

ISLE OF MAN GOVERNMENT

COUNCIL OF MINISTERS



REVIEW OF THE SCOPE AND STRUCTURE OF THE ISLE OF MAN GOVERNMENT

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1. BACKGROUND INFORMATION

In October 2003, the Council of Ministers submitted a report to Tynwald in response to a resolution in May 2003, concerning the reorganisation of the DHSS. In its report Council concluded that any review of that Department could not be undertaken in isolation and would need to have regard to all other elements of Government, including the other Departments, Statutory Boards and the Offices of Government. Council concluded that a fundamental review of Government structure might be necessary in future but that such a major exercise should not be undertaken at that time, in view of existing commitments facing Government.

Since the debate in October 2003, the question of reviewing the scope and structure of Government has gained a higher profile with Members of Tynwald and in the media and is an issue which Council, in its recent meetings to discuss corporate planning, has identified as a high priority strategic aim. Accordingly, Council has now determined to commence the review with the aim that it be completed prior to the next General Election on the Isle of Man in the Autumn of 2006.

Whilst the discussions so far, have focussed mainly on restructuring of Departments (e.g. combining DAFF, DTI and DTL), the terms of reference envisage a wider remit encompassing the scope of public services on the Island generally and the statutory basis for Government through, for example, the Council of Ministers Act 1990 and the Government Departments Act 1987.

All over the world, Governments are striving to-

- Achieve more joined up policy making and service delivery;
- Respond more effectively to the needs of customers;
- Provide better value for money; and
- Develop more open and accountable approaches.

The Isle of Man's special constitutional status and its distinctive political structures provide the context for considering the response required in the island. They have protected the island from the speed and nature of change being dictated elsewhere by political dogma. The Island's economic strength has also prevented any change process being initiated as a response to economic crisis.

A great deal has been done, or is being planned, to improve the performance of the public sector in the island, for example, in developing the business planning process and the work to restructure the civil service.

DISCUSSION

Any external commentator looking at the Isle of Man is struck by the range and diversity of the public sector which serves a population of under 80,000. The mixture of Departments, Statutory Boards, Offices and local authorities involving 9,000 employees seems complex and begs the question of whether some restructuring would be sensible.

Where there is excessive fragmentation, this can be a major obstacle to achieving joined up government and improving public sector performance, making it difficult to achieve integrated and coordinated policy and service delivery in key areas like the economy, infrastructure, law and order, transport, the environment and regulation. The lessons from elsewhere are that small separate organisations develop "silo mentalities", concentrate on their own narrow roles and fail to work closely enough with related organisations. Such difficulties need to be avoided

DRIVERS FOR CHANGE

Several specific issues have arisen in recent years which the Council of Ministers believe have contributed to the need to conduct a review. They are summarised below.

The Tynwald Resolution in October 2003 requested the Council of Ministers to consider, *inter alia*, whether the DHSS should be divided into two separate Government Departments and review the existing Departments for amalgamation in order to keep the status quo of the number of Departments in Government [currently 9 out of a total of 25 Departments, Board and Offices of Government]

A Report issued by a sub-Committee of the Council of Ministers published in November 1999 examined a proposal for the establishment of a Department for Economic Development. The sub-Committee concluded that the establishment of a Department for Economic Development should not be progressed citing, amongst other things, implications for Department structures generally. The report stated that the establishment of such a Department "would have a fundamental affect on existing government structure, the planning and implementation of which would require very significant analysis"

A Report of the IMF [International Monetary Fund] into financial regulation on the Isle of Man made recommendations concerning the independence and accountability of the industry regulators, the Financial Supervision Commission and the Insurance and Pensions Authority.

The Part One Report of the Commission of Inquiry into Mount Murray (Recommendation 22), advocated the establishment of an Audit Commission as a Statutory Board. This recommendation is presently being examined by a Select Committee of Tynwald on the Scrutiny of Public Accounts. This Committee has not yet reported on this issue.

Finally, reviews of the machinery of Government have recently taken place in Jersey and Guernsey. Following recommendations of the Clothier Report, the Jersey Government is introducing a revised system of Government effectively replicating the model applied in the Isle of Man by reducing the current Committees system to 10 Departments. Similar proposals are being developed in Guernsey. The Council of Ministers feel that the new structures being developed in the other Crown Dependencies should be examined to establish where there is anything the Isle of Man Government could learn for the benefit of its own development.

CURRENT SCOPE & STRUCTURES

The Departmental system of Government was established in the Isle of Man in 1987. The current system replaced a former system of Boards.

One of the prime objects of the Departmental system was to streamline the machinery of Government to enable it to operate more efficiently and cost effectively.

The following paragraphs summarise the current structure and functions of central government on the Isle of Man:-

Departments

Agriculture, Fisheries and Forestry encourages the effective utilisation of our Island's land and sea resources whilst having due regard to wildlife and the environmental conservation

Education provides high quality lifelong learning opportunities for our people so they can develop to their own potential and contribute fully to society

Health and Social Security delivers a national health service, social care programmes and the social security benefit system

Home Affairs provides emergency planning, fire and rescue services, police, probation, prison, gambling control and communications management

Local Government and the Environment with responsibilities in housing, health and safety, planning, building control, waste management, scientific analysis, food standards and environmental protection

Tourism and Leisure fosters tourism development and activity, promotes and facilitates leisure, recreation and sporting activity and provides public transport

Trade and Industry seeks diversification of the economy, and the creation of a greater number and wider range of employment opportunities for the work force through the provision of financial incentives, the operation of a shipping register and the provision of training and employment services

Transport manages maintains and develops the highways, airport, harbours, drainage and property infrastructure

Treasury raises revenues, contributes economic and fiscal advice and makes proposals regarding the allocation of spending between competing users, in a manner and at a level that maximises the prosperity and quality of life of all the resident population and contributes to law enforcement on customs issues and contribute to economic development and marketing of financial services.

Statutory Boards and Statutory Government Agencies

Communications Commission regulates telecommunications and broadcasting

Financial Supervision Commission, registers and regulating companies

Insurance and Pensions Authority registers and supervises companies carrying on insurance and pensions businesses

Isle of Man Water Authority provides a safe, reliable and high quality water supply to customers' homes and businesses

Isle of Man Post Office provides a public postal service for the Isle of Man

Manx Electricity Authority procures and generates electricity and distributes it to customers

Manx National Heritage preserves, protects and communicates the unique Manx natural and cultural heritage

Office of Fair Trading focuses on licensing, consumer advice and trading standards and administers the Financial Services Ombudsman Scheme.

Offices

Attorney General's Chambers provides legal advice and support to Government

Chief Secretary's Office provides support for the corporate, constitutional, political and ceremonial processes of government and passport and immigration services to the public

General Registry provides for the administration of justice, the registration of legal documents, the recordal of births, marriages and deaths and the safe-keeping of public records

Personnel Office provides human resource services for Government staff.

In addition a number of bodies are supported through public funding:

Industrial Relations Office

War Pensions Welfare Office

Office of the Data Protection Supervisor

Clerk of Tynwald's Office

Overseas Aid Committee

Manx Heritage Foundation

Road Transport Licensing Committee

TERMS OF REFERENCE

Considerations

The primary aim of the review will be to identify whether the current structure needs to be changed to meet current and future needs, and how these changes can be implemented whilst maintaining effective service provision. The objective will be to produce proposals for a system of Government, which encourages more effective communication between Government Departments, a more comprehensive approach to development and co-ordination of policy, improved decision-making and scrutiny processes within Government and improved delivery of user led services. Specifically it will:

- a. Examine new structures being developed in other Crown Dependencies to establish whether there is anything the Isle of Man Government could use for the benefit of its own development.
- b. Analyse the requirement for change both from within the political body and the executive.
- c. Identify and consider any views previously expressed on the adequacy of the current systems.
- d. Examine the effective functioning of the Council of Ministers and its sub-Committees.
- e. Identify whether administrative functions common to a number of Departments may be executed more efficiently and economically if centralised, including the implications of e-government and centralised service user access.
- f. Identify any areas where there is not a clear distinction between regulatory and management functions and where situations of conflict of interest may, or may be perceived, to occur.
- g. Examine the potential for alternative means of service delivery.

Constraints

In addressing the issues outlined at above, the review will take into account:

- value for money in terms, not only of cost, but also continuing improved efficiency and effectiveness together with good practice.
- the Government's role in supporting the economy of the Isle of Man
- the cultural mores, practices and traditions of the Isle of Man, and
- recent policy decisions and parliamentary debates regarding organisational design and strategic direction of Departments, Boards and Offices

- benchmarking of Government performance between similar areas of work

Outputs

It is anticipated that the outputs of the review will include:

- a. Research, analysis and comment on historical background to the establishment of the present Government structures
- b. Research, analysis and comment on the adequacy of current arrangements
- c. Research, analysis and comment on future threats and opportunities which impact on Government structures
- d. Identification of the appetite for change within political and executive Government and options on how change could be implemented
- e. Identification and options, together with implications for any changes required, for regulatory regimes
- f. Identification and options for the transparency and accountability of Government through appropriate scrutiny mechanisms
- g. Identification and options for alternative means of service delivery in specific areas
- h. Identification and options for the effective functioning of the Council of Ministers, including any necessary legislative changes required
- i. Research, comment and options on the impact of the Government's Corporate Planning and Performance Management Initiative. This will include a review of progress to date and measures to improve public sector performance.
- j. Proposals for improving efficiency and streamlining of government bureaucracy
- k. Comment, explanation and options for any issues arising out of the review not already specifically identified.
- l. Proposals for the future scope and structure of Government, based on the review and consistent with these terms of reference.

Review Benefits

The overall aim of the project is to deliver the following:

- A value for money, customer focussed service, delivering quality outcomes for the people of the Isle of Man

The revised structure will provide:

- Value for money
- A clear focus on the organisation's purpose
- Integrated and co-ordinated policy making and service delivery
- Effective, efficient and accountable performance in clearly defined functions and roles
- Renewed emphasis on customer service

3. METHODOLOGY

Steering Group

Politicians and senior officials will steer the project; they will launch the process; receive and consider progress reports; comment on emerging findings; receive and publish final report.

The Steering Group will be the Governance sub-Committee of the Council of Ministers which comprises:-

Chief Minister
Treasury Minister
Mr S Rodan MHK
Mr J Shimmin MHK
Mrs P M Crowe MLC
Mr Q B Gill MHK

The group will be supported by

Chief Secretary
Chief Financial Officer
Director of Policy, Chief Secretary's Office
Chief Officer, Personnel Office

Review Team

A small, carefully selected review team, comprising independent nominees, supported by a small number of officials, will carry out the detailed work and report to the Steering Group. The Council of Ministers will appoint the Review Team and its Chairperson.

PROVISIONAL TIMETABLE

August - September 2005

Launch of Review

- Finalise Terms of Reference
- Seek nominations from individuals wishing to serve on Review Team
- Appoint Review Team

September 2005 – March 2006

Research & Consultation

- Review Team initial research involving a desktop exercise and discussions with Steering Committee
- Request for written evidence submissions
- Interviews with Ministers and Senior Civil Service
- Interviews with Members of Tynwald
- Interviews with Local Authority, Business, Community and Media Representatives
- Consultation with staff organisations

- Public Opinion sampling using social research company
- Consultation with relevant external bodies

April - June 2006

Option Appraisal and Preliminary Findings

- Consideration of various options and preparation of report on emerging findings
- Review Team discuss emerging findings with Steering Group
- Steering Group/Review Team discuss preliminary findings with Council of Ministers and consult further with Members of Tynwald

July – October 2006

- Steering Group/Review Team agree (subject to preliminary findings) nature of report to be submitted (interim/final)
- Review Team complete and submit Report to Council of Ministers (via Steering Group)