Centre Pool Hall	200	-	200	-	200	2,434	-	2,434
Villa Gaiety Light and Sound (under DESC from 18-19)	-	-	-	-	-	800	-	800
QEII Science & Technology	200	88	288	14	274	450	27	423
Scoil Vallajeelt - St Thomas co-location	-	-	-	-	-	395	395	-
Minor Capital Works - Sports and Recreation	400	241	641	596	45	2,317	1,980	337
<b>TOTAL</b>	<b>4,750</b>	<b>(596)</b>	<b>4,154</b>	<b>981</b>	<b>3,173</b>	<b>20,743</b>	<b>11,414</b>	<b>9,329</b>

**Notes**

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.

A contingency approval was provided on the Classroom Scheme Phase 2 - St Mary's due to a delay in the receipt of external funding. Castle Rushen High School playing fields (CRHS) had a supplementary approval in the year for £2.074m. There are various schemes relating to the NSC which cumulatively appear overspent but when the schemes are aggregated they are within budget, this includes the supplementary approval.

Work has progressed well on the new Castle Rushen playing field development, since commencement on site in June 2020, working around the Covid-19 lockdown restrictions, and inclement weather, with an extended winter break. With the planned relaxation of travel restrictions it should be possible for the UK based specialist pitch subcontractor to undertake their planned pitch formation works from July to September 2021. With the new pitches seeded this year, they will then establish, and should be playable as planned by September 2022. With regard to the new school further briefing and feasibility design work is planned to progress in 2021/22.

Commencement of the remedial works to the flumes installation has been delayed by the impact of Covid and the UK entry restrictions, together with specialist contractor availability during these difficult times. With the relaxation of entry restrictions, we are now in dialogue with the specialist contractors, and are hopeful of an early return to the Island, to complete the necessary works.



## 6.4 Department of Environment, Food and Agriculture

### Revenue

**Table 6.4a**

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
Corporate Services	1,734	(118)	1,616	1,751	(150)	1,601	17	(32)	(16)	2,034	(147)	1,887	300	(29)	270
Agriculture	-	-	-	-	-	-	-	-	-	7,685	(51)	7,635	7,685	(51)	7,635
Animal Health	-	-	-	-	-	-	-	-	-	919	(215)	704	919	(215)	704
Fisheries	-	-	-	-	-	-	-	-	-	1,192	(137)	1,054	1,192	(137)	1,054
Forestry, Amenity and Lands	-	-	-	-	-	-	-	-	-	2,395	(967)	1,428	2,395	(967)	1,428
Environment	-	-	-	-	-	-	-	-	-	1,519	(69)	1,450	1,519	(69)	1,450
Government Laboratory	-	-	-	-	-	-	-	-	-	934	(139)	795	934	(139)	795
Wildlife Park	-	-	-	-	-	-	-	-	-	801	(295)	506	801	(295)	506
Planning & Building Control	1,364	(1,219)	144	1,565	(1,382)	183	201	(163)	38	1,404	(1,280)	124	40	(61)	(21)
Office of Fair Trading	-	-	-	-	-	-	-	-	-	648	(40)	609	648	(40)	609
Road Transport Licensing Cttee	-	-	-	-	-	-	-	-	-	171	(76)	94	171	(76)	94
Eco Systems Policy Unit	-	-	-	-	-	-	-	-	-	462	(2)	460	462	(2)	460
Energy Policy Unit	-	-	-	-	-	-	-	-	-	269	(297)	(28)	269	(297)	(28)
Agriculture and Lands	11,737	(1,353)	10,384	11,526	(1,373)	10,153	(211)	(20)	(231)	-	-	-	(11,737)	1,353	(10,384)
Regulation	3,630	(462)	3,168	3,892	(600)	3,293	263	(138)	125	-	-	-	(3,630)	462	(3,168)
Environment Policy	2,271	(516)	1,755	2,329	(490)	1,839	58	26	84	-	-	-	(2,271)	516	(1,755)
Initiatives	30	(30)	0	-	-	-	(30)	30	(0)	(0)	-	(0)	(30)	30	(0)
Climate Emergency Consultative Transformation Team	-	-	-	-	-	-	-	-	-	366	5	370	366	5	370
<b>Total</b>	<b>20,765</b>	<b>(3,697)</b>	<b>17,068</b>	<b>21,063</b>	<b>(3,995)</b>	<b>17,068</b>	<b>298</b>	<b>(298)</b>	<b>0</b>	<b>20,799</b>	<b>(3,711)</b>	<b>17,088</b>	<b>33</b>	<b>(13)</b>	<b>20</b>

### Commentary

The Department of Environment, Food and Agriculture had a net expense of £17.07m for the 20/21 financial year, which matched its budgeted allocation. During this financial year many of the Departments plans and services were impacted upon due to the outbreak of Covid-19.



**Department of Environment, Food and Agriculture (continued)**

The income target for 20/21 for Planning and Building Control has been particularly challenging to meet due to the pandemic and also partly due to the target set. Work continues to revise this income target figure to a more achievable level, noting that the Division has limited influence over the levels of fee income received.

Reduced expenditure for Planning and Building Control partially offset this income target, achieved with significantly lower operational costs, experienced as a result of restrictions on work due to the introduction of Covid 19 measures.

The Fisheries Directorate incurred additional essential maintenance costs for the Barrule sea protection vessel in 20/21 and also took over the running of Cornaa fish hatchery during the 2020/21 financial year, the Department met this from its existing budget allocation.

Within the Forestry, Amenity & Lands Division, sales through the Sawmill have continued to increase and further work is ongoing to improve efficiencies and production with an aim to see increased income, reduced operating costs and increased availability of locally produced products.

The Wildlife Park has been heavily impacted during the period 2020/21 by restrictions upon the opening, brought in through Covid 19 measures. It is significant to note that the closure of the park however did not see a reduction in operational costs. Work is underway in reviewing the parks customer offering whilst decreasing its operating costs.

Table 6.4b

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000 CATEGORY</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
<b>INCOME</b>					
Taxation Income	(96)	(103)	(7)	(116)	(19)
Third Party Contributions	(354)	(327)	26	(299)	54
Operating Income	(3,204)	(3,490)	(286)	(3,263)	(59)
Other Non-Trading Income	(43)	(75)	(32)	(32)	11
<b>Total Income</b>	<b>(3,697)</b>	<b>(3,995)</b>	<b>(298)</b>	<b>(3,711)</b>	<b>(13)</b>
<b>EXPENDITURE</b>					
Employee Costs	9,563	9,293	(270)	9,165	(398)
Infrastructure Costs	908	762	(146)	759	(150)
Transport Costs	36	45	9	209	173
Supplies & Services	2,044	2,143	99	2,333	289
Agency & Contracted Services	0	1	0	0	(0)
Loan Charges	752	752	(0)	906	154
Other Costs	7,462	8,068	607	7,427	(35)
<b>Total Expenditure</b>	<b>20,765</b>	<b>21,063</b>	<b>298</b>	<b>20,799</b>	<b>33</b>
<b>NET EXPENDITURE</b>	<b>17,068</b>	<b>17,068</b>	<b>0</b>	<b>17,088</b>	<b>20</b>


**Department of Environment, Food and Agriculture – capital programme**

Table 6.4c

**CAPITAL EXPENDITURE BY SCHEME**

£000 Scheme Name	CURRENT YEAR - 2020-21					TOTAL TO 2020-21		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Mill Road Yard Development	80	(79)	1	1	0	3,032	2,865	167
Essential Building Maintenance	250	100	350	159	191	2,378	2,235	143
Public Analyst Lab - Replacement Equipment	70	9	79	-	79	361	291	70
Ballure Slope Periodic Maintenance	20	-	20	7	13	118	88	30
MCW - National Glens & Footpaths	200	100	300	191	109	800	653	147
Wildlife Park Redevelopment / Gateway	342	(238)	104	-	104	785	13	772
<b>TOTAL</b>	<b>962</b>	<b>(108)</b>	<b>854</b>	<b>357</b>	<b>496</b>	<b>7,474</b>	<b>6,145</b>	<b>1,329</b>

**Notes**

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.

A small contingency approval of £700.00 was provided to the Mill Yard Road Development scheme, this was a result of a timing difference which is recovered from the 2021-22 budget.



## 6.5 Department of Health and Social Care

### Revenue

**Table 6.5a**

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
<b>Division</b>															
Adult Services	29,564	(5,993)	<b>23,570</b>	28,513	(5,872)	22,641	(1,051)	121	(930)	28,079	(6,209)	21,871	(1,484)	(216)	(1,700)
Child & Families (Social) Servs	14,109	(96)	<b>14,013</b>	15,868	-	15,868	1,758	96	1,855	14,731	(71)	14,660	622	25	647
Mental Health Service	20,820	(5)	<b>20,815</b>	18,608	(18)	18,590	(2,211)	(14)	(2,225)	21,094	(26)	21,068	274	(21)	253
Chief Operating Officer's Office	565	(95)	<b>470</b>	698	(102)	596	133	(7)	126	617	(124)	492	52	(29)	22
DSC Corporate Services	5	-	<b>5</b>	-	-	-	(5)	-	(5)	-	-	-	(5)	-	(5)
DHSC Corporate Services	744	(222)	<b>522</b>	12,337	(277)	12,060	11,594	(56)	11,538	8,435	(174)	8,261	7,691	48	7,739
Social Security Administration Act 1992	-	(38,900)	<b>(38,900)</b>	-	(38,900)	(38,900)	-	0	0	-	(40,855)	(40,855)	-	(1,955)	(1,955)
Public Health Directorate	-	-	<b>-</b>	-	-	-	-	-	-	1,460	(1)	1,459	1,460	(1)	1,459
Government Catering Services	7	(8)	<b>(0)</b>	-	-	-	(7)	8	0	-	-	-	(7)	8	0
Noble's Hospital	125,079	(2,688)	<b>122,391</b>	114,199	(4,223)	109,976	(10,880)	(1,535)	(12,415)	119,875	(3,137)	116,737	(5,204)	(450)	(5,654)
UK Referrals and Patient Transport	17,586	(131)	<b>17,455</b>	19,757	-	19,757	2,171	131	2,302	25,091	7	25,098	7,506	138	7,643
Primary Health Care Services	69,347	(3,781)	<b>65,565</b>	69,257	(3,922)	65,335	(90)	(141)	(231)	66,294	(4,091)	62,204	(3,052)	(309)	(3,362)
<b>Total</b>	<b>277,824</b>	<b>(51,918)</b>	<b>225,906</b>	<b>279,237</b>	<b>(53,315)</b>	<b>225,922</b>	<b>1,412</b>	<b>(1,396)</b>	<b>16</b>	<b>285,676</b>	<b>(54,681)</b>	<b>230,995</b>	<b>7,852</b>	<b>(2,763)</b>	<b>5,089</b>

### Commentary

The Department of Health and Social Care result for 2020/21 was a net spend of £225.9m, within its net budget vote of £225.9m, after reimbursement of £19.4m from internal funds.

The reimbursement included £9.3m from Contingency for expenses relating to the Covid 19 pandemic (predominantly Personal Protective Equipment), £2m for Medical Indemnity claims, £7.9m of cost approved in the Purple Book for the legacy pay gap and £100k for health transformation projects.

The Department has continued to have significant demands on its services and has faced a shortfall of permanent staff resulting in increased staffing costs due to the utilisation of agency and bank staff to cover vacancies. The restrictions on travel during the pandemic have made it very difficult to recruit and retain staff and contributed to a significant reduction in Tertiary spend (spend with UK providers) as the number of patients travelling to the UK for treatment has reduced due to the pandemic.

From the 1 April 2021 the DHSC will retain responsibility for health and social care policy and strategy with Manx Care taking on responsibility for service delivery. As the Isle of Man and the rest of the world start to recover from the impact of the pandemic it is anticipated that the pressures on services will increase. These pressures will primarily come from recruitment and retention of staff, increased demand on services and prices rises due to the exit from the European Union and the pandemic.



**Department of Health and Social Care – income and expenditure (continued)**

**Table 6.5b**

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Variance</b>
<b>CATEGORY</b>	<b>2020-21</b>	<b>2020-21</b>	<b>to Budget</b>	<b>2019-20</b>	<b>to 2019-20</b>
<b>INCOME</b>					
Taxation Income	(39,017)	(38,986)	31	(40,956)	(1,939)
Third Party Contributions	(1,099)	(1,333)	(234)	(1,362)	(263)
Operating Income	(11,194)	(12,939)	(1,745)	(12,240)	(1,045)
Other Non-Trading Income	(608)	(57)	552	(124)	484
<b>Total Income</b>	<b>(51,918)</b>	<b>(53,315)</b>	<b>(1,396)</b>	<b>(54,681)</b>	<b>(2,763)</b>
<b>EXPENDITURE</b>					
Employee Costs	172,349	160,072	(12,278)	164,072	(8,277)
Infrastructure Costs	1,435	1,474	39	1,705	270
Transport Costs	4,883	4,822	(61)	4,660	(223)
Supplies & Services	31,244	25,646	(5,597)	26,203	(5,041)
Agency & Contracted Services	79,694	80,397	703	83,830	4,135
Loan Charges	8,400	8,400	0	9,397	997
Other Costs	(20,181)	(1,575)	18,606	(4,190)	15,990
<b>Total Expenditure</b>	<b>277,824</b>	<b>279,237</b>	<b>1,412</b>	<b>285,676</b>	<b>7,852</b>
<b>NET EXPENDITURE</b>	<b>225,906</b>	<b>225,922</b>	<b>16</b>	<b>230,995</b>	<b>5,089</b>





**Department of Health and Social Care – capital programme**

**Table 6.5c**

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2020-21</b>					<b>TOTAL TO 2020-21</b>		
	<b>Original Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Asset Replacement Programme	1,500	303	1,803	1,193	610	10,109	9,755	354
Radiology Equipment Replacement Scheme	710	918	1,628	1,183	445	3,222	2,776	446
Reconfiguration of Learning Disabilities (Radcliffe Villas)	500	-	500	-	500	1,300	24	1,276
Acute Adult Psychiatric In-Patient Facility	1,000	250	1,250	62	1,188	10,365	7,150	3,215
Accommodation for Day Care Services Eastcliffe	471	1,500	1,971	120	1,851	5,750	5,025	726
Older Persons Residential & Resource Unit East	4,000	6,200	10,200	1,734	8,466	23,948	2,591	21,356
Strategic Development Fund	250	160	410	117	293	643	350	293
GP Surgery Development - Palatine	-	52	52	-	52	636	584	52
GP Surgery Peel - Extension	740	107	847	426	421	872	451	421
Purchase of Bonwick House (contingency)	630	-	630	56	574	630	56	574
Older Persons Residential & Resource Unit North -	350	-	350	126	224	354	135	219
Redevelopment of Grianagh Court	150	-	150	84	66	1,650	101	1,549
Upgrade to Ward 20 Isolation Unit, Nobles	75	175	250	-	250	250	-	250
Redevelopment of Emergency Dept, Nobles	300	-	300	-	300	300	-	300
<b>TOTAL</b>	<b>10,676</b>	<b>9,665</b>	<b>20,341</b>	<b>5,101</b>	<b>15,240</b>	<b>60,029</b>	<b>28,998</b>	<b>31,031</b>

**Notes**

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.

During the year a supplementary vote for £11.7m was approved for the Older Persons Residential Unit – East. This is included within the adjustments column net of other adjustments received.



## 6.6 Department of Home Affairs

### Revenue

Table 6.6a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
DHA Chief Executives Office	4,491	(65)	<b>4,425</b>	4,690	(149)	4,541	199	(84)	115	5,168	(175)	4,994	678	(109)	568
Civil Defence Division	161	(0)	<b>160</b>	161	(7)	154	0	(6)	(6)	222	(6)	216	62	(6)	56
IOM Fire and Rescue Service	5,386	(107)	<b>5,279</b>	5,232	(46)	5,186	(154)	60	(94)	5,435	(132)	5,303	49	(25)	24
Isle of Man Prison	-	-	-	-	-	-	-	-	-	(1)	-	(1)	(1)	-	(1)
Communications Division	2,001	(561)	<b>1,439</b>	1,995	(616)	1,379	(5)	(55)	(60)	1,956	(593)	1,363	(45)	(32)	(77)
Isle of Man Constabulary	18,051	(270)	<b>17,781</b>	18,302	(359)	17,943	251	(89)	163	17,216	(334)	16,882	(835)	(64)	(899)
Prison and Probation Service	9,194	(242)	<b>8,952</b>	8,959	(117)	8,842	(236)	126	(110)	8,899	(208)	8,691	(295)	34	(261)
<b>Total</b>	<b>39,283</b>	<b>(1,246)</b>	<b>38,037</b>	<b>39,338</b>	<b>(1,294)</b>	<b>38,045</b>	<b>55</b>	<b>(48)</b>	<b>8</b>	<b>38,896</b>	<b>(1,449)</b>	<b>37,447</b>	<b>(387)</b>	<b>(203)</b>	<b>(590)</b>

### Commentary

The Department successfully remained within its operating targets during the 2020/21 financial year and produced a very small surplus of approximately £8k. This included fund claims of £889k for exceptional legal costs, the Covid homelessness project and some small digital projects underway within the Police. This funding has been offset against the overspend that can be seen against Supplies and Services.

While at a Departmental level performance has been positive, there remains variation between each of the division's final positions. Overspends are prevalent in a number of areas and the Constabulary have met these shortfalls for a second year which raises some concern as we move forward into 21/22. A significant proportion of the Police's underspend is in relation to their training budget and as restrictions ease and Officers are able to leave the Island more easily, this saving will no longer be available as we now also have a significant backlog of development needs to address.

Income levels were lower than usual which sits in line with the majority of other Government Departments but the loss of rental income from the sale or disposal of a number of properties and the cancellation of the TT for a second year means that the impact of this is likely to be felt for some time to come.


**Department of Home Affairs– income and expenditure (continued)**

**Table 6.6b**

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Variance</b>
<b>CATEGORY</b>	<b>2020-21</b>	<b>2020-21</b>	<b>to Budget</b>	<b>2019-20</b>	<b>to 2019-20</b>
<b>INCOME</b>					
Third Party Contributions	(74)	(100)	(26)	(133)	(59)
Operating Income	(807)	(830)	(23)	(884)	(77)
Other Non-Trading Income	(365)	(364)	2	(431)	(66)
<b>Total Income</b>	<b>(1,246)</b>	<b>(1,294)</b>	<b>(48)</b>	<b>(1,449)</b>	<b>(203)</b>
<b>EXPENDITURE</b>					
Employee Costs	30,570	31,204	633	29,442	(1,128)
Infrastructure Costs	1,098	1,030	(68)	1,118	19
Transport Costs	-	-	-	(2)	(2)
Supplies & Services	4,891	3,489	(1,402)	4,800	(91)
Loan Charges	3,615	3,615	0	3,773	158
Other Costs	(891)	-	891	(235)	656
<b>Total Expenditure</b>	<b>39,283</b>	<b>39,338</b>	<b>55</b>	<b>38,896</b>	<b>(387)</b>
<b>NET EXPENDITURE</b>	<b>38,037</b>	<b>38,045</b>	<b>8</b>	<b>37,447</b>	<b>(590)</b>

A number of zero based budgets are now underway or planned for 2021/22 to ensure that each of the divisions can remain within their established budgets on a more sustainable basis. Moving into 2021/22 some of the major financial risks that will need careful monitoring include the growing disparity between income targets and revenue, the pay awards and their negotiation and impact on the 1% pay budget uplift; and the effects of Brexit specifically on the cost of supplies and services.



## Department of Home Affairs – capital programme

Table 6.6c

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2020-21					TOTAL TO 2020-21		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Communications Development Programme	1,038	291	1,329	620	709	5,417	4,943	474
Minor Capital Works DHA	(0)	41	41	0	41	2,508	2,508	0
Port Erin Replacement Fire Station	-	1	1	1	-	51	3	48
Castletown Fire Station Replacement	-	30	30	7	23	1,648	1,549	99
Police Equipment Replacement Programme	145	-	145	105	40	793	723	70
Fire and Rescue Equipment	100	40	140	122	18	725	651	74
TETRA Replacement Programme	74	6	80	75	5	5,235	4,935	300
Joint Douglas Fire and Ambulance Station	425	-	425	12	413	975	35	940
Prison Minor Capital Works	272	-	272	271	1	482	481	1
Sexual Assault Referral Centre	250	-	250	-	250	250	-	250
<b>TOTAL</b>	<b>2,304</b>	<b>410</b>	<b>2,713</b>	<b>1,215</b>	<b>1,498</b>	<b>18,085</b>	<b>15,829</b>	<b>2,256</b>

### Notes

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.

Included within Adjustments is a contingency approval on the Minor Capital Works DHA scheme which relates to the recovery of a previous year overspend due to be recovered from the 2021-22 budget which now sits within Infrastructure. There is a small contingency approval on the Port Erin Replacement Fire Station which relates to a timing difference recoverable from overall approvals.



## 6.7 Department of Infrastructure

### Revenue

Table 6.7a

INCOME & EXPENDITURE BY DIVISION																
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR			
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	
Central Support & Change Division	16,482	(9,351)	<b>7,131</b>	16,728	(9,597)	7,131	246	(246)	-	17,370	(9,921)	7,448	887	(570)	317	
Airport Division	7,139	(1,560)	<b>5,578</b>	13,457	(7,879)	5,578	6,319	(6,319)	-	20,807	(11,180)	9,627	13,668	(9,620)	4,049	
Highway Services Division	17,709	(15,344)	<b>2,365</b>	18,267	(15,902)	2,365	558	(558)	(0)	17,030	(15,483)	1,547	(679)	(140)	(818)	
Harbours	7,559	(4,638)	<b>2,921</b>	7,314	(4,389)	2,925	(245)	250	4	-	-	-	(7,559)	4,638	(2,921)	
Public Estates and Housing	43,803	(11,933)	<b>31,870</b>	44,588	(12,718)	31,870	785	(785)	-	44,812	(11,953)	32,859	1,010	(20)	990	
Transport Services Division	22,584	(3,971)	<b>18,613</b>	26,160	(7,548)	18,613	3,577	(3,577)	-	26,252	(7,475)	18,777	3,668	(3,504)	164	
Flood Management	473	(208)	<b>265</b>	261	-	261	(212)	208	(4)	-	-	-	(473)	208	(265)	
<b>Total</b>	<b>115,749</b>	<b>(47,006)</b>	<b>68,743</b>	<b>126,775</b>	<b>(58,032)</b>	<b>68,743</b>	<b>11,026</b>	<b>(11,026)</b>	<b>(0)</b>	<b>126,271</b>	<b>(56,013)</b>	<b>70,258</b>	<b>10,522</b>	<b>(9,006)</b>	<b>1,516</b>	

### Commentary

Tynwald and included in the 2020/21 Purple Book. The Department's year end position includes £6.6m of Covid 19 expenditure which was in addition to the impact of the pandemic on the Department's financial position estimated in the Purple Book. The Department of Infrastructure has been able to support these exceptional costs as a result of a combination of more income than estimated in the reviewed budget and its efforts to keep expenditure to a minimum whilst delivering the services required by the Island's residents.

**Central Support and Change** - This division consolidates the Minister & Chief Exec's Office, Strategy, Policy and Performance, Data and Information Compliance and Waste Services. The year-end position included £4.6m of Covid-19 expenditure which was not included on the Purple Book budget.

**Airports** – Income achieved was below budget by £6.3m, this was as a result of the effect that the border restrictions introduced by the Council of Ministers to protect the Island and its residents had during the pandemic. Despite this the division's expenditure remained largely in line with budget.

**Harbours** – Income achieved was below budget as a result of the border restrictions, expenditure was above budget.



## Department of Infrastructure – income and expenditure (continued)

**Public Estates & Housing** – An adverse income budget variance of £785k has been supported by a favourable expenditure budget variance at year end. This was largely as a result of the reduced worked undertaken during the year as a result of the impact of the pandemic on the construction industry. The division also incurred £1m of exceptional Covid expenditure mainly incurred supporting other Government Departments in their Covid 19 response.

**Highway Services** – Income achieved was £1.5m below budget. Expenditure was below budget for the year, largely as a result of the impact of the pandemic on construction activities.

**Transport Services** – An adverse variance against the budget is a result of £3.6m reduced income for the division. This has been the result of greatly reduced visitor economy in the 2020/21 year together with the impact the pandemic has had on Island residents' usage of public transport. Reduced activity has allowed reduced expenditure which has resulted in favourable variances in both employee (£0.5m) and non-employee expenditure (£0.6m).

Table 6.7b

INCOME & EXPENDITURE BY CATEGORY					
£000 CATEGORY	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019-20
<b>INCOME</b>					
Taxation Income	(13,507)	(13,460)	47	(13,313)	194
Third Party Contributions	(3,052)	(3,395)	(344)	(3,018)	33
Operating Income	(26,611)	(37,643)	(11,031)	(35,424)	(8,813)
Other Non-Trading	(3,628)	(3,535)	93	(4,256)	(628)
Income					
<b>Total Income</b>	<b>(47,006)</b>	<b>(58,032)</b>	<b>(11,026)</b>	<b>(56,013)</b>	<b>(9,006)</b>
<b>EXPENDITURE</b>					
Employee Costs	41,497	41,950	453	47,021	5,524
Infrastructure Costs	33,591	32,787	(803)	34,016	425
Transport Costs	4,629	5,390	761	5,863	1,234
Supplies & Services	19,518	15,205	(4,314)	13,945	(5,573)
Agency & Contracted	3,218	4,503	1,285	2,571	(647)
Services					
Loan Charges	24,418	24,398	(21)	21,841	(2,578)
Other Costs	(11,122)	2,543	13,666	1,013	12,136
<b>Total Expenditure</b>	<b>115,749</b>	<b>126,775</b>	<b>11,026</b>	<b>126,271</b>	<b>10,522</b>
<b>NET EXPENDITURE</b>	<b>68,743</b>	<b>68,743</b>	<b>(0)</b>	<b>70,258</b>	<b>1,516</b>


**Department of Infrastructure – capital programme**

Table 6.7c

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2020-21</b>					<b>TOTAL TO 2020-21</b>		
	<b>Original Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Scheme Name</b>								
DOI Planned Maintenance Schemes	1,900	42	1,942	1,375	567	27,641	25,217	2,425
Clagh Vane Redevelopment - Project 7	530	-	530	187	343	10,418	6,411	4,007
House Purchase Assistance Scheme (CLF funded from 2017-18)	500	3,234	3,734	3,734	-	6,234	1,370	4,864
Minor Capital Works - Public Transport	1,150	454	1,604	1,447	158	17,526	17,526	-
Public Transport Vehicle Replacement Programme	1,396	1,881	3,277	3,277	-	18,131	18,125	6
Minor Capital Works - Education	2,179	724	2,903	1,780	1,123	26,610	25,492	1,119
Minor Capital Works - DHSC	800	445	1,245	828	417	5,299	3,828	1,471
Disability Discrimination Act - Public Buildings	30	226	256	-	256	750	494	256
Quarry Plant Replacement Programme	500	372	872	23	849	5,030	4,182	848
Plant & Vehicle Replacement Programme	3,200	1,248	4,448	813	3,635	22,002	18,684	3,318
Strategic Highway Refurbishment Programme	3,189	303	3,492	2,374	1,118	32,782	31,996	786
Douglas Promenade	8,000	4,755	12,755	9,861	2,894	29,735	23,586	6,149
Airport Pavement Refurbishment	7,500	-	7,500	494	7,006	12,195	5,204	6,991
Site Feasibility Study	50	-	50	-	50	334	284	50
Problematic Waste Landfill Facility	1,701	-	1,701	48	1,653	1,711	65	1,646
Strategic Structural Maintenance	1,540	1,584	3,124	2,425	699	10,800	10,800	-
Glencrutchery Road	60	-	60	60	-	288	211	77
Climate Change Adaption	6,452	(2,452)	4,000	837	3,163	12,452	3,986	8,466
Liverpool Landing Stage (G18-093)	16,250	-	16,250	9,215	7,035	38,054	19,345	18,708
Town & Village Regeneration	1,020	-	1,020	908	112	3,380	3,179	201
X-Ray Machines Upgrade	-	12	12	11	0	3,432	3,396	35
<b>SUBTOTAL</b>	<b>57,947</b>	<b>12,828</b>	<b>70,775</b>	<b>39,699</b>	<b>31,076</b>	<b>284,804</b>	<b>223,380</b>	<b>61,423</b>



**Department of Infrastructure – capital programme (continued)**

**Table 6.7c**

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2020-21</b>					<b>TOTAL TO 2020-21</b>		
	<b>Original Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Scheme Name</b>								
Noble's Hospital Maintenance	400	464	864	45	819	756	137	619
Noble's Hospital - Asset Replacement	1,209	209	1,418	200	1,218	3,326	2,109	1,217
Ambulance Fleet Replacement (Was DOH052)	370	274	644	287	357	1,151	524	627
East Quay Peel	2,484	(2,115)	369	36	333	2,520	78	2,442
Instrument Runway Visual Range (IRVR) Measurement	-	100	100	-	100	100	-	100
Pulrose River Bridge	-	80	80	80	(0)	1,780	308	1,471
Replace Instrument Landing System	1,479	(853)	626	485	141	2,959	563	2,396
Residential Road Refurbishment	500	600	1,100	581	519	2,575	2,199	376
West Quay Ramsey	315	-	315	23	292	340	127	213
DHA Vehicle Acquisition	1,300	-	1,300	761	539	3,751	2,094	1,658
Minor Capital Works -DfE (G18-119)	140	36	176	13	163	360	197	163
Minor Capital Works -DHA (G18-120)	260	21	281	99	182	600	419	181
Government Estate - Planned Maintenance	500	444	944	410	534	6,815	6,280	535
Minor Capital Works -Villa & Gaiety (G18 -121)	250	98	348	80	268	600	333	267
Minor Capital Works - Wildlife Park (G18 -122)	175	59	234	171	63	425	363	62
EFW Control Emissions Monitoring System (G18 -132)	54	-	54	-	54	439	331	108
Raggatt Landfill	541	-	541	-	541	541	-	541
Active Travel (G18 -125)	2,098	-	2,098	804	1,294	2,482	1,280	1,202
Heritage Trail Improvements (G18 - 126)	288	500	788	394	394	1,633	1,306	327
<b>SUBTOTAL</b>	<b>70,310</b>	<b>12,745</b>	<b>83,055</b>	<b>44,167</b>	<b>38,888</b>	<b>317,957</b>	<b>242,028</b>	<b>75,929</b>




**Department of Infrastructure – capital programme (continued)**

Table 6.7c

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2020-21					TOTAL TO 2020-21		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Derby Castle Shed Cladding (G18-129)	-	-	-	5	(5)	101	42	59
Vehicle Test Centre Relocation (G18-128)	2,535	620	3,155	932	2,223	3,297	1,069	2,228
Banks Circus Road Renewal (G18-131)	-	133	133	133	0	690	689	1
Victoria Pier Scour Protection	-	53	53	(228)	281	1,318	1,318	-
Heritage Rail Budget	4,500	(750)	3,750	3,108	642	9,832	9,832	0
A5 Road Reconstruction	934	(926)	8	2	6	986	47	939
Douglas Harbour Strategy - A Cruise Berth Victoria Pier	738	(538)	200	15	185	988	121	867
Douglas Promenade Walkway	1,935	-	1,935	30	1,905	1,935	30	1,905
Jurby Development Initiative	871	-	871	34	837	954	75	879
Peel Marina Works	396	-	396	91	305	919	108	811
Refurbishment of Michael Street Peel	636	-	636	14	622	685	110	575
Airport Fire Station	-	200	200	30	170	200	30	170
Integrated communication control system	350	-	350	-	350	350	-	350
Replacement of Airport Major Foam/Crash Tenders	750	-	750	750	-	750	750	-
Wrights Pitt	307	-	307	-	307	307	-	307
<b>TOTAL</b>	<b>84,262</b>	<b>11,537</b>	<b>95,799</b>	<b>49,085</b>	<b>46,715</b>	<b>341,268</b>	<b>256,248</b>	<b>85,020</b>

- Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.



## 6.8 The Treasury

### Revenue

Table 6.8a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
Financial Advisory Service	2,114	-	<b>2,114</b>	2,188	-	2,188	74	-	74	-	-	-	(2,114)	-	(2,114)
Audit Advisory Division	614	(63)	<b>551</b>	767	(82)	685	153	(19)	134	631	(98)	<b>533</b>	17	(34)	(18)
Customs and Excise	2,732	(328,440)	<b>(325,708)</b>	2,788	(391,935)	(389,147)	56	(63,495)	(63,439)	2,694	(444,531)	<b>(441,838)</b>	(38)	(116,092)	(116,130)
Finance Gov.Div.	14,302	(6,569)	<b>7,732</b>	11,766	(5,905)	5,862	(2,535)	664	(1,871)	16,769	(10,207)	<b>6,562</b>	2,467	(3,638)	(1,171)
Income and Other Taxes	5,246	(234,981)	<b>(229,735)</b>	5,701	(246,135)	(240,433)	455	(11,153)	(10,699)	5,150	(241,124)	<b>(235,974)</b>	(96)	(6,143)	(6,239)
Lottery Distribution	1,601	-	<b>1,601</b>	1,400	-	1,400	(201)	-	(201)	1,613	-	<b>1,613</b>	12	-	12
Treasury Grants	9,786	-	<b>9,786</b>	9,976	-	9,976	189	-	189	5,758	-	<b>5,758</b>	(4,028)	-	(4,028)
Government Contingency	-	-	-	2,354	-	2,354	2,354	-	2,354	-	-	-	-	-	-
<b>Social Security Division:</b>															
NI Operating Account	252,932	(224,466)	<b>28,467</b>	218,234	(233,250)	(15,016)	(34,698)	(8,785)	<b>(43,483)</b>	210,611	(226,842)	<b>(16,231)</b>	(42,321)	(2,376)	(44,698)
NI Transfer to/From NI Account	(28,467)	-	<b>(28,467)</b>	15,016	-	15,016	43,483	-	<b>43,483</b>	16,231	-	<b>16,231</b>	44,698	-	44,698
Non-Contributory Benefits	77,000	-	<b>77,000</b>	76,336	-	76,336	(663)	-	<b>(663)</b>	74,626	-	<b>74,626</b>	(2,374)	-	(2,374)
Legal Aid Administration	3,793	(84)	<b>3,708</b>	3,709	(200)	3,509	(84)	(116)	<b>(200)</b>	3,974	(137)	<b>3,837</b>	182	(53)	128
SSC Admin	3,474	-	<b>3,474</b>	3,564	-	3,564	90	-	<b>90</b>	3,870	-	<b>3,870</b>	396	-	396
SSC Admin	-	-	-	50	-	50	50	-	<b>50</b>	53	-	<b>53</b>	53	-	53
SSC Admin	(3,474)	-	<b>(3,474)</b>	(3,613)	-	(3,613)	(140)	-	<b>(140)</b>	(3,923)	-	<b>(3,923)</b>	(449)	-	(449)
Criminal Injury Compensation	81	-	<b>81</b>	273	-	273	192	-	<b>192</b>	326	-	<b>326</b>	246	-	246
<b>Sub-total SSD</b>	<b>305,339</b>	<b>(224,550)</b>	<b>80,789</b>	<b>313,568</b>	<b>(233,450)</b>	<b>80,118</b>	<b>8,229</b>	<b>(8,900)</b>	<b>(671)</b>	<b>305,768</b>	<b>(226,980)</b>	<b>78,789</b>	<b>430</b>	<b>(2,430)</b>	<b>(2,000)</b>
<b>Total</b>	<b>341,734</b>	<b>(794,603)</b>	<b>(452,869)</b>	<b>350,508</b>	<b>(877,507)</b>	<b>(526,999)</b>	<b>8,774</b>	<b>(82,904)</b>	<b>(74,129)</b>	<b>338,383</b>	<b>(922,940)</b>	<b>(584,557)</b>	<b>(3,351)</b>	<b>(128,337)</b>	<b>(131,688)</b>

### Commentary

Overall there was an adverse variance to budget of £74.1m.

The accrual for FERSA income was to 85% of budget (as per scenario B in the purple Book), which contributed to a £54.8m variance to budget. FERSA income was £106.5m lower than last year of which £55m is a direct result of one off FERSA income of £59m in 2019/20.

Income Tax revenue was £11.2m lower than budget, mainly due to lower than budgeted ITIP receipts due to higher unemployment from Covid 19.



### The Treasury – income and expenditure (continued)

The adverse year end variance in the NI operating account income is due to the lower than anticipated agency settlement with UK DHSC. The adverse variance in Gross spend is largely derived from the Manx Earnings Replacement Allowance [MERA] and the Salary Support Scheme, which were unbudgeted and totalled £78.1m.

**Table 6.8b**

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000</b> <b>CATEGORY</b>	<b>Actual</b> <b>2020-21</b>	<b>Budget</b> <b>2020-21</b>	<b>Variance</b> <b>to Budget</b>	<b>Actual</b> <b>2019-20</b>	<b>Variance</b> <b>to 2019-20</b>
<b>INCOME</b>					
Taxation Income	(787,055)	(870,748)	(83,693)	(911,551)	(124,496)
Third Party Contributions	(92)	(200)	(108)	(146)	(54)
Operating Income	(70)	(72)	(2)	(73)	(3)
Other Non-Trading Income	(7,386)	(6,487)	899	(11,170)	(3,784)
<b>Total Income</b>	<b>(794,603)</b>	<b>(877,507)</b>	<b>(82,904)</b>	<b>(922,940)</b>	<b>(128,337)</b>
<b>EXPENDITURE</b>					
Employee Costs	16,984	18,134	1,149	14,959	(2,026)
Infrastructure Costs	12	13	2	7	(4)
Supplies & Services	31,727	1,897	(29,830)	1,951	(29,776)
Agency & Contracted Services	3,576	3,518	(59)	3,585	8
Loan Charges	906	906	0	531	(375)
Other Costs	288,529	326,040	37,512	317,350	28,822
<b>Total Expenditure</b>	<b>341,734</b>	<b>350,508</b>	<b>8,774</b>	<b>338,383</b>	<b>(3,351)</b>
<b>NET EXPENDITURE</b>	<b>(452,869)</b>	<b>(526,999)</b>	<b>(74,129)</b>	<b>(584,557)</b>	<b>(131,688)</b>

More details on income is given on the next pages.

### The Treasury - grants

**Table 6.8c**

<b>TREASURY GRANTS</b>					
<b>£000</b> <b>DESCRIPTION</b>	<b>Actual</b> <b>2020-21</b>	<b>Budget</b> <b>2020-21</b>	<b>Variance</b> <b>to Budget</b>	<b>Actual</b> <b>2019-20</b>	<b>Variance</b> <b>to 2019-20</b>
Laxey Glen Mills	116	116	-	41	(75)
Manx Radio	1,079	1,079	0	1,080	1
Manx Utilities	500	500	-	500	-
Culture Vannin	100	100	-	99	(1)
Financial Services Authority	3,353	3,543	189	3,215	(138)
Manx Museum and National Trust	4,638	4,638	(0)	-	(4,638)
<b>Sub-Total Treasury Grants</b>	<b>9,786</b>	<b>9,976</b>	<b>189</b>	<b>4,935</b>	<b>(4,851)</b>

In the 2020-21 Budget the presentation of the Manx Museum and National Trust was changed from departmental spending to funding by a grant.

The favourable variance against the Financial Services Authority grant line is due to the grant being based on actual net costs which were lower than anticipated.



**The Treasury income – income tax**

**Table 6.8d**

<b>ANALYSIS OF INCOME TAX RECEIPTS</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
<b>Resident Tax</b>					
Receipts	(69,668)	(69,403)	266	(71,630)	(1,961)
Superannuation	(377)	(320)	56	(308)	69
Interest	(275)	(374)	(99)	(237)	38
Personal Allowance Credit	625	1,014	389	681	55
Late Return Penalty	(283)	-	283	(340)	(57)
Refunds	15,770	17,351	1,580	15,385	(386)
Repayment Supplement	62	-	(62)	60	(2)
	<b>(54,146)</b>	<b>(51,732)</b>	<b>2,414</b>	<b>(56,390)</b>	<b>(2,244)</b>
<b>Company Tax</b>					
Receipts	(13,123)	(13,133)	(10)	(11,277)	1,847
Refunds	526	534	7	633	106
Late Return Penalties	(384)	(534)	(149)	(391)	(6)
	<b>(12,981)</b>	<b>(13,133)</b>	<b>(152)</b>	<b>(11,035)</b>	<b>1,946</b>
<b>Non Resident Tax</b>					
Receipts	(21,204)	(21,141)	63	(22,837)	(1,632)
Refunds	489	534	45	583	95
	<b>(20,716)</b>	<b>(20,607)</b>	<b>108</b>	<b>(22,253)</b>	<b>(1,538)</b>
<b>ITIP</b>					
Receipts	(144,514)	(158,100)	(13,586)	(147,960)	(3,447)
Refunds	116	534	418	129	13
Penalties	(87)	(160)	(74)	(163)	(76)
	<b>(144,484)</b>	<b>(157,726)</b>	<b>(13,242)</b>	<b>(147,994)</b>	<b>(3,510)</b>
<b>Sub-Contractors</b>					
Sub-Contractors Receipts	(2,558)	(2,951)	(393)	(3,368)	(810)
Sub-Contractors Refunds	2	15	13	7	5
	<b>(2,556)</b>	<b>(2,936)</b>	<b>(380)</b>	<b>(3,360)</b>	<b>(805)</b>
<b>EU Savings Directive</b>					
International Penalties	(98)	-	98	(92)	6
	<b>(98)</b>	<b>-</b>	<b>98</b>	<b>(92)</b>	<b>6</b>
<b>Total</b>	<b>(234,981)</b>	<b>(246,135)</b>	<b>(11,153)</b>	<b>(241,124)</b>	<b>(6,143)</b>

**Notes**

Overall Income Tax was below budget by £11.2m with Resident Tax partly offsetting the adverse variance in ITIP. ITIP income ended £13.2m below budget as a result of higher unemployment from Covid-19.

The end of the financial year traditionally contains ITIP receipts reflecting bonuses however in the current economic climate this was lower than previous years (March 2020 £17.5m collected, March 2021 £16.1m collected).



## The Treasury income – customs and excise

Table 6.8e

ANALYSIS OF CUSTOMS & EXCISE INCOME					
£000	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019-20
<b>Shared Revenue</b>					
Value Added Tax	(296,893)	(303,635)	(6,742)	(402,246)	(105,353)
Excise Duty	(27,339)	(78,900)	(51,561)	(32,207)	(4,868)
Cost of Collection Adjustment	2,239	1,500	(739)	1,300	(939)
<b>Sub-total Shared revenue</b>	<b>(321,993)</b>	<b>(381,035)</b>	<b>(59,042)</b>	<b>(433,153)</b>	<b>(111,160)</b>
<b>Non-Shared Revenue</b>					
Gambling Duty	(3,577)	(3,600)	(23)	(3,621)	(43)
Air Passenger Duty	(480)	(5,500)	(5,020)	(5,307)	(4,827)
Lottery Duty	(1,630)	(1,300)	330	(1,575)	54
Non-Revenue Receipts	(760)	(500)	260	(875)	(115)
<b>Sub-total Non-Shared revenue</b>	<b>(6,447)</b>	<b>(10,900)</b>	<b>(4,453)</b>	<b>(11,378)</b>	<b>(4,931)</b>
<b>Total</b>	<b>(328,440)</b>	<b>(391,935)</b>	<b>(63,495)</b>	<b>(444,531)</b>	<b>(116,092)</b>

### Notes

- As VAT and other common duties are managed under the Final Expenditure Revenue Sharing Arrangement (FERSA), the amounts collected are agreed in advance with the UK. An extensive analysis of household and business spending in the Isle of Man took place in 2018-19 and in 2019-20 the basis of the sharing arrangement between the Island and the United Kingdom was agreed. The agreement resulted in a release of the FERSA revenue during 2019-20 year which resulted in the large adverse variance against prior year.
- A new indexation rate has been established and is valid for the next five years up to 2025.
- Shared Revenue was adverse against budget at year end, mainly as a result of the adjustment to FERSA income due to potential adjustments resulting from Covid 19.
- Hydrocarbon Oils revenue ended the year £4.6m below target due to significantly reduced fuel sales. Air Passenger Duties were also significantly impacted by the pandemic and subsequent lack of air traffic.



**The Treasury income – other**

**Table 6.8f**

<b>ANALYSIS OF OTHER TREASURY INCOME</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
Contribution from IOM PO	-	-	-	(500)	(500)
Fines and Fixed Penalties	(570)	(345)	226	(781)	(210)
	<b>(570)</b>	<b>(345)</b>	<b>226</b>	<b>(1,281)</b>	<b>(710)</b>
<b>Income From Investments</b>					
Reserve Fund Income	(5,449)	(5,300)	149	(8,367)	(2,917)
	<b>(5,449)</b>	<b>(5,300)</b>	<b>149</b>	<b>(8,367)</b>	<b>(2,917)</b>
<b>Miscellaneous</b>					
Commission on payroll deductions	(7)	-	7	(8)	(0)
Miscellaneous Income	(272)	-	272	(283)	(11)
Rate Collection Charges	(271)	(260)	11	(269)	2
Assurance Advisory Division	(63)	(82)	(19)	(98)	(34)
	<b>(614)</b>	<b>(342)</b>	<b>271</b>	<b>(657)</b>	<b>(44)</b>
<b>Total</b>	<b>(6,633)</b>	<b>(5,987)</b>	<b>646</b>	<b>(10,305)</b>	<b>(3,671)</b>

**Notes**

1. It was agreed to remove the contribution from the Isle of Man Post Office in 2019-20 however as payments are recorded on a cash basis the payment made in-year relates to 2018-19, hence the adverse variance to prior year.
2. Reserve Fund income has reduced compared to prior year due to the interest waiver on the Isle of Man Steam Packet Group loan.



### Social Security Division – NI fund operating account

SOCIAL SECURITY - NI FUND OPERATING ACCOUNT					
£000	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019-20
<b>National Insurance Fund - INCOME</b>					
Contributions - Class 1	(212,747)	(212,308)	439	(215,278)	(2,530)
Contributions - Class 2	(1,786)	(1,500)	286	(1,501)	286
Contributions - Class 3	(797)	(250)	547	(630)	167
Contributions - Class 4	(3,926)	(4,220)	(294)	(4,145)	(219)
Less: allocated to Manx NHS	38,900	38,900	(0)	40,855	1,955
Contributions Equivalent Premium	(37)	-	37	(80)	(43)
Agency Settlement With UK DHSS	(45,307)	(53,800)	(8,493)	(46,531)	(1,224)
Class 1 National Insurance Refunds	1,081	-	(1,081)	220	(860)
Class 2 National Insurance Refunds	50	-	(50)	36	(14)
Class 3 National Insurance Refunds	11	-	(11)	9	(1)
Class 4 National Insurance Refunds	164	-	(164)	274	109
<b>Sub-total National Insurance Income</b>	<b>(224,394)</b>	<b>(233,178)</b>	<b>(8,784)</b>	<b>(226,770)</b>	<b>(2,376)</b>
<b>Other Income:</b>					
Property Rents	(72)	(72)	(0)	(72)	(0)
Transfers (from)/to NI Investment Account	(40,000)	-	40,000	-	40,000
<b>Sub-total Other Income</b>	<b>(40,072)</b>	<b>(72)</b>	<b>40,000</b>	<b>(72)</b>	<b>40,000</b>
<b>Total NI Fund Income</b>	<b>(264,466)</b>	<b>(233,250)</b>	<b>31,215</b>	<b>(226,842)</b>	<b>37,624</b>
<b>National Insurance Fund - EXPENDITURE</b>					
Incapacity Benefit Long Term	10,008	9,458	(550)	9,388	(619)
Incapacity Benefit Short Term	2,515	2,543	28	2,361	(154)
Incapacity Benefit Youth	29	31	2	35	6
Retirement Pension - Basic	141,243	146,170	4,927	142,363	1,121
Retirement Pension - Age Addition	385	424	39	430	45
Retirement Pension - Premium	1,146	1,271	125	1,263	117
Retirement Pension - Supplement	33,907	35,422	1,515	35,456	1,548
Manx State Pension	7,776	6,080	(1,696)	2,139	(5,637)
Jobseekers Contribution Based	1,007	407	(600)	306	(701)
Bereavement Benefit	247	305	58	275	28
Bereavement Lump Sum	-	-	-	(2)	(2)
Bereavement Support Payment	872	814	(58)	785	(87)
Disablement Benefit	688	805	117	749	61
Lump Sum Christmas Bonus	961	1,000	39	967	6
Maternity Benefit	3,611	3,810	199	3,568	(43)
Manx Earnings Replacement Scheme	11,601	-	(11,601)	-	(11,601)
Salary Support Schemes	66,508	-	(66,508)	-	(66,508)
Other Benefits	7,210	7,481	271	7,037	(172)
Contracted Out Rebates	-	-	-	(13)	(13)
Administration Contribution	2,779	2,148	(631)	3,288	509
Bad Debt	-	-	-	0	0
Computer Maintenance	440	-	(440)	214	(226)
<b>Total NI Fund Expenditure</b>	<b>292,932</b>	<b>218,169</b>	<b>(74,763)</b>	<b>210,611</b>	<b>(82,321)</b>
<b>Movement on NI Operating Account</b>	<b>28,467</b>	<b>(15,081)</b>	<b>(43,548)</b>	<b>(16,231)</b>	<b>(44,698)</b>

See notes on next page



**Notes on NI operating account**

1. NI income was £8.8m worse than budget due to a reduced agency settlement with the UK.
2. Expenditure budget was exceeded by £74m which was is predominantly due to the MERA and Salary Support Scheme payments, which were unbudgeted and totalled £78.1m.
3. During the year £40m was transferred from the NI Investment Account to repay the NI Operating Account which had been in a deficit position for a number of years.

**Social Security Division – revenue funded expenditure (non-contributory)**

**Table 6.8h**

<b>SOCIAL SECURITY - REVENUE-FUNDED EXPENDITURE</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
<b>Non-Contributory Benefits</b>					
Miscellaneous - Revenue Funded	22	823	801	408	386
Nursing Care Contribution Scheme	-	-	-	(1)	(1)
Disability Living Allowance	12,101	11,220	(881)	11,633	(468)
Carers Allowance	(57)	-	57	(6)	51
Severe Disablement Allowance	493	346	(147)	526	33
Attendance Allowance	4,786	4,692	(94)	4,803	17
Child Benefit	10,554	10,588	34	10,687	134
Maternity Payment	39	60	21	43	3
Income Support	35,652	35,100	(552)	33,829	(1,823)
Employed Persons Allowance	8,394	9,600	1,206	9,073	678
Exceptional Needs Grant	63	100	37	108	45
Winter Bonus	728	800	72	788	60
Job Seekers (Income Based)	4,273	1,542	(2,731)	1,367	(2,906)
Manx Restart Scheme	95	-	(95)	-	(95)
Administration Contribution	1,572	1,465	(107)	1,368	(204)
Contingency Fund Transfers	(1,716)	-	1,716	-	1,716
<b>Total Non-Contributory Benefits</b>	<b>77,000</b>	<b>76,336</b>	<b>(663)</b>	<b>74,626</b>	<b>(2,374)</b>
Total NI Funded Benefits	<b>292,932</b>	<b>218,169</b>	<b>(74,763)</b>	<b>210,611</b>	<b>(82,321)</b>
<b>TOTAL</b>	<b>369,932</b>	<b>294,505</b>	<b>(75,427)</b>	<b>285,236</b>	<b>(84,695)</b>

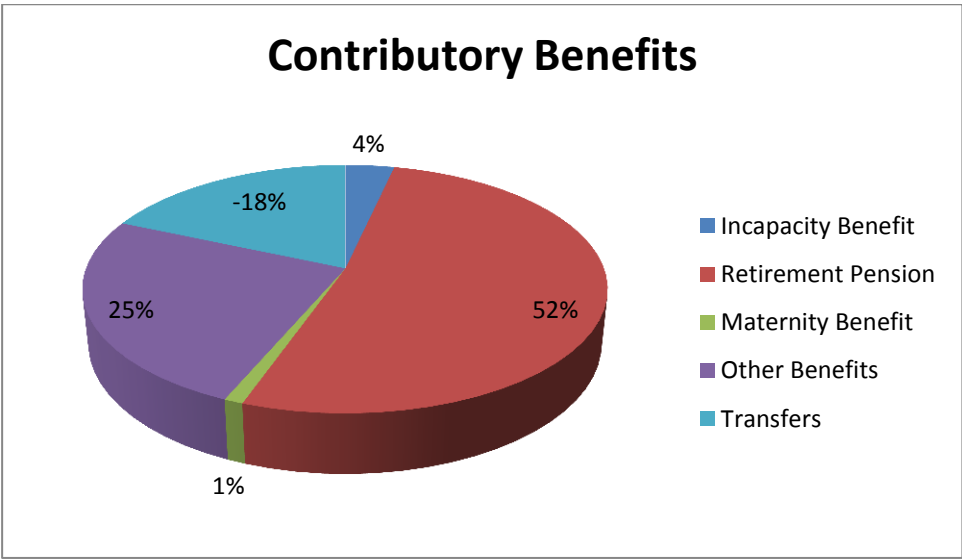
**Non-contributory benefits**

1. Total expenditure was £663k over budget and £2.4m higher than last year with the largest impact on budget driven by increased Job Seekers Allowance and Income Support as a result of increased unemployment due to Covid-19.
2. A Contingency Fund transfer of £1.7m was approved to cover the majority of the increased expenditure resulting from Covid-19.

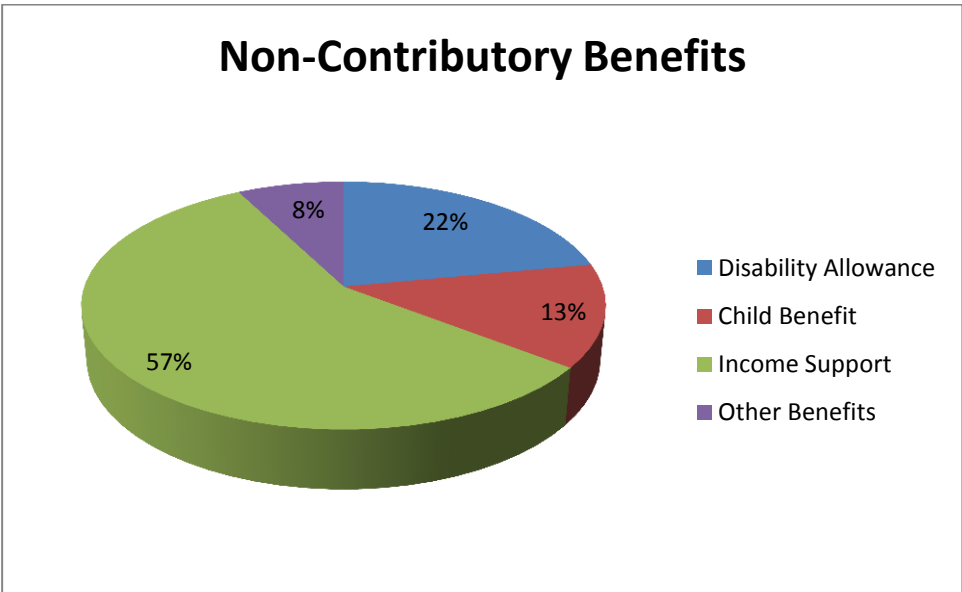




**Analysis of social security benefits – 2020-21**



*Note: Figures exclude Bad Debt provision and Computer Maintenance contribution*





## The Treasury – capital programme

Table 6.8i

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2020-21					TOTAL TO 2020-21		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Capital Project Contingency Budget	4,000	(1,737)	2,263	-	2,263	13,920	-	13,920
Manx Radio Broadcasting House Maintenance	150	-	150	-	150	500	345	155
Climate Change Mitigation Initiatives	5,000	-	5,000	-	5,000	5,000	-	5,000
Broadcasting House Refurbishment	969	(926)	43	-	43	43	-	43
Technology - Operational Change Programme (One Treasury)	6,504	-	6,504	884	5,620	7,805	1,378	6,427
<b>TOTAL</b>	<b>16,623</b>	<b>(2,663)</b>	<b>13,960</b>	<b>884</b>	<b>13,076</b>	<b>27,267</b>	<b>1,723</b>	<b>25,545</b>

### Notes

- Transfers from the Capital Project Contingency Budget to other schemes are detailed in section 5.4 (table 5.4c).
- The Treasury approved in-year timing differences are detailed section 5.4 (table 5.4e)
- Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.

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

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



## 6.9 Executive Government

### Revenue

**Table 6.9a**

<b>INCOME &amp; EXPENDITURE BY ORGANISATION</b>															
<b>£000</b>	<b>ACTUAL 2020-21</b>			<b>BUDGET 2020-21</b>			<b>VARIANCE TO BUDGET</b>			<b>ACTUAL 2019-20</b>			<b>VARIANCE TO LAST YEAR</b>		
	<b>Gross Spend</b>	<b>Gross Income</b>	<b>Net Spend</b>	<b>Gross Spend</b>	<b>Gross Income</b>	<b>Net Spend</b>	<b>Gross Spend</b>	<b>Gross Income</b>	<b>Net Spend</b>	<b>Gross Spend</b>	<b>Gross Income</b>	<b>Net Spend</b>	<b>Gross Spend</b>	<b>Gross Income</b>	<b>Net Spend</b>
<b>Organisation</b>															
Industrial Relations Office	334	-	<b>334</b>	335	-	335	1	-	1	271	-	271	(63)	-	(63)
Veterans Welfare Service	92	-	<b>92</b>	106	-	106	13	-	13	96	-	96	3	-	3
Information Commissioner	327	(128)	<b>199</b>	474	(275)	199	147	(147)	(0)	278	(156)	121	(49)	(29)	(78)
General Registry	4,519	(2,036)	<b>2,483</b>	4,970	(2,485)	2,485	450	(449)	2	5,101	(2,248)	2,854	582	(212)	370
H.M. Attorney Generals	5,787	(40)	<b>5,747</b>	5,814	(66)	5,748	27	(26)	1	5,468	(106)	5,362	(319)	(66)	(385)
Superannuation	72,491	(72,491)	-	77,000	(77,000)	-	4,509	(4,509)	-	68,846	(68,846)	(0)	(3,646)	3,646	(0)
Overseas Aid	2,462	-	<b>2,462</b>	2,500	-	2,500	38	-	38	2,500	-	2,500	38	-	38
<b>Total</b>	<b>86,013</b>	<b>(74,695)</b>	<b>11,318</b>	<b>91,199</b>	<b>(79,826)</b>	<b>11,372</b>	<b>5,185</b>	<b>(5,131)</b>	<b>54</b>	<b>82,561</b>	<b>(71,356)</b>	<b>11,204</b>	<b>(3,453)</b>	<b>3,339</b>	<b>(114)</b>

### Note

1. The Attorney General Chamber's Fund drawdowns totalled £334k, being £118k from the Legal Costs Reserve, £110k from the Medical Indemnity Fund £71k from the Invest to Save Fund, and £36k from the Seized Assets Fund.
2. Industrial Relations received a £17k Fund drawdown from the Economic Recovery Fund.
3. Further details of pension's income and expenditure is given on the next two pages.



**Executive Government – income and expenditure (continued)**

**Table 6.9b**

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance to Budget</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
<b>INCOME</b>					
Taxation Income	(72,618)	(77,275)	(4,657)	(68,990)	3,629
Third Party Contributions	(41)	(66)	(26)	(103)	(63)
Operating Income	(2,034)	(2,478)	(443)	(2,256)	(222)
Other Non-Trading Income	(2)	(7)	(5)	(7)	(5)
<b>Total Income</b>	<b>(74,695)</b>	<b>(79,826)</b>	<b>(5,131)</b>	<b>(71,356)</b>	<b>3,339</b>
<b>EXPENDITURE</b>					
Employee Costs	121,632	124,969	3,337	110,183	(11,449)
Infrastructure Costs	14	80	66	7	(6)
Supplies & Services	1,505	1,586	81	1,500	(5)
Other Costs	(37,137)	(35,453)	1,684	(29,130)	8,007
<b>Total Expenditure</b>	<b>86,013</b>	<b>91,199</b>	<b>5,185</b>	<b>82,561</b>	<b>(3,453)</b>
<b>NET EXPENDITURE</b>	<b>11,318</b>	<b>11,372</b>	<b>54</b>	<b>11,204</b>	<b>(114)</b>

**Pensions expenditure**

**Table 6.9c**

<b>PENSIONS - BREAKDOWN OF EXPENDITURE</b>					
<b>£000</b>	<b>Actual 2020-21</b>	<b>Budget 2020-21</b>	<b>Variance 2020-21</b>	<b>Actual 2019-20</b>	<b>Variance to 2019-20</b>
<b>Pensions and Grants</b>					
Government Unified Scheme	84,497	115,003	30,506	74,622	(9,874)
Teachers Pension	17,532	-	(17,532)	15,303	(2,229)
Police Pension Regulations 1991 & 2010	7,216	-	(7,216)	7,843	627
Manual Workers No 1 Scheme	340	-	(340)	354	14
Judicial Scheme	481	-	(481)	561	80
Tynwald 1995	985	-	(985)	1,004	18
Other Expenditure	-	-	-	2	2
<b>Sub-Total</b>	<b>111,052</b>	<b>115,003</b>	<b>3,951</b>	<b>99,689</b>	<b>(11,363)</b>
Refunds of Contributions	265	-	(265)	248	(17)
Transfer Values Paid	143	-	(143)	923	780
<b>Sub-Total Expenditure</b>	<b>111,460</b>	<b>115,003</b>	<b>3,543</b>	<b>100,860</b>	<b>(10,600)</b>
Transfer from Public Service Pension Reserve	(38,969)	(38,000)	969	(32,014)	6,955
<b>NET EXPENDITURE</b>	<b>72,491</b>	<b>77,003</b>	<b>4,512</b>	<b>68,846</b>	<b>(3,645)</b>

## Pensions income

PENSIONS - BREAKDOWN OF INCOME					
£000	Actual 2020-21	Budget 2020-21	Variance 2020-21	Actual 2019-20	Variance to 2019-20
<u>Contributions Received</u>					
Government Unified Scheme	(58,420)	(77,000)	(18,580)	(55,548)	2,872
Teacher's Pension	(10,535)	-	10,535	(10,078)	457
Police Pension Regulations 1991 & 2010	(2,425)	-	2,425	(2,275)	150
Judicial Schemes	(257)	-	257	(220)	37
<b>Sub-Total</b>	<b>(71,636)</b>	<b>(77,000)</b>	<b>(5,364)</b>	<b>(68,120)</b>	<b>3,516</b>
Transfer Values Received	(856)	-	856	(725)	130
<b>TOTAL INCOME</b>	<b>(72,491)</b>	<b>(77,000)</b>	<b>(4,509)</b>	<b>(68,846)</b>	<b>3,646</b>
Expenditure brought Forward	72,491	77,003	4,512	68,846	(3,645)
<b>NET SPEND</b>	<b>(0)</b>	<b>3</b>	<b>3</b>	<b>(0)</b>	<b>0</b>

## Note

- Contributions received now include contributions from Government departments, boards and offices which were set at 12.2% of employee costs for 2020-21 (2019-20: 13.8%). The contributions total £40.1m in 2020-21 (2019-20 £38.1m).

## Pensions spending – analysis of expenditure

PENSIONS - ANALYSIS OF AMOUNTS PAID					
£000	Actual 2020-21 £000	Budget 2020-21 £000	Variance 2020-21 £000	Actual 2019-20 £000	Variance to 2019-20 £000
<u>Analysis of Amounts Paid:</u>					
Monthly Pensions Paid	79,170	115,003	35,833	75,063	(4,107)
Lump Sum Amounts Paid	31,882	-	(31,882)	24,626	(7,256)
Refunds of Contributions	265	-	(265)	248	(18)
Transfer Values Paid	143	-	(143)	923	780
<b>Total</b>	<b>111,460</b>	<b>115,003</b>	<b>3,542</b>	<b>100,860</b>	<b>(10,600)</b>



## 6.10 Manx Museum and National Trust – capital programme

**Table 6.10c**

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2020-21</b>					<b>TOTAL TO 2020-21</b>		
	<b>Original Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Minor Capital Works	285	32	317	133	184	2,669	2,470	199
Gallery Redisplay	210	81	291	19	272	1,704	1,337	368
<b>TOTAL</b>	<b>495</b>	<b>113</b>	<b>608</b>	<b>152</b>	<b>456</b>	<b>4,373</b>	<b>3,807</b>	<b>567</b>

The gallery redisplay budget is a critical rolling investment in the galleries and curatorial facilities under MMNT's care.

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.



### 6.11 Statutory Boards (revenue funded)

Table 6.11a

<b>INCOME &amp; EXPENDITURE BY ORGANISATION</b>																
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR			
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	
Communications Commission	605	(1,405)	(800)	762	(1,320)	(558)	157	85	242	475	(1,292)	(818)	(130)	113	(17)	
Financial Services Authority	6,426	(6,426)	-	6,781	(6,781)	-	354	(354)	-	6,336	(6,336)	-	(91)	91	-	
Gambling Supervision Commission	1,288	(2,327)	(1,039)	1,638	(2,050)	(412)	350	277	627	1,279	(1,949)	(670)	(9)	378	369	
Financial Intelligence Unit	888	-	888	888	-	888	0	-	0	766	-	766	(122)	-	(122)	
Public Sector Pensions Authority	9	(9)	(0)	-	-	-	(9)	9	0	12	(12)	(0)	4	(4)	(0)	
<b>Total</b>	<b>9,216</b>	<b>(10,167)</b>	<b>(952)</b>	<b>10,068</b>	<b>(10,151)</b>	<b>(83)</b>	<b>852</b>	<b>16</b>	<b>869</b>	<b>8,868</b>	<b>(9,589)</b>	<b>(722)</b>	<b>(348)</b>	<b>578</b>	<b>230</b>	

Table 6.11b

<b>INCOME &amp; EXPENDITURE BY CATEGORY £000</b>					
£000	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019-20
<b>INCOME</b>					
Taxation Income	(5,275)	(5,150)	125	(4,957)	318
Operating Income	(1,535)	(1,457)	78	(1,418)	117
Grant Income	(3,353)	(3,543)	(189)	(3,215)	138
Other Non-Trading Income	(4)	(2)	2	-	4
<b>Total Income</b>	<b>(10,167)</b>	<b>(10,151)</b>	<b>16</b>	<b>(9,589)</b>	<b>578</b>
<b>EXPENDITURE</b>					
Employee Costs	8,387	9,210	823	8,077	(310)
Infrastructure Costs	286	335	48	317	31
Supplies & Services	1,847	1,918	71	1,477	(370)
Loan Charges	109	109	0	74	(35)
Other Costs	(1,414)	(1,504)	(90)	(1,078)	336
<b>Total Expenditure</b>	<b>9,216</b>	<b>10,068</b>	<b>852</b>	<b>8,868</b>	<b>(348)</b>
<b>NET EXPENDITURE</b>	<b>(952)</b>	<b>(83)</b>	<b>869</b>	<b>(722)</b>	<b>230</b>



**Statutory boards - capital programme**

Table 6.11c

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2020-21</b>					<b>TOTAL TO 2020-21</b>		
	<b>Original Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Scheme Name</b>								
FIU Computer System	228	-	228	120	108	228	120	108
FSA Restructure Costs	-	22	22	-	22	50	28	22
FSA - Atlas System	157	42	199	78	121	500	297	203
GSC IT System	157	171	328	77	251	500	296	204
<b>TOTAL</b>	<b>542</b>	<b>235</b>	<b>777</b>	<b>275</b>	<b>502</b>	<b>1,278</b>	<b>741</b>	<b>537</b>

Adjustments reflect new carry forward approvals, accelerations and deferrals from the Budget Update 2020 (Purple Book). The adjustments also include any contingency budget approvals, supplementary votes, Column 3 approvals and Column 3 approvals not sought for Tynwald approval.





## 6.12 Legislature (parliament)

Table 6.12a

INCOME & EXPENDITURE															
£000	ACTUAL 2020-21			BUDGET 2020-21			VARIANCE TO BUDGET			ACTUAL 2019-20			VARIANCE TO LAST YEAR		
	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend	Gross Spend	Gross Income	Net Spend
Legislature	4,399	(64)	4,334	4,953	(9)	4,944	555	55	610	4,779	(71)	4,708	380	(7)	373
<b>Total</b>	<b>4,399</b>	<b>(64)</b>	<b>4,334</b>	<b>4,953</b>	<b>(9)</b>	<b>4,944</b>	<b>555</b>	<b>55</b>	<b>610</b>	<b>4,779</b>	<b>(71)</b>	<b>4,708</b>	<b>380</b>	<b>(7)</b>	<b>373</b>

Table 6.12b

INCOME & EXPENDITURE BY CATEGORY £000					
	Actual 2020-21	Budget 2020-21	Variance to Budget	Actual 2019-20	Variance to 2019-20
<b>INCOME</b>					
Third Party Contributions	(1)	-	1	(8)	(7)
Operating Income	(64)	(9)	54	(65)	(1)
Other Non-Trading Income	-	-	-	1	1
<b>Total Income</b>	<b>(64)</b>	<b>(9)</b>	<b>55</b>	<b>(71)</b>	<b>(7)</b>
<b>EXPENDITURE</b>					
Employee Costs	3,853	4,159	305	3,919	66
Supplies & Services	191	441	250	424	232
Loan Charges	354	354	(0)	437	83
<b>Total Expenditure</b>	<b>4,399</b>	<b>4,953</b>	<b>555</b>	<b>4,779</b>	<b>380</b>
<b>NET EXPENDITURE</b>	<b>4,334</b>	<b>4,944</b>	<b>610</b>	<b>4,708</b>	<b>373</b>



### 6.13 Manx Utilities - capital programme

**Table 6.13c**

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2020-21</b>					<b>TOTAL TO 2020-21</b>		
	<b>Original Budget</b>	<b>Adjustments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Scheme Name</b>								
Manx Utilities Borrowing - Capital Programme	5,311	(2,231)	3,080	1,697	1,383	70,625	66,452	4,173
Combined Cycle Gas Turbine	3,281	(27)	3,254	2,366	888	17,181	13,275	3,906
Network Refurbishment	1,600	(166)	1,434	1,434	0	6,481	1,434	5,047
Refurb of Local Sewage Treatment Works (Central Valley)	2,504	314	2,818	2,341	477	5,646	2,341	3,305
Sewer Flood Alleviation in Douglas Onchan and Andreas	500	(300)	200	129	71	2,467	1,669	798
Regional Sewerage Strategy 2	13,243	(11,732)	1,511	1,511	0	26,450	5,383	21,067
Manx Utilities Minor Capital Works	2,289	775	3,064	619	2,445	6,053	1,619	4,434
Sewer Network Refurbishment	1,435	55	1,490	1,490	(0)	2,510	2,508	2
<b>TOTAL</b>	<b>30,163</b>	<b>(13,312)</b>	<b>16,851</b>	<b>11,587</b>	<b>5,264</b>	<b>137,413</b>	<b>94,681</b>	<b>42,732</b>

#### Commentary

Manx Utilities' capital programme is split between the on-going maintaining of infrastructure assets (including refurbishments and renewals) and construction of new assets, and predominantly relates to electricity, gas, sewerage and flood risk management (transferred to the Department of Infrastructure with effect from 1 November 2021) activities. Water infrastructure investment is funded from water income. The maintenance programmes involve regular annual expenditure which is prioritised and planned on an on-going basis. Actual expenditure may increase or decrease slightly from year-to-year depending on work undertaken and occurrences of adverse weather, in order to ensure the electricity and sewerage networks continue to meet acceptance standards of performance in terms of capacity and reliability. During 2020-21 the global Covid-19 pandemic and restrictions resulting from this adversely impacted the delivery of the capital programme and the capital budget for the year was revised,

The 'Combined Cycle Gas Turbine' item includes expenditure on the Pulrose Power Station. Whilst the overall power station is now in its mid-life period, individual items of plant and equipment require replacement as they reach the ends of their operating lives, incurring irregular, but significant, expenditure. The favourable variance for the year arises from the maintenance timetable being adjusted with some work being deferred to protect the power station operating resilience. The 'MANX UTILITIES Borrowing – Capital Programme' principally relating to electricity network maintenance expenditure.

The 'MANX UTILITIES Minor Capital Works' has a favourable variance as not all expenditure met the threshold for capital treatment and has therefore been recorded in the revenue account. The Regional Sewerage Strategy involves the construction of new regional sewage treatment works in order to end the continuous discharging of raw sewage into the sea. This scheme has been progressing through its initial project planning in recent years but now carries a greater priority, with schemes at Peel, Laxey and Baldrine being an objective within the Programme for Government. The favourable variance is a result of continuing delays in securing acceptable sites for Peel (planning permission for the original site was declined in during the year), while following rejection of the Laxey Sewerage Treatment Works planning application, a further review of options for solutions in Garff (Baldrine and Laxey) is also underway.



## 7. Externally managed invested funds

### 7.1 Summary of externally invested funds

**Table 7.1**

SUMMARY OF EXTERNAL INVESTMENTS								
£000 Invested Fund	Balances Brought Forward 1 April 2020	INCOME				EXPENDITURE		Balances Carried Forward 31 March 2021
		Transfers to/from Operating Account	Contributions Seizures & Other	Investment Income	Net Profit on Sale of Investments	Transfers to Internal Accounts	Other Expenses	
Hospital Estate Development Fund	29,668	0	0	503	682	0	3,668	27,186
Manx Currency Account	99,703	0	0	4,631	(70)	(374)	1,162	103,476
NI Fund - Investment A/c	851,544	0	0	16,780	8,644	40,000	2,005	834,964
Public Service Employees Pension Res.	82,153	0	0	863	631	38,820	1,440	43,388
Reserve Fund	384,233	(7,000)	0	7,896	7,877	5,823	941	386,242
MANX UTILITIES Bond Repayment Fund	67,359	0	6,500	1,109	(1,069)	0	155	73,744
<b>Sub-total</b>	<b>1,514,660</b>	<b>(7,000)</b>	<b>6,500</b>	<b>31,783</b>	<b>16,695</b>	<b>84,269</b>	<b>9,370</b>	<b>1,468,999</b>
Media Development Fund (Reserve Fund)	17,089	0	0	17	174	1	0	17,280
Enterprise Development Scheme	10,084	0	0	14	0	(173)	2,369	7,903
<b>Sub-total</b>	<b>1,541,834</b>	<b>(7,000)</b>	<b>6,500</b>	<b>31,813</b>	<b>16,869</b>	<b>84,097</b>	<b>11,738</b>	<b>1,494,182</b>
General Revenue A/C Temp Loans	220,779	0	(148,835)	0	0	0	0	71,944
<b>Total Invested Funds</b>	<b>1,762,613</b>	<b>(7,000)</b>	<b>(142,335)</b>	<b>31,813</b>	<b>16,869</b>	<b>84,097</b>	<b>11,738</b>	<b>1,566,126</b>
Equity Investment IOMSPG	48,752	0	0	0	0	0	0	48,752
<b>Total Invested Funds</b>	<b>1,811,365</b>	<b>(7,000)</b>	<b>(142,335)</b>	<b>31,813</b>	<b>16,869</b>	<b>84,097</b>	<b>11,738</b>	<b>1,614,878</b>

#### Notes

The internal balances on the Media Development Fund, Manx Currency Account and the Enterprise Development Fund are included in the above figures. The investment in the IOMSPG are separate to the externally managed invested funds but form part of the overall external investments.



**Summary of externally invested funds and reserves (continued)**

**7.1.1 Book value and market value by fund**

**Table 7.1.1**

<b>BOOK VALUE AND MARKET VALUE BY FUND</b>						
<b>£000</b> <b>Invested Fund</b>	<b>As at 31 Mar 20</b>		<b>As at 31 Mar 21</b>		<b>Movement</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Hospital Estate Development Fund	29,668	27,325	27,185	30,023	(2,483)	2,699
Manx Currency Account	99,703	98,514	103,476	103,368	3,773	4,854
Manx Utilities Bond Repayment Fund	67,359	69,208	73,744	84,738	6,385	15,530
NI Fund - Investment A/c	851,544	847,257	834,964	977,977	(16,580)	130,720
Public Service Employees Pension Res.	82,153	80,911	43,388	47,522	(38,766)	(33,389)
Reserve Fund	384,233	380,504	386,242	448,215	2,010	67,711
<b>Sub-total</b>	<b>1,514,660</b>	<b>1,503,718</b>	<b>1,468,999</b>	<b>1,691,844</b>	<b>(45,662)</b>	<b>188,125</b>
Media Development Fund (Reserve Fund)	17,089	17,089	17,280	17,280	190	190
Enterprise Development Fund	10,084	10,084	7,903	7,903	(2,181)	(2,181)
<b>Sub-total</b>	<b>1,541,834</b>	<b>1,530,892</b>	<b>1,494,182</b>	<b>1,717,027</b>	<b>(47,653)</b>	<b>186,134</b>
General Revenue A/C Temp. Loans	220,779	220,779	71,944	71,944	(148,835)	(148,835)
<b>Total Invested Funds</b>	<b>1,762,613</b>	<b>1,751,671</b>	<b>1,566,126</b>	<b>1,788,970</b>	<b>(196,488)</b>	<b>37,299</b>
Equity Investment IOMSPG	48,752	48,752	48,752	48,752	-	-
<b>Total External Investments</b>	<b>1,811,365</b>	<b>1,800,423</b>	<b>1,614,878</b>	<b>1,837,722</b>	<b>(196,488)</b>	<b>37,299</b>

**Note**

The internal balances on the Media Development Fund, Manx Currency Account and the Enterprise Development Fund are included in the above figures.

**7.1.2 Book value and market value by asset type**

**Table 7.1.2**

<b>BOOK VALUE AND MARKET VALUE BY ASSET TYPE</b>						
<b>£000</b> <b>Asset Class</b>	<b>As at 31 Mar 20</b>		<b>As at 31 Mar 21</b>		<b>Movement</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Property	408	600	408	600	-	-
Investment in Films	635	635	380	380	(255)	(255)
Equity Investment in IOMSPG	48,752	48,752	48,752	48,752	-	-
United Kingdom Fixed Interest	378,076	377,796	316,701	322,101	(61,374)	(55,695)
United Kingdom Equities	305,550	261,169	206,299	208,967	(99,251)	(52,202)
Overseas Fixed Interest	64,672	64,734	5,222	5,762	(59,450)	(58,973)
Overseas Equities	365,378	404,336	269,375	401,272	(96,003)	(3,064)
Other Investments	175,573	170,058	427,151	509,298	251,577	339,240
<b>Sub-total Investments</b>	<b>1,339,044</b>	<b>1,328,080</b>	<b>1,274,288</b>	<b>1,497,132</b>	<b>(64,756)</b>	<b>169,052</b>
Cash & Cash Instruments	149,864	149,885	166,768	166,768	16,904	16,883
Cash funds held by Treasury	322,458	322,458	173,822	173,822	(148,636)	(148,636)
<b>Sub-total Cash</b>	<b>472,321</b>	<b>472,343</b>	<b>340,590</b>	<b>340,590</b>	<b>(131,732)</b>	<b>(131,753)</b>
<b>Total</b>	<b>1,811,365</b>	<b>1,800,423</b>	<b>1,614,878</b>	<b>1,837,722</b>	<b>(196,488)</b>	<b>37,299</b>



## 7.2 Hospital Estate Development Fund (HEDF)

**Table 7.2a**

<b>HOSPITAL ESTATE DEVELOPMENT FUND</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Income from Investments	834	503
Net (profit)/loss on realisation of Investments	249	682
<b>Total Income</b>	<b>1,083</b>	<b>1,185</b>
<b>EXPENDITURE</b>		
<u>Department of Health</u>		
Loan Charges on Nobles Hospital	3,800	3,571
<u>Other</u>		
Custodian Fees	10	5
Investment Management Fees	104	92
<b>Total Expenditure</b>	<b>3,914</b>	<b>3,668</b>
<b>Net Movement for Year</b>	<b>(2,831)</b>	<b>(2,483)</b>
Balance brought forward at 1 April	32,499	29,668
<b>Balance carried forward at 31 March</b>	<b>29,668</b>	<b>27,185</b>

### Notes

- Investments at 31 March 2021 were:

**Table 7.2b**

<b>INVESTMENTS BY ASSET TYPE</b>				
<b>£000</b>	<b>As at 31 March 2020</b>		<b>As at 31 March 2021</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
United Kingdom Fixed Interest	6,438	6,383	2,880	2,987
United Kingdom Equities	7,764	6,423	4,765	4,952
Overseas Equities	7,407	6,587	4,549	5,035
Other Investments	6,767	6,639	14,319	16,377
Cash & Cash Instruments	1,292	1,292	672	672
<b>Total</b>	<b>29,668</b>	<b>27,325</b>	<b>27,185</b>	<b>30,023</b>



### **Hospital Estate Development Fund – notes (continued)**

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 and interest arising from the capital expenditure in respect of the new hospital after the 1 April 1996.
4. The loan charges and interest in respect of capital expenditure on Noble's Hospital up to the 31 March 1996 are charged to the budget 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 2021 it was anticipated that the fund would be exhausted in 2030-31 (2019: 2028-29).

Key assumptions made during this forecast are:

- a. Net return on investments being constant at 3.57% going forward (2020: 2.84%).
- b. Consolidated loans fund interest rate has remained at 2% in 2020-21 and is not expected to increase thereafter.
- c. Loan sanction duration 50 years (2020: 50 years).

With the creation of a Capital Financing Reserve in 2021-22 Departmental loans will be repaid from the Consolidated Loans Fund, this includes the repayment of the Nobles Hospital scheme. The Hospital Estates Development Fund balance will be transferred to the Reserve Fund as there will be no loan charge liability from 2021-22 onwards.

6. As at 31 March 2021 the balance of the outstanding loan was £62.2 million with 28 years of the loan period remaining.
7. The amount of £3.7 million paid in 2020-21 comprises £2.4 million of principal and £1.3 million of interest charged at 2% of the outstanding balance.
8. The fund is managed by one of the Treasury's appointed investment managers originally within a Base + 1% mandate.



### 7.3 Manx Currency Account

**Table 7.3a**

<b>MANX CURRENCY ACCOUNT</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Income from Investments	1,198	534
Net profit or loss on realisation of Investments	119	(70)
Increase/(decrease) in Notes in Circulation	11,193	2,739
Increase/(decrease) in base metal Coins in Circulation	1,750	1,078
Income on Commemorative Coin Sales	192	279
<b>Total Income</b>	<b>14,452</b>	<b>4,561</b>
<b>EXPENDITURE</b>		
<u>Treasury</u>		
Custodian Fees	12	9
Investment Management Fees	53	53
Expenses of the Note Issue	287	286
Cost of Circulating Coin Sales	-	-
Commemorative Coin Expenses	265	815
<u>Transfers</u>		
Transfer to General Revenue Account	745	(374)
<b>Total Expenditure</b>	<b>1,362</b>	<b>789</b>
<b>Net Movement for Year</b>	<b>13,090</b>	<b>3,773</b>
Balance brought forward at 1 April	86,614	99,704
<b>Balance carried forward at 31 March</b>	<b>99,704</b>	<b>103,477</b>

### Manx Currency Account – Notes

- Investments at 31 March 2021 were:

**Table 7.3b**

<b>INVESTMENTS BY ASSET TYPE</b>				
<b>£000</b>	<b>As at 31 March 2020</b>		<b>As at March 2021</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
United Kingdom Fixed Interest	23,959	23,865	22,631	22,905
United Kingdom Equities	3,394	2,440	2,767	2,414
Overseas Equities	83	54	147	129
Other Investments	535	420	1,208	1,198
Cash & Cash Instruments	5,738	5,741	6,911	6,911
Cash funds held by Treasury	65,993	65,993	69,812	69,811
<b>Total</b>	<b>99,703</b>	<b>98,514</b>	<b>103,477</b>	<b>103,368</b>

**Manx Currency Account – Notes (Continued)**

2. The face value of Manx currency in circulation at 31 March 2021 was:

**Table 7.3c**

<b>FACE VALUE OF MANX CURRENCY IN CIRCULATION</b>		
	<b>As at</b>	<b>As at</b>
<b>£000</b>	<b>31 Mar 20</b>	<b>31 Mar 21</b>
Notes	74,067	76,806
Coins	20,227	21,977
<b>Total</b>	<b>94,294</b>	<b>98,783</b>
Fund Balance	99,704	103,477
<b>Balance in excess of face value</b>	<b>5,410</b>	<b>4,694</b>

3. The balance at 31 March 2021 on the Coins Account comprises:

**Table 7.3d**

<b>COMPOSITION OF THE COINS ACCOUNT</b>		
	<b>As at</b>	<b>As at</b>
<b>£000</b>	<b>31 Mar 20</b>	<b>31 Mar 21</b>
Cash at Bank	4,977	6,055
Money at call or short notice	17,000	17,000
<b>Total</b>	<b>21,977</b>	<b>23,055</b>

4. Net profit on commemorative coin sales for the year was **£279,019** (2019-20: £191,987). This represents consistent performance following a change of approach by the mint appointed by the Treasury in April 2017.





## 7.4 Manx Utilities Bond Repayment Fund

Table 7.4a

<b>MANX UTILITIES BOND REPAYMENT FUND</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Income from Investments	1,450	1,109
Net profit/(loss) on realisation of Investments	655	(975)
Net profit/(loss) on Currency Transfers	(2)	(94)
<u>Transfers</u>		
Transfer to Fund Managers	1,500	6,500
<b>Total Income</b>	<b>3,603</b>	<b>6,539</b>
<b>EXPENDITURE</b>		
<u>Other</u>		
Custodian Fees	11	7
Investment Management Fees	145	148
<b>Total Expenditure</b>	<b>156</b>	<b>155</b>
<b>Net Movement for Year</b>	<b>3,447</b>	<b>6,385</b>
Balance brought forward at 1 April	63,912	67,359
<b>Balance carried forward at 31 March</b>	<b>67,359</b>	<b>73,744</b>

### Notes

- Investments at 31 March 2021 were:

Table 7.4b

<b>INVESTMENTS BY ASSET TYPE</b>				
	<b>As at 31 March 2020</b>		<b>As at March 2021</b>	
<b>£000</b>	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
United Kingdom Fixed Interest	9,636	11,412	8,286	9,762
United Kingdom Equities	15,048	13,417	8,653	9,389
Overseas Fixed Interest	17,549	17,739	1,187	1,397
Overseas Equities	10,606	11,696	4,982	6,001
Other Investments	5,015	5,437	37,074	44,628
Cash & Cash Instruments	9,505	9,505	13,562	13,562
<b>Total</b>	<b>67,359</b>	<b>69,208</b>	<b>73,744</b>	<b>84,738</b>



### **Manx Utilities Bond Repayment Fund (continued)**

2. The former 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 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 Manx Utilities ("MANX UTILITIES") 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 Manx Utilities Bond Repayment Fund'. The Manx Utilities Bond Repayment Fund is not segregated between the IOMWA and MEA components. The Treasury reports on the value of the Manx Utilities Bond Repayment Fund to the Manx Utilities, within one 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. The Treasury confirmed at 31 March 2021 that the fund was on schedule to meet its liabilities.
5. A portfolio totalling £32.8 million was transferred from the Manx Utilities in April 2015, £11.5 million was paid to the fund by the Manx Utilities in March 2016, followed by a further £6.5 million in March 2017, £6.5m in April 2018, £1.5m in March 2019, £1.5m in March 2020 and £6.5m in March 2021. The market value of the fund was £84.7m as at 31 March 2021 against the target value of £45.6m.



## 7.5 National Insurance Account

Table 7.5a

<b>NATIONAL INSURANCE ACCOUNT</b>				
<b>£000</b>	<b>2019-20</b>	<b>2020-21</b>		
	<b>Total</b>	<b>Operating Account</b>	<b>Investment Account</b>	<b>Total</b>
<b>INCOME</b>				
National Insurance Contributions	180,311	179,159	-	179,159
Income from Investments	21,919	-	16,780	16,780
Net profit or loss on realisation of Investments	15,611	-	8,860	8,860
Net profit or loss on Currency Transfers	1,419	-	(215)	(215)
Financial adjustments with United Kingdom	46,532	45,307	-	45,307
Other Income	-	0	-	0
<u>Transfers</u>				
Income transferred to Operating Account	-	-	(40,000)	(40,000)
<b>Total Income</b>	<b>265,792</b>	<b>224,466</b>	<b>(14,576)</b>	<b>209,890</b>
<b>EXPENDITURE</b>				
Benefits	207,109	249,713	-	249,713
Administration Costs	3,288	2,779	-	2,779
Consultancy and ICT Costs	214	440	-	440
Custodian Fees	117	-	81	81
Investment Management Fees	1,930	-	1,923	1,923
<u>Transfers</u>				
Transfer to Healthcare Transformation Fund	-	-	-	-
<b>Total Expenditure</b>	<b>212,658</b>	<b>252,932</b>	<b>2,005</b>	<b>254,937</b>
<b>Net Movement for Year</b>	<b>53,134</b>	<b>(28,467)</b>	<b>(16,580)</b>	<b>(45,047)</b>
Balance brought forward at 1 April	831,685	33,275	851,544	884,819
Balance carried forward at 31 March	<b>884,819</b>	<b>4,808</b>	<b>834,964</b>	<b>839,772</b>

### 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 section 6.8 (see The Treasury, Social Security Division accounts).
- (ii) the National Insurance Investment Account which is invested by external Investment Managers on behalf of the Treasury.



**National Insurance Account (continued)**

2. Balances of the combined fund at 31 March 2021 were:

<b>COMPOSITION OF THE FUND BALANCE</b>						
£000	As at 31 March 2020		As at March 2021		Movement	
	Book Cost	Market Value	Book Cost	Market Value	Book Cost	Market Value
Balance on externally managed fund	851,136	846,657	834,556	977,377	(16,580)	130,720
Freehold Property vested in the Treasury	408	600	408	600	-	-
<b>Sub-total NI Investment A/C</b>	<b>851,544</b>	<b>847,257</b>	<b>834,964</b>	<b>977,977</b>	<b>(16,580)</b>	<b>130,720</b>
Cash Balance of Operating Account	33,275	33,275	4,808	4,808	(28,467)	(28,467)
<b>Total</b>	<b>884,819</b>	<b>880,532</b>	<b>839,772</b>	<b>982,785</b>	<b>(45,047)</b>	<b>102,253</b>

3. Investments held by the fund managers at 31 March 2021 were:

<b>INVESTMENTS BY ASSET TYPE</b>						
£000	As at 31 March 2020		As at March 2021		Movement	
	Book Cost	Market Value	Book Cost	Market Value	Book Cost	Market Value
UK Fixed Interest	209,774	208,719	172,079	174,710	(37,695)	(34,009)
UK Equities	181,969	162,152	126,231	133,851	(55,738)	(28,301)
Overseas Fixed Interest	32,073	31,910	4,035	4,365	(28,037)	(27,545)
Overseas Equities	223,660	242,844	166,770	246,737	(56,890)	3,892
Other Investments	117,746	115,108	274,617	326,890	156,871	211,782
Property	408	600	408	600	-	-
Cash & Cash Instruments	85,914	85,923	90,824	90,824	4,910	4,901
<b>Total</b>	<b>851,544</b>	<b>847,257</b>	<b>834,964</b>	<b>977,977</b>	<b>(16,580)</b>	<b>130,720</b>

4. National insurance contributions comprise:

<b>National Insurance Contributions Comprise:</b>		
£000	2019-20	2020-21
Gross Contributions	(221,094)	(217,987)
Less: Property Rents	(72)	(72)
Less: Allocation to Health Services	40,855	38,900
<b>Total</b>	<b>(180,311)</b>	<b>(179,159)</b>

5. Financial adjustments with the United Kingdom comprise:

<b>Financial Adjustments with the UK Comprise:</b>		
£000	2019-20	2020-21
Prev year Deficit	(44,228)	(43,144)
Inflationary uplift pre 1978	(1,150)	(1,683)
	(2,824)	(2,713)
<b>Sub-Total Receipts</b>	<b>(48,202)</b>	<b>(47,540)</b>
Net Deficit to Imprest Adjustment	1,623	2,233
Annual Settlement - provision	48	-
<b>Total</b>	<b>(46,531)</b>	<b>(45,307)</b>



**7.6 Public Service Employees Pension Reserve (PSEPR)**

**Table 7.6a**

<b>PUBLIC SERVICE EMPLOYEE PENSION RESERVE</b>				
<b>£000</b>	<b>2019-20</b>	<b>2020-21</b>		
	<b>Total</b>	<b>Internal Fund</b>	<b>External Fund</b>	<b>Total</b>
<b>INCOME</b>				
Interest on funds held by Treasury	74	7	-	7
Income from Investments	1,994	-	856	856
Net profit/(loss) on realisation of Investments	3,816	-	464	464
Net profit/(loss) on Currency Transfers	281	-	168	168
<b>Total Income</b>	<b>6,165</b>	<b>7</b>	<b>1,487</b>	<b>1,494</b>
<b>EXPENDITURE</b>				
<u>Public Sector Pensions Authority</u>				
Operating Expenses	826	940	-	940
Pensions Project	327	351	-	351
<u>Other</u>				
Custodian Fees	25	-	12	12
Investment Management Fees	203	-	137	137
<u>Transfers</u>				
Transfer to General Revenue Account	32,048	38,969	-	38,969
Inter-Fund Transfers	-	(35,649)	35,500	(149)
<b>Total Expenditure</b>	<b>33,429</b>	<b>4,611</b>	<b>35,649</b>	<b>40,260</b>
<b>Net Movement for Year</b>	<b>(27,264)</b>	<b>(4,604)</b>	<b>(34,161)</b>	<b>(38,766)</b>
Balance brought forward at 1 April	109,418	11,218	70,936	82,154
<b>Balance carried forward at 31 March</b>	<b>82,154</b>	<b>6,614</b>	<b>36,774</b>	<b>43,388</b>

**Notes**

- Balances of the combined fund at 31 March 2021 were:

**Table 7.6b**

<b>COMPOSITION OF THE FUND BALANCE</b>				
<b>£000</b>	<b>As at 31 March 2020</b>		<b>As at March 2021</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
Balance on externally managed fund	70,936	69,693	36,774	40,909
Cash Balance of Internal Fund	11,218	11,218	6,614	6,614
<b>Total</b>	<b>82,153</b>	<b>80,911</b>	<b>43,388</b>	<b>47,522</b>



**Public Service Employees Pension Reserve (continued)**

2. Investments held by the fund managers at 31 March 2021 were:

**Table 7.6c**

<b>INVESTMENTS BY ASSET TYPE</b>						
<b>£000</b>	<b>As at 31 March 2020</b>		<b>As at March 2021</b>		<b>Movement</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
UK Fixed Interest	19,801	19,881	10,284	10,454	(9,517)	(9,427)
UK Equities	15,365	11,743	7,619	7,105	(7,746)	(4,638)
Overseas Fixed Interest	11,135	11,295	-	-	(11,135)	(11,295)
Overseas Equities	9,330	11,848	1,103	2,097	(8,227)	(9,752)
Other Investments	3,526	3,144	13,854	17,339	10,328	14,196
Cash & Cash Instruments	11,779	11,783	3,915	3,915	(7,865)	(7,869)
<b>Total</b>	<b>70,936</b>	<b>69,693</b>	<b>36,774</b>	<b>40,909</b>	<b>(34,161)</b>	<b>(28,785)</b>

3. The Public Service Employees Pension Reserve was established by the Treasury on the 1 April 1994.
4. The purpose of the fund is to accumulate the receipt of transfer values in respect of incoming employees and to provide a long term reserve to stabilise the annual finance of :
  - a. Transfer values payable for outgoing employees;
  - b. Lump sums payable to retiring employees;
  - c. On-going costs of pension administration and the implementation of the Government Unified Scheme; and
  - d. The emerging pensions liability.
5. 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.
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 the Treasury.



## 7.7 Reserve Fund Account

**Table 7.7a**

<b>RESERVE FUND</b>		
	<b>Actual 2019-20 £000</b>	<b>Actual 2020-21 £000</b>
<b>INCOME</b>		
Income from Investments	11,815	7,896
Net profit/(loss) on realisation of Investments	8,401	6,505
Net profit/(loss) on Currency Transfers	1,070	1,372
<b>Total Income</b>	<b>21,286</b>	<b>15,773</b>
<b>EXPENDITURE</b>		
<u>Other</u>		
Custodian Fees	62	49
Investment Management Fees	891	892
Expenditure - Acquisition of IOMSPC	3	-
<u>Transfers</u>		
Transfer to/(from) General Revenue	(20,000)	7,000
General Revenue (income)	7,622	5,823
<b>Total Expenditure</b>	<b>(11,422)</b>	<b>13,764</b>
<b>Net Movement for Year</b>	<b>32,708</b>	<b>2,010</b>
Balance brought forward at 1 April	351,524	384,232
<b>Balance carried forward at 31 March</b>	<b>384,232</b>	<b>386,242</b>

### Notes

- Investments at 31 March 2021 were:

**Table 7.7b**

<b>INVESTMENTS BY ASSET TYPE</b>						
<b>£000</b>	<b>As at 31 March 2020</b>		<b>As at March 2021</b>		<b>Movement</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
UK Fixed Interest	108,468	107,535	100,542	101,283	(7,926)	(6,252)
UK Equities	82,010	64,994	56,264	51,258	(25,746)	(13,736)
Overseas Fixed Interest	3,916	3,791	-	-	(3,916)	(3,791)
Overseas Equities	114,292	131,305	91,824	141,274	(22,468)	9,968
Other Investments	38,173	35,497	84,641	101,428	46,469	65,931
Cash & Cash Instruments	35,224	35,231	50,475	50,475	15,251	15,244
Cash held by Treasury (IOMSPG)	2,151	2,151	2,497	2,497	346	346
<b>Total</b>	<b>384,233</b>	<b>380,504</b>	<b>386,242</b>	<b>448,215</b>	<b>2,010</b>	<b>67,711</b>

- The Reserve Fund is the only reserve which is not designated for a specific purpose.
- Some income from the Reserve Fund Account is remitted to the Treasury each quarter but this is planned to be eliminated during the course of the Five Year Financial Plan as part of the strategy to reduce reliance on the reserves.



## 7.8 Media Development Fund

Table 7.8a

MEDIA DEVELOPMENT FUND				
£000	2019-20	2020-21		
	Total	Internal Fund	External Fund	Total
<b>INCOME</b>				
Recoupment of investments	2	-	-	-
Investment Income	107	17	-	17
Net profit/(loss) on investments	(2,073)	-	174	174
<b>Total Income</b>	<b>(1,964)</b>	<b>17</b>	<b>174</b>	<b>191</b>
<b>EXPENDITURE</b>				
<u>Treasury</u>				
Investment Manager's Fees	58	-	-	-
<u>Transfers</u>				
Transfer to Internal Fund	(990)	(428)	429	1
<b>Total Expenditure</b>	<b>(932)</b>	<b>(428)</b>	<b>429</b>	<b>1</b>
<b>Net Movement for Year</b>	<b>(1,032)</b>	<b>445</b>	<b>(255)</b>	<b>190</b>
Balance brought forward at 1 April	18,122	16,131	959	17,089
<b>Balance carried forward at 31 March</b>	<b>17,090</b>	<b>16,576</b>	<b>704</b>	<b>17,280</b>

### Notes

- Investments at 31 March 2021 were:

Table 7.8b

COMPOSITION OF THE FUND BALANCE				
£000	As at 31 March 2019		As at 31 March 2020	
	Book Cost	Market Value	Book Cost	Market Value
Balance on externally managed fund	959	959	704	704
Cash Balance of Internal Fund	16,131	16,131	16,576	16,576
<b>Total</b>	<b>17,089</b>	<b>17,089</b>	<b>17,280</b>	<b>17,280</b>

- 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 was intended to create additional local employment opportunities and to enable a greater proportion of film and media related activities to be undertaken in the Isle of Man. Currently the fund receives receipts from legacy projects





**Media Development Fund - notes (continued)**

3. 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. This contract with Pinewood Film Advisors Limited ended in October 2017 and the Department for Enterprise is working on a new strategy in relation to investing in this sector.
4. On a regular basis the investment manager of the external fund reviews the amount recoverable from each investment and makes provisions against the value of investments in certain films to more prudently reflect the future receipts anticipated. During 2020-21 provisions of £174k were reversed due to funds being received that had previously been provided for (Provisions 2019-20: £2.073m), this adjustment updates the valuation of the investments.
5. The Fund has been combined into the Reserve Fund for 2020-21. The amount that will be transferred is the closing balance at 31 March 2021, £17.3m.



## 7.9 Enterprise Development Scheme

Enterprise Development Scheme				
£000	2019-20	2020-21		
	Total	Internal Fund	External Fund	Total
<b>INCOME</b>				
Interest on funds held by Treasury	47	14	-	14
Income from Investments	-	-	-	-
Net profit/(loss) on investments	-	-	(2,300)	(2,300)
<u>Transfers</u>				
From Net General Revenue Account	-	173	-	173
<b>Total Income</b>	<b>47</b>	<b>187</b>	<b>(2,300)</b>	<b>(2,112)</b>
<b>EXPENDITURE</b>				
<u>Department of Economic Development</u>				
Investments	118	-	-	-
<u>Other</u>				
Investment Management Fees	-	-	67	67
<u>Transfers</u>				
Inter-fund Transfers	-	(7)	7	-
<b>Total Expenditure</b>	<b>118</b>	<b>(7)</b>	<b>74</b>	<b>67</b>
<b>Net Movement for Year</b>	<b>(71)</b>	<b>194</b>	<b>(2,373)</b>	<b>(2,179)</b>
Balance brought forward at 1 April	10,155	6,272	3,812	10,084
<b>Balance carried forward at 31 March</b>	<b>10,084</b>	<b>6,467</b>	<b>1,439</b>	<b>7,905</b>

### Notes

1. The Enterprise Development Scheme (EDS) commenced at the start of 2016-17, with initially a £10m internal balance transfer from the Revenue Account Operating Balance which was increased by £2m in 2017-18.
2. The scheme is designed to boost the Isle of Man's economy with business investment and loan funding. The Scheme is intended to promote innovation and entrepreneurialism, increase inward investment to the Island, and to generate job creation opportunities through the establishment of the Island as an enterprise development zone.
3. During 2018-19 the terms of the scheme changed along with the governance. The original scheme 'EDS 2015' was closed in January 2019 and was replaced by the new scheme 'EDS 2018' (which was approved at December 2018 Tynwald). EDS 2018 has two sets of guidelines one for normal equity and loan investments and one specifically for media related projects.



**Enterprise Development Scheme (continued)**

**Notes (continued)**

4. From 2018-19 onwards provisions have been made against investments and loans which are either not considered recoverable or valued at a lower amount. A total provision of £3.4m has been provided for in 2020-21 which includes a provision of £1.1m in 2018-19 and a further provision of £2.3m for 2019-20. The 2019-20 provision was included in the Dark Blue Book due and was adjusted for in 2020-21. No further provisions have been made in respect of 2020-21.
5. Balances at 31 March 2021 were:

**Table 7.9b**

<b>COMPOSITION OF THE FUND BALANCE</b>				
<b>£000</b>	<b>As at 31 March 2019</b>		<b>As at 31 March 2020</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
Balance on externally managed fund	3,812	3,812	1,439	1,439
Cash Balance of Internal Fund	6,272	6,272	6,467	6,467
<b>Total</b>	<b>10,084</b>	<b>10,084</b>	<b>7,905</b>	<b>7,905</b>

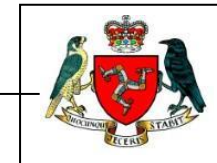


## 8. Internal Revenue Funds and Reserves

### 8.1 Summary of internally invested funds and reserves

Table 8.1a

£000 Internal Revenue Fund or Reserve	Balances Brought Forward 1 April 2020	SUMMARY OF INTERNAL FUNDS				Balances Carried Forward 31 March 2021	Movement
		INCOME		EXPENDITURE			
		Transfers to/from Operating Account	Contributions Seizures & Other	Investment Income	Transfers to Internal Accounts		
Academic Business Planning Fund	1,397	(600)	987	2	400	1,385	(12)
Agriculture and Forestry Fund	1,485	1,700	-	2	900	2,287	802
Brexit Fund	2,680	-	-	2	111	2,571	(109)
Contingency Fund	47,464	18,100	-	13	54,912	10,666	(36,799)
Digital Strategy Fund	4,317	1,000	-	5	345	4,977	660
Economic Development Fund	9,768	(5,000)	-	10	-	4,778	(4,990)
Environmental Protection Fund	-	5,000	-	2	353	4,650	4,650
Economic Recovery Fund	-	15,500	-	6	12,426	3,079	3,079
Healthcare Transformation Fund	8,887	5,000	-	8	4,840	9,055	168
Housing Reserve Fund	1,411	-	5,575	10	2,105	4,890	3,479
Invest to Save Fund	2,194	-	-	2	314	1,883	(312)
Land & Property Acquisition Reserve	6,914	-	-	8	-	6,921	8
Legal Costs Reserve	3,166	1,000	-	3	1,361	2,808	(358)
Marketing Initiatives Fund	1,528	1,000	-	2	-	2,531	1,002
Medical Indemnity Fund	2,950	3,000	-	4	2,146	3,807	857
Seized Assets Fund	3,022	-	7,297	19	144	10,195	7,173
Town & Village Centre Regen. Fund	1,514	-	-	2	-	1,515	2
<b>Total: Internal Funds</b>	<b>98,696</b>	<b>45,700</b>	<b>13,860</b>	<b>99</b>	<b>80,357</b>	<b>77,998</b>	<b>(20,698)</b>



## **Summary of internally invested funds and reserves (continued)**

### **Notes**

1. Government's internal reserves serve a valuable role in funding those costs which are difficult to predict due to their unforeseen nature or due to a higher level of cost volatility from year-to-year. These items would distort the revenue budget if incorporated into the annual estimates, with the risk still remaining that the budget estimates are inadequate to meet the year's actual requirements.
2. A breakdown of the transfers to internal accounts by department is given on the next page.



## 8.2 Drawdowns from internal funds by department (transfers to internal accounts)

Table 8.1b

DRAWDOWN FROM INTERNAL FUNDS BY DEPARTMENT															
£000	Fund:	ACTUAL 2020-21													
		ABPF	AFF	BF	CF	DSF	EPF	ERF	HTF	HRF	ITSF	LCR	MEDIF	SAF	TOTAL
<b>Department</b>															
	Education, Sport & Culture	400	-	-	1,421	-	-	-	-	-	243	-	-	-	<b>2,064</b>
	Environment, Food & Agriculture	-	900	111	1,416	-	-	59	-	-	-	-	-	-	<b>2,485</b>
	Health & Social Care	-	-	-	17,211	-	-	-	130	-	-	-	2,037	-	<b>19,377</b>
	Home Affairs	-	-	-	394	-	-	-	-	-	-	479	-	17	<b>889</b>
	Infrastructure	-	-	-	14,189	-	-	-	-	-	-	-	-	-	<b>14,189</b>
	Treasury	-	-	-	17,850	-	-	12,238	-	543	-	-	-	-	<b>30,630</b>
	Cabinet Office	-	-	-	2,051	345	353	-	4,710	-	-	417	-	-	<b>7,876</b>
<b>Executive Government</b>															
	Industrial Relations	-	-	-	-	-	-	17	-	-	-	-	-	-	<b>17</b>
	General Registry	-	-	-	-	-	-	-	-	-	-	347	-	-	<b>347</b>
	Attorney General's Chambers	-	-	-	-	-	-	-	-	-	71	118	110	36	<b>334</b>
<b>Statutory Boards</b>															
	Financial Services Authority	-	-	-	-	-	-	-	-	-	-	-	-	49	<b>49</b>
	Gambling Supervision Commission	-	-	-	-	-	-	113	-	-	-	-	-	-	<b>113</b>
	Financial Intelligence Unit	-	-	-	12	-	-	-	-	-	-	-	-	43	<b>54</b>
	Manx Museum and National Trust	-	-	-	368	-	-	-	-	-	-	-	-	-	<b>368</b>
<b>NET TRANSFERS TO REVENUE</b>		<b>400</b>	<b>900</b>	<b>111</b>	<b>54,912</b>	<b>345</b>	<b>353</b>	<b>12,426</b>	<b>4,840</b>	<b>543</b>	<b>314</b>	<b>1,361</b>	<b>2,146</b>	<b>144</b>	<b>78,795</b>
<b>TRANSFERS TO CAPITAL</b>		-	-	-	-	-	-	-	-	1,562	-	-	-	-	<b>1,562</b>
<b>TOTAL TRANSFERS TO INTERNAL ACCOUNTS</b>		<b>400</b>	<b>900</b>	<b>111</b>	<b>54,912</b>	<b>345</b>	<b>353</b>	<b>12,426</b>	<b>4,840</b>	<b>2,105</b>	<b>314</b>	<b>1,361</b>	<b>2,146</b>	<b>144</b>	<b>80,357</b>

### Notes

1. Details of the individual items making up the balance on each fund is given on the individual fund pages which follow.
2. The Index of Abbreviations in Section 12 gives the full name of each fund.



## 8.2 Academic Business Planning Fund

ACADEMIC BUSINESS PLANNING FUND		
£000	Actual 2019-20	Actual 2020-21
<b>INCOME</b>		
Interest on Funds held by Treasury	11	2
Transfer from Dept. of Education, Sport & Culture	794	987
<b>Total Income</b>	<b>805</b>	<b>989</b>
<b>EXPENDITURE</b>		
<u>Dept. of Education, Sport &amp; Culture</u>		
Anagh Coar	5	-
Ashley Hill	5	-
Ballacottier	10	-
Ballaugh	1	-
Ballasalla	-	6
Braddan	6	1
Castle Rushen	148	122
Central	118	-
Education improvement adviser	15	-
Education Liaison Officer (SEN)	93	-
Henry Bloom Noble	6	6
Jurby School	-	8
Kewaigue	8	-
Manor Park	7	-
Michael Primary School	-	6
QE2	48	31
Rushen School	17	26
Scoill yn Jubilee	31	25
Scoill Vallajeelt	-	5
St Johns	4	4
St Marys	3	15
Sulby	3	20
University College of Man	63	3
Victoria Road	-	1
Youth Café	21	49
Transfer to Revenue Contingency Fund	-	600
Other expenditure	-	73
<b>Total Expenditure</b>	<b>613</b>	<b>1,001</b>
<b>Net Movement for Year</b>	<b>192</b>	<b>(12)</b>
Balance brought forward at 1 April	1,205	1,397
<b>Balance carried forward at 31 March</b>	<b>1,397</b>	<b>1,385</b>



**Notes - Academic Business Planning Fund**

1. The Academic Business Planning Fund was established by Tynwald on the 1 April 2017.
2. The purpose of the fund is to help facilitate the Department of Education, Sport and Culture in meeting budgetary pressures arising from the timing differences between the academic year and the financial year.
3. As of 2018-19, the Department of Education, Sport and Culture may seek the Treasury's agreement to allocate up to £1 million of any year end underspend against its revenue budget in order to be utilised for specific planned business purposes within the first six months of the new financial year. In this way, additional budgetary flexibility can be provided to provide some overlap between the closure of the financial year and the start of the new academic year.
4. The fund is not intended as a means for the Department to avoid compliance with year-end cut off accounting standards or to retain access to general and unallocated underspent revenue funds.





### 8.3 Agriculture and Forestry Fund

Agriculture and Forestry Fund		
£000	Actual 2019-20	Actual 2020-21
<b>INCOME</b>		
Interest on Funds held by Treasury	12	2
Transfer from Operating Account	1,000	1,700
<b>Total Income</b>	<b>1,012</b>	<b>1,702</b>
<b>EXPENDITURE</b>		
<u>Dept. of Environment, Food &amp; Agriculture</u>		
Meat Plant Subvention	899	900
<b>Total Expenditure</b>	<b>899</b>	<b>900</b>
<b>Net Movement for Year</b>	<b>113</b>	<b>802</b>
Balance brought forward at 1 April	1,372	1,485
<b>Balance carried forward at 31 March</b>	<b>1,485</b>	<b>2,287</b>

#### Notes

1. The Agriculture and Forestry Fund was established by Tynwald with effect from the 1 April 2007. The original purpose was to assist the Department of Environment, Food and Agriculture in providing funding for additional financial support to the agriculture sector, during its period of transition and adjustment following the loss of the red meat derogation. The fund is utilised to support initiatives that are designed to provide sustainable benefits for the sector in the longer term.
2. Bids are invited and considered where costs and any economic benefits are clearly defined and measurable.



## 8.4 BREXIT Fund

Table 8.4

<b>BREXIT Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	16	2
Transfer from Operating Account	1,000	-
<b>Total Income</b>	<b>1,016</b>	<b>2</b>
<b>EXPENDITURE</b>		
Treasury		
Cabinet Office	55	-
DEFA	109	111
DfE	82	-
<b>Total Expenditure</b>	<b>245</b>	<b>111</b>
<b>Net Movement for Year</b>	<b>770</b>	<b>(109)</b>
Balance brought forward at 1 April	1,909	2,680
<b>Balance carried forward at 31 March</b>	<b>2,680</b>	<b>2,571</b>

### Notes

1. The BREXIT Fund was established by Tynwald with effect from the 1 April 2017.
2. The purpose of the fund is to meet unbudgeted costs in respect of matters arising from the United Kingdom's referendum decision to leave the European Union.
3. The fund is available to help meet the additional costs in the lead up to and shortly after the UK's departure from the European Union, as well as for putting measures in place to mitigate against the risks arising.



## 8.5 Contingency Fund

Contingency Fund		
£000	Actual 2019-20	Actual 2020-21
<b>INCOME</b>		
Transfer from General Revenue	40,000	17,500
Interest on Funds held by Treasury	229	13
Transfer from Economic Recovery Fund	-	12,238
Transfer from Academic Business Planning Fund	-	600
<b>Total Income</b>	<b>40,229</b>	<b>30,351</b>
<b>EXPENDITURE</b>		
CABO - Covid Contingency Claim 20/21	-	2,051
DEFA - Fishing Industry SS	-	1,189
DEFA - Building Control	-	157
DEFA - Tree Planting	-	69
DESC - Teachers Lecturer Pay	-	1,421
DHA - Homelessness Project	-	176
DHA - Legal Costs	-	218
DHSC - PPE	-	8,000
DHSC - Provision of Home Care Services by Crossroads	-	240
DHSC - Swabbing	-	686
DHSC - Backfilling staff who will deliver vaccine	-	385
DHSC - Legacy pay gap approved in the Budget Update 2020	-	7,900
DOI - Covid contingency Claim 20/21	-	14,189
FIU - Contingency Claim	-	12
MNHT - Covid Contingency Claim 20/21	-	368
Treasury - COVID Support Schemes - to 31 August	-	17,723
Treasury - CBSS V2	-	185
Treasury - CBSS V3	-	219
Treasury - CBSS V4	-	150
Treasury - CBSS CBL1	-	3,722
Treasury - CBSS CBL2	-	6,373
Treasury - Revenue Funded Benefits	-	1,716
<b>Total Expenditure</b>	<b>-</b>	<b>67,150</b>
<b>Net Movement for Year</b>	<b>40,229</b>	<b>(36,799)</b>
Balance brought forward at 1 April	7,235	47,464
<b>Balance carried forward at 31 March</b>	<b>47,464</b>	<b>10,666</b>

### Notes

1. The Contingency Fund was established by Tynwald with effect from the 1 April 2016.
2. The fund arises from a need to ensure that funding is provided to meet any unexpected or unplanned occurrences, or a requirement for one-off payments that are not included in the departmental revenue targets.
3. Bids are invited and considered where costs and any economic benefits are clearly defined and measurable.
4. During 2020-21 £55.8m was transferred to Departments revenue to cover the costs incurred as a result of the Covid-19 pandemic.



## 8.6 Digital Strategy Fund

**Table 8.6**

<b>Digital Strategy Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	42	5
Transfer from General Revenue	15	1,000
<b>Total Income</b>	<b>57</b>	<b>1,005</b>
<b>EXPENDITURE</b>		
<u>Cabinet Office</u>		
Digital Strategy - Police		
Digital Strategy - Health	493	84
Digital Strategy - HR Modernisation Programme	231	69
Digital Strategy - Drives and Vehicles	5	-
Digital Strategy/PMO Governance	102	-
Smart Services	89	58
Order Comms Expansion	-	-
Public Housing Sector	137	134
<b>Total Expenditure</b>	<b>1,058</b>	<b>345</b>
<b>Net Movement for Year</b>	<b>(1,001)</b>	<b>660</b>
Balance brought forward at 1 April	5,318	4,317
<b>Balance carried forward at 31 March</b>	<b>4,317</b>	<b>4,977</b>

### Notes

- The Digital Strategy Fund was established by Tynwald with effect from the 1 April 2016. The fund arises from a need to ensure that the delivery of the Digital Strategy is fully implemented and savings arising are captured accordingly.
- The objectives of the Digital Strategy Fund are defined as:
  - A minimum financial saving of £5m to be achieved within five years ensuring the programme is cost neutral across the period.
  - Indirect savings and service improvements of £5m achieved within five years.
- Savings will be identified, with 50% of payback savings recouped from departments and reimbursed back into the fund by the Treasury at each year end for five years. 25% of the department's recurring base budget savings will be clawed back and applied to departmental revenue targets to allow resources to be returned to general revenue or realigned to new priorities as defined by the Council of Ministers. Departments will be permitted to retain the remaining 25% of the annual savings figure.
- The nature of savings will be a mix of short/long term and financial, social and economic. Bids may be considered that contribute to one of these categories. It is expected that applications will provide ongoing benefits after the five year period.
- The fund replaces the now closed ICT Fund.



## 8.7 Economic Development Fund

**Table 8.7a**

<b>Economic Development Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	86	10
Other Income	180	-
<b>Total Income</b>	<b>267</b>	<b>10</b>
<b>EXPENDITURE</b>		
<u>Department for Enterprise</u>		
Airport Technology Gateway	91	-
Investment into Micro Business Grant Scheme	326	-
EDS In House Resource (Only if Overspend)	49	-
Transfer to Economic Recovery Fund	-	5,000
<b>Total Expenditure</b>	<b>465</b>	<b>5,000</b>
<b>Net Movement for Year</b>	<b>(198)</b>	<b>(4,990)</b>
Balance brought forward at 1 April	9,966	9,768
<b>Balance carried forward at 31 March</b>	<b>9,768</b>	<b>4,778</b>

### Notes

1. There were no loan balances outstanding in either 2019-20 or 2020-21.
2. Originally established in 1999, the purpose of the fund is to provide financial assistance to organisations undertaking projects which are deemed to have a positive contribution to the local economy yet are not eligible under any other Government scheme.
3. Bids are invited and considered where costs and any economic benefits are clearly defined and measurable.
4. The value of guarantees granted as at 31 March 2021 was £3,110,790.05 (2020: £3,374,703.05).



## 8.8 Environmental Protection Fund

Environmental Protection Fund		
£000	Actual 2019-20	Actual 2020-21
<b>INCOME</b>		
Interest on Funds held by Treasury	-	2
Transfer from General Revenue	-	5,000
<b>Total Income</b>	-	<b>5,002</b>
<b>EXPENDITURE</b>		
CABO - Climate Change Team	-	353
Integrated Care Implementation	-	-
<b>Total Expenditure</b>	-	<b>353</b>
<b>Net Movement for Year</b>	-	<b>4,650</b>
Balance brought forward at 1 April	-	-
<b>Balance carried forward at 31 March</b>	-	<b>4,650</b>

### Notes

The Environmental Protection Fund was established with a transfer of £5m from the Net General Revenue Account to support interim funding of agreed actions and objectives identified in the Isle of Man Government Climate Change Action Plan. The Climate Change Action Plan was approved by Tynwald in January 2020 and a Climate Emergency Consultative Transformation Team is in place.



## 8.9 Economic Recovery Fund

**Table 8.9**

<b>Economic Recovery Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	-	6
Transfer from General Revenue	-	10,500
Transfer from Economic Development Fund		5,000
<b>Total Income</b>	-	<b>15,506</b>
<b>EXPENDITURE</b>	-	-
DEFA - Accelerated Planning Applications	-	59
GSC - Regulation of the Cannabis Sector		113
IRO - Resource Funding	-	17
<u>Covid-19 Support Schemes</u>		
CBSS CBL	-	3,722
CBSS CBL2	-	6,373
CBSS V3	-	3
CBSS V4	-	150
Strategic Capacity Scheme	-	1,990
<b>Total Expenditure</b>	-	<b>12,426</b>
<b>Net Movement for Year</b>	-	<b>3,079</b>
Balance brought forward at 1 April	-	-
<b>Balance carried forward at 31 March</b>	-	<b>3,079</b>

### Notes

In the Budget Update 2020 (Purple Book) Tynwald approved the creation of the Economic Recovery Fund to support and assist the Island's economy, its people and businesses for recovery from the Covid-19 pandemic.

Funding was approved up to £100m however an initial transfer was made in 2020-21 amounting to £10.5m and a further transfer of £5m was made in the year from the Economic Development Fund to cover additional Covid-19 costs.

£12.2m was transferred to the Contingency Fund in the 2020-21 to cover the costs of Covid-19 support schemes which were further impacted by the March 2021 lockdown.



**8.10 Healthcare Transformation Fund**

**Table 8.10**

<b>Health Care Transformation Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	45	-
<u>Transfers</u>		
Transfer from General Revenue	-	5,008
<b>Total Income</b>	<b>45</b>	<b>5,008</b>
<b>EXPENDITURE</b>		
<u>Cabinet Office</u>		
IPC Surveillance Replacement System 234/17	80	64
Mental Health Online Support and Counselling	21	4
HTF	862	4,643
<u>Department of Health and Social Care</u>		
Research and Development	24	-
Medicines Optimisation	238	-
Nobles Team	50	-
Mental Health Online	65	42
<u>Treasury</u>		
Integrated Care Implementation	146	88
<b>Total Expenditure</b>	<b>1,486</b>	<b>4,840</b>
<b>Net Movement for Year</b>	<b>(1,441)</b>	<b>168</b>
Balance brought forward at 1 April	10,328	8,887
<b>Balance carried forward at 31 March</b>	<b>8,887</b>	<b>9,055</b>





## Healthcare Transformation Fund (continued)

### Notes

1. The Healthcare Transformation Fund was established by Tynwald with effect from the 1 April 2017, in place of the pre-existing Health Inspection Fund.
2. The fund arises from the need to support the controlled implementation of transformational changes, which are necessary for the delivery of the Department of Health and Social Care's Medium-Term Strategy. This will include initiatives to realise ongoing revenue savings, or perhaps allow the double-running of services necessary to support realignment. Bids can be made in respect of schemes which fall within the ambit of section 1 of the National Health Service Act 2001.
3. Bids are invited and considered where the costs / potential revenue savings are clearly defined and measurable, and where the key deliverables underpin the delivery of the department's strategy, which is built upon five pillars:
  - Prevention – enabling people to take greater responsibility for their own health
  - Community Care – helping people stay well in their own home / community
  - Acute Care – improving services for people that really need care in hospital
  - Protecting the vulnerable – provision of safeguards for people who cannot protect themselves
  - Provision of good value Health and Social Care
4. Bids will be considered that clearly contribute to at least one of these. It is expected that applications will provide payback savings within 2-3 years, although longer periods may be considered in exceptional circumstances.



### 8.11 Housing Reserve Fund

**Table 8.11**

<b>Housing Reserve Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	85	10
House Purchase Assistance Scheme Repayments	-	5,575
Transfer from General Revenue	303	-
<u>Contribution from Departments</u>		
Department of Infrastructure, Sale of Land	-	-
<b>Total Income</b>	<b>387</b>	<b>5,585</b>
<b>EXPENDITURE</b>		
<u>DOI transfer to Capital Account for:</u>		
-Planned Maintenance Schemes	1,850	1375
-Clagh Vane Redevelopment (Project 7)	2,072	187
Treasury - LAH borrowing renewal	-	543
<b>Total Expenditure</b>	<b>3,922</b>	<b>2,105</b>
<b>Net Movement for Year</b>	<b>(3,535)</b>	<b>3,479</b>
Balance brought forward at 1 April	4,946	1,411
<b>Balance carried forward at 31 March</b>	<b>1,411</b>	<b>4,890</b>

#### Notes

1. The Housing Reserve Fund was established by Tynwald with effect from the 1 April 2002. The fund arises from a need to ensure that funding is available to finance housing related projects, in particular Government's capital housing programme.
2. The loan charge costs of some government housing schemes that have been approved by Tynwald and also the loan charge costs of planned maintenance schemes are met by an annual transfer from the fund into the capital account. Since 2017/18 the house purchase assistance scheme has been funded from capital.
3. The fund is also used to finance Government commitments under the First Time Buyers House Purchase Assistance Scheme, for which scheme repayments are used to supplement the balance of the fund.
4. The increase in repayments for 2020-21 is due to this being the aggregate of 2019-20 and 2020-21 repayments. In 2019-20 the repayments remained the in House Purchase Assistance Scheme within the Consolidated Loans Fund.



## 8.12 Invest to Save Fund

**Table 8.12**

<b>Invest to Save Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	26	2
Transfer from General Revenue Account	-	-
<b>Total Income</b>	<b>26</b>	<b>2</b>
<b>EXPENDITURE</b>		
<u>Department of Infrastructure</u>		
Office Rationalisations	490	-
Airline Discount/Employee Costs	652	-
Bus Vannin Staff Payments	225	-
<u>Cabinet Office</u>		
Mutually Agreed Resignation Scheme	210	-
Airport Investment	11	-
<u>Attorney General's Chambers</u>		
Legal Aid Project	-	71
<u>Treasury</u>		
SAVE Scheme	37	-
<u>Manx Museum &amp; National Trust</u>		
Governance and Compliance Manager	39	-
<u>Department of Education, Sports and Culture</u>		
NSC Café	-	243
<b>Total Expenditure</b>	<b>1,663</b>	<b>314</b>
<b>Net Movement for Year</b>	<b>(1,637)</b>	<b>(312)</b>
Balance brought forward at 1 April	3,831	2,194
<b>Balance carried forward at 31 March</b>	<b>2,194</b>	<b>1,883</b>

### Notes

1. The Invest to Save Fund was originally established by Tynwald with effect from the 1 April 2016. The fund arose from the need to support the delivery of the Five Year Financial Plan through the identification of change projects which facilitate the opportunity to capture revenue target savings across Government.
2. The objective of the Invest to Save Fund is defined as the provision of funding to enable the implementation of upfront investment into projects which generate rapid revenue savings.



**Notes to Invest to Save Fund (continued)**

3. Savings will be identified, with 50% of payback savings recouped from departments and applied to departmental revenue targets to allow resources to be returned to the general reserve or realigned to new priorities as defined by the Council of Ministers. Since 2017-18 departments were permitted to retain the remaining 25% of the annual savings figure.
4. The nature of savings will be a mix of short/long term and financial, social and economic. Bids may be considered that contribute to one of these categories. It is expected that applications will provide payback savings within 3-5 years, although longer periods may be considered in exceptional circumstances. Ongoing savings benefits after the payback period are expected.
5. The fund replaces the now closed Restructuring Fund, which was designed to support Government's aim of 'Rebalancing the Budget'.
6. This fund is now designed to support the Five Year Financial Plan through the delivery of projects that capture ongoing revenue savings. Applications for projects that would otherwise have sought funding from the Restructuring Fund and the Government Energy Initiatives Capital Fund now come to the Invest to Save Fund. With the exception of Mutually Agreed Resignation Scheme (MARS) payments, funded items under the terms of the previous Restructure Fund, however, do not require the 50% ongoing revenue budget reductions.



### 8.13 Land and Property Acquisition Reserve

**Table 8.13**

<b>Land and Property Acquisition Reserve</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	63	8
Transfer from General Revenue	-	-
Income & Interest from Middlemarch Site	-	-
<b>Total Income</b>	<b>63</b>	<b>8</b>
<b>EXPENDITURE</b>		
DOI - Ballthane Cottage	331	-
<b>Total Expenditure</b>	<b>331</b>	<b>-</b>
<b>Net Movement for Year</b>	<b>(267)</b>	<b>8</b>
Balance brought forward at 1 April	7,181	6,914
<b>Balance carried forward at 31 March</b>	<b>6,914</b>	<b>6,921</b>

#### Notes

1. The Land and Property Acquisition Reserve was established by Tynwald with effect from the 1 April 2000.
2. The purpose of the reserve is to provide additional funding to meet the cost of acquiring land for the land bank and buildings for Government's property asset portfolio.
3. The reserve is intended for the financing of expenditure on unplanned ad hoc land and building property transactions that do not form part of Government's approved capital programme.
4. Purchase transactions are financed through the capital account, with a corresponding transfer from the Land and Property Acquisition Reserve to the capital account by way of offset.



## 8.14 Legal Costs Reserve

**Table 8.14**

<b>Legal Costs Reserve</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	24	3
Transfer from Operating Account	1,500	1,000
<b>Total Income</b>	<b>1,524</b>	<b>1,003</b>
<b>EXPENDITURE</b>		
<u>Attorney General's Chambers</u>		
Failed Prosecution Cost Awards	16	-
Prosecution Costs	-	118
<u>Cabinet Office</u>		
Legal Costs	437	417
<u>General Registry</u>		
Failed Prosecution Cost Awards	-	119
Prosecution Costs	-	228
<u>Home Affairs</u>		
Parole Inquiries	235	479
<b>Total Expenditure</b>	<b>688</b>	<b>1,361</b>
<b>Net Movement for Year</b>	<b>836</b>	<b>(358)</b>
Balance brought forward at 1 April	2,330	3,166
<b>Balance carried forward at 31 March</b>	<b>3,166</b>	<b>2,808</b>

### Notes

1. The Legal Costs Reserve was established by Tynwald in 2005. The fund arises from a need to ensure that funding is available to meet the cost of large and complex legal cases, and other extraordinary legal costs, which would otherwise place undue strain on the resources provided for prosecutions by the Attorney General's Chambers, and other areas of Government.
2. With a reducing balance of funds remaining available in this reserve, as part of the Five Year Financial Plan a number of costs which are incurred each year and have historically been funded from this reserve are now accounted for within the General Revenue Account through the Attorney General Chamber's budget. This trend is expected to continue for future financial years.



## 8.15 Marketing Initiatives Fund

**Table 8.15**

<b>Government Marketing Initiatives Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	23	2
Transfer from Operating Account	-	1,000
<b>Total Income</b>	<b>23</b>	<b>1,002</b>
<b>EXPENDITURE</b>		
<u>Department of Enterprise</u>		
E-gaming Target Market Access	49	-
Opportunities for Additional Growth	560	-
Tourism Division Marketing Budget	898	-
Country Marketing Strategy	25	-
Family Office/Business Angel Initiative	10	-
Locate IOM	255	-
Blockchain Office	299	-
<b>Total Expenditure</b>	<b>2,096</b>	<b>-</b>
<b>Net Movement for Year</b>	<b>(2,074)</b>	<b>1,002</b>
Balance brought forward at 1 April	3,602	1,528
<b>Balance carried forward at 31 March</b>	<b>1,528</b>	<b>2,531</b>

### Notes

1. The Marketing Initiatives Fund was established by Tynwald in 2005.
2. The fund arises from a need to ensure that funding is provided for initiatives that promote the Island to various markets and encourage access to business development opportunities.
3. The primary aim of the fund is to provide funding for initiatives that promote the Island to various markets and encourage access to business development opportunities.
4. Bids are invited and considered where the costs and economic benefits are clearly defined and measurable. Specifically, this includes exchequer benefits through income tax, national insurance and where appropriate, spend into the local economy.



### 8.16 Medical Indemnity Fund

**Table 8.16a**

<b>Medical Indemnity Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	32	4
Transfer from Operating Account	3,000	3,000
<b>Total Income</b>	<b>3,032</b>	<b>3,004</b>
<b>EXPENDITURE</b>		
<u>Department of Health and Social Care</u>		
Payment of Claims	4,392	2,037
<u>Attorney General's Chambers</u>		
Clinical Negligence Claims	98	110
<b>Total Expenditure</b>	<b>4,490</b>	<b>2,146</b>
<b>Net Movement for Year</b>	<b>(1,458)</b>	<b>857</b>
Balance brought forward at 1 April	4,407	2,950
<b>Balance carried forward at 31 March</b>	<b>2,949</b>	<b>3,807</b>

#### Notes

1. The Medical Indemnity Fund was established by Tynwald in 1994.
2. The primary purpose of the fund is to enable the fund to act as a cash-limited self-insurance fund to meet the cost of valid claims for damages on behalf of patients against Department of Health and Social Care staff working in the Island's hospitals.
3. Estimated liability of claims:

**Table 8.16b**

<b>ESTIMATED LIABILITY OF CLAIMS</b>		
<b>£000</b>	<b>As at 2019-20</b>	<b>As at 2020-21</b>
<b>Probability:</b>		
High	11,692	11,692
Medium	3,854	3,854
Low	189	189
<b>Total Estimated Liability</b>	<b>15,735</b>	<b>15,735</b>
Number of Claims Outstanding	23	23

It is expected that, if valid, these claims will be paid out over several years and the fund will be topped-up periodically from the Net General Revenue Account.

There has been no change from prior year due to the impact on services resulting from Covid-19.

4. The fund is not intended to cover liabilities arising from the operations at GP and dentist primary care surgeries, for which it is expected that those practices put in place their own medical indemnity arrangements.





## 8.17 Seized Asset Fund

**Table 8.17**

<b>Seized Assets Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Seized Asset Receipts	1,454	7,298
Interest on Fund balance	32	19
<b>Total Income</b>	<b>1,486</b>	<b>7,317</b>
<b>EXPENDITURE</b>		
<u>Department of Home Affairs</u>		
PNC Hosting	-	17
<u>Attorney General's Chambers</u>		
ICART Investigator	-	11
Digital Resource	-	19
ICART IT Kit	-	5
<u>Financial Services Authority</u>		
Bank Recovery and Resolution post	-	49
<u>Financial Intelligence Unit</u>		
Analysis	-	20
Security	-	3
Themis Changes	-	6
Analysis 2, Police/FIU Interconnect	-	13
<b>Total Expenditure</b>	<b>-</b>	<b>144</b>
<b>Net Movement for Year</b>	<b>1,486</b>	<b>7,173</b>
Balance brought forward at 1 April	1,537	3,022
<b>Balance carried forward at 31 March</b>	<b>3,022</b>	<b>10,195</b>

### Notes

- The Seized Assets Fund was established by Tynwald in 1994.
- The primary purpose of the fund is to enable the proceeds of drug seizures and other crimes to:
  - Be applied to the specific countering of all criminal activities, in particular the damage caused to people and communities by serious and organised crime;
  - Be utilised to protect the public through the promotion and implementation of community safety initiatives;
  - 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;
  - 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.

### Notes

- Bids are invited and considered where the costs and economic benefits are clearly defined and measurable. Specifically, this includes investment into projects, initiatives and operations that aren't necessarily linked to drugs or alcohol but do contribute towards the Constabulary's vision of "Keeping People Safe".
- Following departmental approval, applications are submitted to the Treasury for onward initial consideration by the Financial Intelligence Unit's Board. The Financial Intelligence Unit will provide advice to the Treasury on all applications to the fund. The Treasury has the final decision on approving applications from the fund.



### 8.18 Town & Village Regeneration Fund

**Table 8.18**

<b>Town &amp; Village Centre Regeneration Fund</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	12	2
Transfer from Economic Development Fund	250	-
<b>Total Income</b>	<b>262</b>	<b>2</b>
<b>EXPENDITURE</b>		
n/a	-	-
<b>Total Expenditure</b>	<b>-</b>	<b>-</b>
<b>Net Movement for Year</b>	<b>262</b>	<b>2</b>
Balance brought forward at 1 April	1,252	1,514
<b>Balance carried forward at 31 March</b>	<b>1,514</b>	<b>1,515</b>

#### Notes

1. The Town & Village Regeneration Fund was established in 2008 to provide funding to revitalise the centres of the Isle of Man's towns and villages, through improvements to their retail environments. The reserve has been used to finance construction schemes and also to provide grant assistance to businesses, charities, local authorities and other agencies mainly outside Government, thereby contributing towards wider economic development.
2. From the 1 April 2016, the fund remains open for grant assistance applications but funding for Government construction schemes was transferred into the capital programme.
3. The primary purpose of the fund is to revitalise the centres of the Island's towns and villages.
4. Bids are invited and considered where the costs and economic benefits are clearly defined and measurable.



## 9. Third Party Funds

### 9.1 Gubay Fund

**Table 9.1**

<b>GUBAY FUND</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Donation Received	-	-
Investment Income	-	-
Total Income	-	-
<b>EXPENDITURE</b>		
Student Support Initiatives	2	2
Sports Initiatives	1	-
Total Expenditure	<b>3</b>	<b>2</b>
Net Movement for Year	<b>(3)</b>	<b>(2)</b>
Balance brought forward at 1 April	15	12
Balance carried forward at 31 March	<b>12</b>	<b>10</b>

#### Notes

1. This account was established by the Treasury on 15 May 2006 to receive, invest and distribute the £1 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, Sport and Culture 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.
4. Although the investment income above shows as zero, a small amount of investment income has been received (less than £500).



## 9.2 Manx Ex-Services Fund 2002

**Table 9.2**

<b>MANX EX-SERVICES FUND 2002</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Grant from Public Lottery Trust	-	-
RAF Association	1	-
Total Income	1	-
<b>EXPENDITURE</b>		
Provision of home comforts and facilities	15	(0)
Total Expenditure	15	(0)
Net Movement for Year	(14)	0
Balance brought forward at 1 April	24	10
Balance carried forward at 31 March	10	10

### 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

**Table 9.3**

<b>NATIONAL LOTTERY ACT 1999</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
National Lottery Excise Duty arising from Lottery Sales in the Isle of Man :	1,613	1,601
<b>Total Income</b>	<b>1,613</b>	<b>1,601</b>
<b>EXPENDITURE</b>		
Advances to the Sports Council	544	542
Advances to the Arts Council	525	517
Advances to Culture Vannin	394	392
Advances to Manx Ex-Services Fund	-	-
Advances to the Manx Lottery Trust	150	150
<b>Total Expenditure</b>	<b>1,613</b>	<b>1,601</b>

#### Notes

1. Lottery duty arising from the UK National Lottery sales on the Island is not retained by Government and is entirely distributed by the 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. Treasury Rates Collection Account

**Table 10**

<b>TREASURY RATES COLLECTION</b>		
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2020-21</b>
<b>INCOME</b>		
Gross amount to be collected for year	39,131	40,380
	<b>39,131</b>	<b>40,380</b>
<b>Less :</b>		
Discounts	(1,356)	(1,362)
Exemptions	(179)	(96)
Cost of Collection	(119)	(121)
Refunds	(5)	(32)
Total Deductions	<b>(1,658)</b>	<b>(1,610)</b>
<b>Total Rates due for the year</b>	<b>37,473</b>	<b>38,770</b>
Less: Arrears of Rates	(865)	(1,992)
Add: Previous Years Arrears recovered	607	649
<b>Total Rates collected during the year</b>	<b>37,215</b>	<b>37,427</b>
<b>EXPENDITURE</b>		
<b>Distributed as follows :</b>		
Burial Ground Authorities	505	516
Manx Utilities	27,014	27,010
Town and Village Commissioners	7,220	7,317
Parish Commissioners	2,476	2,585
<b>Total Rates distributed during the year</b>	<b>37,215</b>	<b>37,427</b>

### Notes

- The Treasury Rates Section collects rates on an agency basis for most local authorities and the Manx Utilities (i.e. water and sewerage rates). The following local authorities collect their own rates:-
  - Braddan Parish Commissioners;
  - Douglas Corporation; and
  - Onchan District Commissioners.
- During 2020-21 the Treasury Rates Collection Team achieved a collection rate of 94.9% (2019-20 97.7%). The reduced collection has been impacted by a substantial increase in rate arrears, a result of the Coronavirus pandemic and deferred rate option.



## 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 31 March 2021 was £260,000,000 (2020: £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 14 August 2034) and the former Isle of Man Water Authority (£75,000,000 repayable on the 29 March 2030). The Manx Utilities 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.

Treasury entered into a £150m revolving credit facility during 2020-21. In August 2020 £40m was withdrawn for a period of 3 months, this was repaid and no further drawdowns have taken place. Extension of the facility is due to be reviewed before September 2021.

### 11.3 Leasing

At 31 March 2021 there was one material finance lease extant (2020: 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 2021 the annual rental of £3,404,000 (2020: £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 2021 was £39 million (2020: £32 million).

### 11.5 Strategic Gas Oil Reserve

The value of the strategic gas oil reserve at the 31 March 2021 was £1,301,400 (3.0 million litres); 2020: £1,691,400 (3.0 million litres).

### 11.6 Analysis of Current Assets and Current Liabilities

The tables on the following pages show a breakdown of current assets and current liabilities as at 31 March analysed by department. Amounts due to creditors in the course of payment and other similar transitional balances are included within the figures for the Treasury:



### 11.6.1 Debtors

Table 11.6.1

<b>DEBTORS BALANCES £000</b>			
<b>DEPARTMENT</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Movement</b>
Enterprise	1,636	881	(754)
Education, Sport & Culture	6,884	8,083	1,199
Environment, Food & Agriculture	177	1,320	1,143
Health and Social Care	4,017	3,752	(265)
Home Affairs	375	431	56
Infrastructure	3,264	2,746	(517)
Treasury	10,042	57,178	47,136
Cabinet Office	241	570	328
Executive Government	28	66	38
Manx National Heritage	11	(36)	(47)
Statutory Boards	4,594	5,469	874
Expenses of the Legislature	1	1	(0)
<b>TOTAL at 31st March</b>	<b>31,270</b>	<b>80,461</b>	<b>49,191</b>

#### Notes

1. Debtor balances include trade debtors, accruals, student loans and other balances due to Government.
2. The large increase in debtors for Treasury is primarily due to the receipt of the UK Work and Pensions due in March but received in April 2021.
3. The increase in debtors for Environment, Food and Agriculture is due to a prepaid expense for the 2021-22 Meat Plant subvention.
4. The increase in debtors for Education, Sport and Culture is due in part to increased provisions for student loans and an increase in accrued receivables.
5. The Statutory Boards figure includes a large movement in liquidations expenses.

### 11.6.2 Stock

Table 11.6.2

<b>STOCK BALANCES £000</b>			
<b>DEPARTMENT</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Movement</b>
Health and Social Care	2,237	7,467	5,230
Infrastructure	1,776	1,741	(36)
<b>TOTAL at 31st March</b>	<b>4,013</b>	<b>9,208</b>	<b>5,195</b>

#### Notes

1. The increase in stock levels in Health and Social Care is a result of PPE acquired for the Coronavirus pandemic.





### 11.6.3 Balances

**Table 11.6.3**

<b>CREDITORS BALANCES £000</b>			
<b>DEPARTMENT</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Movement</b>
Enterprise	8,764	8,062	(702)
Education, Sport & Culture	2,505	2,268	(236)
Environment, Food & Agriculture	2,218	2,209	(9)
Health and Social Care	11,970	16,250	4,280
Home Affairs	1,171	889	(281)
Infrastructure	5,163	4,997	(166)
Treasury	2,902	10,898	7,996
Cabinet Office	1,078	1,181	104
Executive Government	1,919	3,313	1,394
Manx National Heritage	(57)	18	75
Statutory Boards	178	94	(84)
Expenses of the Legislature	36	2	(34)
Financial Intelligence Unit	2	-	(2)
<b>TOTAL at 31st March</b>	<b>37,847</b>	<b>50,182</b>	<b>12,334</b>

#### Notes

1. The large increase in Treasury is due to approved Coronavirus support schemes not paid at 31<sup>st</sup> March 2021.
2. The large increase in Health and Social Care is due to accrued annual leave not taken at 31<sup>st</sup> March 2021.
3. The large increase in Executive Government is due to International Development Partnership aid payments not paid at 31<sup>st</sup> March 2021.

### 11.6.4 Third Party Funds

**Table 11.6.4**

<b>THIRD PARTY DEPOSITS £000</b>			
<b>DEPARTMENT</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Movement</b>
Enterprise	(1)	(1)	-
Environment, Food & Agriculture	22	39	16
Education, Sport & Culture	2,506	2,585	79
Health and Social Care	1,313	1,310	(2)
Home Affairs	280	396	116
Treasury	5,687	9,768	4,081
Executive Government	54	64	10
<b>TOTAL at 31st March</b>	<b>9,860</b>	<b>14,160</b>	<b>4,299</b>

#### Note

1. Third party funds include endowments, prepayments on school smart cards, monies left in unclaimed estates (Bona Vacantia) and seized monies held pending court cases.
2. The large increase in the Treasury's deposits is due to receipts from dormant assets and rate income pending allocation.



## 11.7 Other Balances

### Depositors' Compensation Scheme

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 the Depositors' Compensation Scheme, from future liquidation distributions and bank levies, having regard to the courses of funding from which compensation payments were made.

As at 31 March 2021, a total of £214.4 million (2020: £214.4 million) had been advanced under these schemes and £212.9 million (2020: £212.9 million) had been recovered, leaving an outstanding balance due to Government of £1.5 million (2020: £1.5 million).

Until the total dividend distribution received from the KSF liquidation is known, there is significant uncertainty in relation to the amount of the Treasury funding that will ultimately be repaid to the Treasury. There is also significant uncertainty in relation to the final surplus that may be distributable to the Scheme Participants. At this stage no formal final estimate of the net cost has been made by the Scheme Manager

As at 31 March 2021 the anticipated shortfall in liquidation distributions (based on the Liquidator's low outcome estimate of 100.0p/£) was £1.1 million (2020: 100.0p/£, £1.1 million) and represented the 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 remains unchanged.



## 12. Appendix A. Index of Abbreviations

<b>Abbreviation</b>	<b>Description</b>
ABPF	Academic Business Planning Fund
AGC	Attorney General's Chambers
AFF	Agriculture and Forestry Fund
CF	Contingency Fund
CLF	Consolidated Loans Fund
CO	Cabinet Office
DFE / (DED)	Department for Enterprise (formerly Economic Development)
DESC / (DEC)	Department of Education, Sport and Culture (formerly Education and Children)
DEFA	Department of Environment, Food and Agriculture
DHA	Department of Home Affairs
DHSC	Department of Health and Social Care
DOI	Department of Infrastructure
DSF	Digital Strategy Fund
EntDS	Enterprise Development Scheme
EDF	Economic Development Fund
FIU	Financial Intelligence Unit
FSA	Financial Services Authority
GR	General Registry
GSC	Gambling Supervision Commission
GTS	Government Technology Service (part of the Cabinet Office)
HEDF	Hospital Estate Development Fund
HMRC	United Kingdom HM Revenue and Customs
HTF	Healthcare Transformation Fund
HRF	Housing Reserve Fund
ICO	Information Commissioner's Office
IOMPO	Isle of Man Post Office
IRO	Industrial Relations Office
ITIP	Income Tax Instalment Payments
ITSF	Invest To Save Fund
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
MDF	Media Development Fund
MANX UTILITIES	Manx Utilities (previously MEA & IOMWA & IOMWSA)
MHF	Manx Heritage Foundation
MIF	Marketing Initiatives Fund
MedIF	Medical Indemnity Fund
MNH	Manx National Heritage
MMNT	Manx Museum and National Trust
NI	National Insurance
NIIA	National Insurance Investment Account
OFT	Office of Fair Trading
PSEPR	Public Service Employees Pension Reserve
PSPA	Public Sector Pensions Authority
RTLCC	Road Transport Licensing Committee
SAF	Seized Assets Fund
TVRF	Town & Village Regeneration Fund
VAT	Value Added Tax
VWS	Veterans Welfare Service

## **Detailed Government Accounts**

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