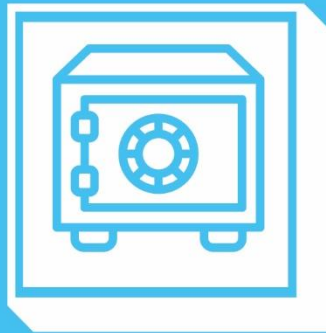
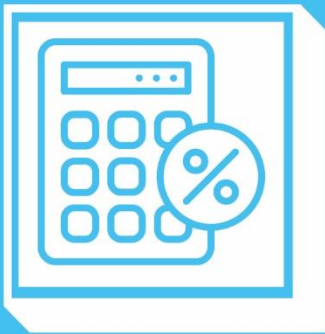


# DETAILED GOVERNMENT ACCOUNTS 2019-20







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

*Reiltys Ellan Vannin*

**DETAILED ACCOUNTS**

**For the year ended 31 March 2020**

**LAID BEFORE TYNWALD BY THE TREASURY**



## CONTENTS

<b>1.</b>	<b>Foreword by The Minister .....</b>	<b>4</b>
<b>2.</b>	<b>Introduction.....</b>	<b>5</b>
<b>3.</b>	<b>Financial Highlights.....</b>	<b>6</b>
<b>4.</b>	<b>General Revenue Account .....</b>	<b>11</b>
4.1.	Net General Revenue Account (NGRA).....	11
4.2	Revenue Budget Adjustments by Department .....	13
4.3	Approvals by Treasury for use of the Revenue Contingency Budget.....	14
4.4	Revenue Budget Adjustments by Category.....	15
4.5	Government Spending by Department .....	16
4.6	Breakdown of Income.....	17
4.7	Breakdown of Expenditure .....	18
4.8	Pay Analysis – Actual 2019-20 versus Revised Budget .....	20
4.9	Pay Analysis – Actual 2019-20 versus Actual 2018-19 .....	21
<b>5.</b>	<b>Accounts of the Consolidated Loans Fund (CLF).....</b>	<b>23</b>
5.1	Capital Transactions Account.....	23
5.2	Capital Interest Transactions.....	24
5.3	Loans Fund Balance Sheet .....	24
5.4	Capital Payments – Analysis of Budgets & Supplementary Votes.....	25
5.5	Capital Receipts.....	29
5.6	Summary of Capital Advances .....	30
5.7	Summary of Loan Sanctions and Capital Expenditure.....	31
5.8	Statement of Loans Made – Advances, Repayments & Balances Outstanding .....	32
5.9.	Housing Loans Schemes .....	33
<b>6.</b>	<b>Detail by Departments, Boards and Offices .....</b>	<b>35</b>
6.1	Cabinet Office .....	35
6.2	Department for Enterprise .....	378
6.3	Department of Education, Sport and Culture .....	401
6.4	Department of Environment, Food and Agriculture .....	45
6.5	Department of Health and Social Care .....	48
6.6	Department of Home Affairs.....	51
6.7	Department of Infrastructure .....	54
6.8	The Treasury .....	589
6.9	Executive Government.....	68
6.10	Manx Museum and National Trust .....	71
6.11	Statutory Boards (Revenue Funded) .....	73
6.12	Legislature (Parliament).....	75
6.13	Manx Utilities Authority (Capital Programme only) .....	76



<b>7.</b>	<b>Externally Managed Invested Funds.....</b>	<b>78</b>
7.1	Summary of Externally Invested Funds .....	78
7.2	Hospital Estate Development Fund (HEDF) .....	80
7.3	Manx Currency Account .....	82
7.4	MUA Bond Repayment Fund.....	84
7.5	National Insurance Account .....	86
7.6	Public Service Employees Pension Reserve (PSEPR).....	878
7.7	Reserve Fund Account .....	90
7.8	Media Development Fund .....	91
7.9	Enterprise Development Scheme .....	93
<b>8.</b>	<b>Internal Revenue Funds and Reserves .....</b>	<b>95</b>
8.1	Summary of Internally Invested Funds and Reserves.....	95
8.2	Drawdowns from Internal Funds by Department (Transfers to Internal Accounts)..	96
8.2	Academic Business Planning Fund .....	97
8.3	Agriculture and Forestry Fund .....	99
8.4	BREXIT Fund.....	100
8.5	Contingency Fund .....	101
8.6	Digital Strategy Fund .....	102
8.7	Economic Development Fund .....	103
8.8	Healthcare Transformation Fund .....	104
8.9	Housing Reserve Fund .....	106
8.10	Invest to Save Fund .....	107
8.11	Land and Property Acquisition Reserve .....	109
8.12	Legal Costs Reserve .....	110
8.13	Marketing Initiatives Fund.....	111
8.14	Medical Indemnity Fund.....	112
8.15	Seized Asset Fund .....	113
8.16	Town & Village Regeneration Fund .....	114
<b>9.</b>	<b>Third Party Funds.....</b>	<b>115</b>
9.1	Gubay Fund .....	115
9.2	Manx Ex-Services Fund 2002.....	116
9.3	National Lottery Act 1999 .....	117
<b>10.</b>	<b>Treasury Rates Collection Account .....</b>	<b>118</b>
<b>11.</b>	<b>Additional Information.....</b>	<b>119</b>
<b>12.</b>	<b>Appendix A. Index of Abbreviations .....</b>	<b>123</b>



## 1. Foreword by the Minister

The Light Blue Book for the financial year ended 31 March 2020 delivers another strong message of financial control, supporting the theme of the 2019-20 Budget, one of confidence.

I am pleased to note that an improved revenue surplus position of £68.9m has been achieved through a combination of better than expected indirect taxation receipts due to finalising the FERSA agreement and the subsequent release of prudent provisions alongside lower than anticipated Social Security expenditure. This surplus alongside existing reserves has enabled the transfer of £40m into the Contingency Fund which is assisting in supporting the economic impact of Coronavirus, for which the impact has not been seen in the 2019-20 Financial Year.

As I stated in my budget speech in February, we continue to benefit from the level of diversification in our economy and the e-Gaming, Insurance and ICT sectors are all performing well. It is important that we continue to build on the progress made to ensure we have sufficient resilience to meet the future challenges ahead.

As far as public spending is concerned, I recognise that we continue to draw on reserves to meet operational commitments, most clearly defined by the use of the Public Service Employee Pensions Reserve to meet pension costs (£33.2m) which is lower than the budgeted drawdown planned (£37m) for 2019-20.

Most departments remained within their revenue budgets; however, a supplementary vote of £8m was approved for Department of Health and Social Care. Reduced spending elsewhere and the improved income performance has allowed us to fund these votes without having to draw further on the reserves.

At the end of March 2020 the market value of the externally invested funds reduced by £60m compared to 2018-19. This was the result of the initial impact of Coronavirus on the stock market. This reduction was however offset by strong working capital management and the increase in cash deposits held by Treasury which have improved by £107m.

Whilst these results give cause for optimism, we must not be complacent, particularly given the recent events and the impact on the economy. There continues to be significant financial pressures on our front line services and we must continue to have an eye for the longer term, planning to meet the pressure that will fall upon the revenue account in 2021-22 and again in 2022-23 when the Public Service Employee Pensions Reserve is forecast to be depleted. I am under no illusions that these matters combined with Health Transformation commitments, Climate Change commitments and global economic conditions will require a carefully considered new fiscal plan for the Island.

So, my message remains consistent with that in the Budget - the financial position reported in these accounts means we can and should be confident, but we must not be complacent. It is important to bear in mind that in achieving our surplus position we have utilised our reserves and will need to do so during the Coronavirus pandemic, therefore we must remain both prudent and alert when it comes to funding and prioritising public services expenditure.

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



## 2. Introduction

This book is the unaudited detailed Government accounts for the year ended 31 March 2020 (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 2019-20 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. This year, variance columns have been added to highlight the movement to the prior year. Additionally, 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 have added in information on the cumulative position of the current projects. The cumulative position is as at the end of March 2020. Some work is ongoing to ensure consistency with the Pink Book in relation to the cumulative capital budgets.

### Government restructuring

There were no significant movement of functions within Government during 2019-20.

### 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

##### OVERVIEW

- Achieved a surplus of £68.9m versus a revised budget of £5.9m
- Income was significantly higher than expected – a total of £1,158m which was £80m better than budget and £91m better than last year
- Expenditure was £5.1m higher than the revised budget which included supplementary votes of £8m for DHSC.

##### THE RESERVES

- The closing market value of the externally managed reserves including cash was £1,800m including the investment in the IOMSPG. Equity market values fell by £145m however this was offset by fixed interest and cash investments resulting in a net improvement of £2.6m.
- The Internal Funds closed at £32m higher than their opening position following a transfer of £40m to the Contingency Fund to cover the impact of Coronavirus on the economy.

##### REVENUE INCOME

- Total taxation income was favourable to budget by £77.3m and other income sources by £2.7m, giving a total favourable variance of £80m.
- Operating income is £1.8m less than budget and £5.9m less than last year. The impact has been offset by lower expenditure and the £8m supplementary vote in DHSC.

##### BENEFITS

- Spending on NI funded benefits was lower than budget by £6.5m primarily due to retirement pensions which were £8.2m lower and offset other benefits that increased in the year such as bereavement support and long term incapacity.
- Non-contributory benefits were £47k better than budget resulting from increased disability living and attendance allowance offset by reduced employed persons and job seekers allowance.

##### INCOME TAX & NATIONAL INSURANCE

- £241m was collected in income tax which was £10.6m better than budget and £3.4m up on last year
- Resident and non-resident tax were better than budget by £7.9m and £3m respectively. Company tax receipts were down by £1.3m
- National insurance income was £1.6m lower than budget which was primarily due to a reduced agency settlement of £5.9m offset by increased Class 1 contributions of £4.4m.

##### CAPITAL

- Capital spending for the year was £71.6m versus an original budget of £129.7m.
- The larger schemes which were delayed included the fibre optic network, climate change adaption, east quay peel, acute adult psychiatric in-patient and housing schemes.
- Capital receipts of £0.5m were received versus a budget of £1m.

##### REVENUE EXPENDITURE

- Supplementary votes of £8m were granted which took the expenditure budget to £1.084 billion
- The actual expenditure was £5m higher than budget which in the main is offset against the related revenue contributions.
- Pensions expenditure was lower than budget by £370k at £100.8m however the amount drawn from the reserve was £4.6m less than budgeted.
- Employee costs including agency staff were worse than the revised budget by £0.5m which included an £8m supplementary vote.
- Total employee costs were £20m higher than last year which is mainly due to a 3.7% increase from the payment of pay awards including arrears.





### 3.2 Government revenue

**Table 3.2a**

<b>GOVERNMENT REVENUE SUMMARY</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
Income	(1,157,874)	(1,077,935)	79,938	(1,066,843)	91,030
Expenditure	1,088,983	1,083,889	(5,094)	1,036,154	(52,829)
<b>(Surplus)/Deficit</b>	<b>(68,891)</b>	<b>5,954</b>	<b>74,845</b>	<b>(30,689)</b>	<b>38,202</b>
Transfers (From)/to Reserve Fund	20,000	-	(20,000)	20,000	-
Transfers to Other Reserves	46,750	6,750	(40,000)	12,000	(34,750)
Balance brought forward	(89,902)	(109,902)	(20,000)	(91,213)	(1,311)
<b>Balance carried forward</b>	<b>(92,043)</b>	<b>(97,198)</b>	<b>(5,155)</b>	<b>(89,902)</b>	<b>2,141</b>

#### Notes

1. Tynwald approved supplementary votes of £8m for the Department of Health and Social Care (DHSC) in January 2020. These are reflected in the budget figures above. The original budget was set to make a surplus of £2m.
2. Overall, Government's position for 2019-20 was better than the revised budget by £80.3m, largely due to finalising the FERSA calculations for VAT income which allowed the release of provisions prudently held back over the last three years and resulted in a favourable variance of £64m. In addition income tax receipts were favourable by £10.6m and Statutory Board expenditure by £1.2m.

**Table 3.2b**

<b>GOVERNMENT SPEND SUMMARY BY DEPARTMENT</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>Treasury Income</b>					
Customs and Excise	(444,531)	(380,519)	64,012	(369,703)	74,828
Income and Other Taxes	(241,124)	(230,520)	10,604	(237,742)	3,382
Other Treasury Income	(10,305)	(6,835)	3,469	(10,321)	(16)
Social Security	(226,980)	(228,678)	(1,698)	(212,223)	14,757
<b>Sub-total -Treasury Income</b>	<b>(922,940)</b>	<b>(846,552)</b>	<b>76,388</b>	<b>(829,989)</b>	<b>92,950</b>
<b>Government Departments</b>					
Cabinet Office	30,475	30,475	(0)	30,714	239
Economic Development	1,062	1,062	0	17	(1,045)
Education & Children	108,504	108,522	18	102,302	(6,202)
Environment, Food & Agriculture	17,088	17,113	25	16,042	(1,046)
Health & Social Care	230,995	231,120	125	220,147	(10,848)
Home Affairs	37,447	37,486	39	35,109	(2,339)
Infrastructure	70,258	70,258	0	63,578	(6,680)
Treasury (Gross Expenditure)	338,383	335,455	(2,928)	312,864	(25,519)
	<b>834,213</b>	<b>831,492</b>	<b>(2,721)</b>	<b>780,773</b>	<b>(53,441)</b>
<b>Other Bodies</b>					
Executive Government	11,204	11,196	(8)	10,217	(988)
Manx Museum and National Trust	4,646	4,646	0	4,445	(201)
Statutory Boards (Revenue Funded)	(722)	255	977	(703)	19
Legislature (Parliament)	4,708	4,916	208	4,569	(139)
<b>Sub-total - Voted Services</b>	<b>854,049</b>	<b>852,506</b>	<b>(1,543)</b>	<b>799,300</b>	<b>(54,749)</b>
<b>(Surplus)/Deficit</b>	<b>(68,891)</b>	<b>5,954</b>	<b>74,845</b>	<b>(30,689)</b>	<b>38,202</b>

#### Notes

1. Further analysis on departmental spending is provided within section 6.



### 3.3 Government capital

**Table 3.3a**

<b>GOVERNMENT CAPITAL ACCOUNT</b>						
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>	<b>Notes</b>
Capital Receipts	(512)	(1,000)	(488)	(845)	(333)	Section 5.5
Contributions from Internal Funds	(4,253)	(3,800)	453	(6,116)	(1,863)	Section 5.5
Loan Advance from Reserve Fund	-	-	-	(75,354)	(75,354)	Section 5.1
Loan Repayments	(44,649)	(43,112)	1,537	(42,400)	2,249	Section 5.6
Interest Earned	(16,239)	(15,409)	830	(15,448)	792	
<b>Sub- Total Receipts &amp; Repayments</b>	<b>(65,653)</b>	<b>(63,321)</b>	<b>2,332</b>	<b>(140,162)</b>	<b>(74,510)</b>	
Capital Expenditure	71,648	70,500	(1,148)	136,130	64,482	1 & Section 5&6
<b>(Surplus)/Deficit</b>	<b>5,995</b>	<b>7,179</b>	<b>1,184</b>	<b>(4,032)</b>	<b>(10,027)</b>	
Balance brought forward	(62,785)	(67,100)	(4,315)	(58,753)	4,032	
<b>Balance carried forward</b>	<b>(56,790)</b>	<b>(59,921)</b>	<b>(3,131)</b>	<b>(62,785)</b>	<b>(5,995)</b>	

#### Notes

- The budgeted capital expenditure figure above assumes 54% delivery of the budgeted capital programme, hence the figure of £70.5 million rather than the £129.7 million in the table below.

**Table 3.3b**

<b>CAPITAL SPENDING BY DEPARTMENT</b>							
<b>£000 Department</b>	<b>Actual Spend 2019-20</b>	<b>Budget</b>			<b>Variance to Budget 2019-20</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
		<b>Original Budget</b>	<b>Adjust- Ments</b>	<b>Revised Budget</b>			
Cabinet Office	1,453	2,022	107	2,129	677	759	694
Education, Sport & Culture	2,767	6,667	(1,752)	4,915	2,148	5,793	(3,026)
Enterprise	258	2,250	-	2,250	1,992	-	258
Environment, Food & Agriculture	726	1,378	34	1,412	686	684	42
Health and Social Care	3,213	10,772	(2,848)	7,924	4,712	2,978	234
Home Affairs	875	1,458	177	1,635	760	731	144
Infrastructure (Excl. Housing)	52,097	76,614	1,441	78,055	25,959	41,646	10,451
Treasury	1,147	10,428	(2,943)	7,485	6,338	522	625
Statutory Boards	273	516	-	516	243	193	81
Manx Museum & National Trust	189	550	0	550	361	409	(220)
Expenses of the Legislature	-	-	-	-	-	-	-
<b>Sub-total Central Government</b>	<b>62,998</b>	<b>112,655</b>	<b>(5,783)</b>	<b>106,872</b>	<b>43,874</b>	<b>53,715</b>	<b>9,283</b>
Manx Utilities Authority	8,650	17,056	(2,973)	14,083	5,433	7,061	1,589
Isle of Man Steam Packet Group	-	-	-	-	-	75,354	(75,354)
<b>TOTAL CAPITAL SPEND</b>	<b>71,648</b>	<b>129,711</b>	<b>(8,756)</b>	<b>120,955</b>	<b>49,307</b>	<b>136,130</b>	<b>(64,482)</b>

#### Notes

- 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. More details are given in the tables provided in sections 5 and 6.
- The actual was much lower than budget due to the slippage of a few large schemes including fibre optic network, airport pavement refurbishment, climate change adaption, east quay peel and housing schemes.



### 3.4 Reserves summary

SUMMARY OF RESERVES								
£000	Book Value Balances B/Fwd At 1 Apr 19	INCOME			EXPENDITURE		TRANSFERS	Book Value Balances C/Fwd At 31 Mar 20
		Transfers From/(To) Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfers To Revenue /Capital Accounts	Other Expenses	Inter-fund Transfers Expense/ (Income)	
<b>Managed External Invested Funds</b>								
Hospital Estate Development Fund	32,499	-	-	1,083	-	3,914	-	29,668
Manx Currency Account - Notes	33,563	-	-	762	550	66	-	33,710
NI Fund - Investment A/c	814,641	-	-	38,949	-	2,047	-	851,544
Public Service Employees Pension Res.	98,573	-	-	6,091	-	228	33,500	70,936
Reserve Fund	351,524	-	20,000	21,286	7,622	956	-	384,233
MUA Bond Repayment Fund	63,912	-	1,500	2,102	-	156	-	67,359
Media Development Fund	3,380	-	-	(2,071)	292	58	-	959
Enterprise Development Scheme	3,122	-	-	-	(808)	118	-	3,812
<b>Total: External Funds</b>	<b>1,401,215</b>	<b>-</b>	<b>21,500</b>	<b>68,203</b>	<b>7,657</b>	<b>7,542</b>	<b>33,500</b>	<b>1,442,220</b>
<b>Internal Element of External Funds</b>								
Manx Currency Account	53,051	-	13,135	555	-	552	194	65,993
Public Service Employees Pension Reserve	10,845	-	-	74	33,201	-	(33,500)	11,218
Media Development Fund	14,742	-	-	107	-	-	(1,282)	16,131
Enterprise Development Scheme	7,033	-	-	47	-	-	808	6,272
<b>Total: Internal Element of External Funds</b>	<b>85,671</b>	<b>-</b>	<b>13,135</b>	<b>782</b>	<b>33,201</b>	<b>552</b>	<b>(33,780)</b>	<b>99,615</b>
<b>Total: External Funds Incl Internal Element</b>	<b>1,486,886</b>	<b>-</b>	<b>34,635</b>	<b>68,985</b>	<b>40,858</b>	<b>8,094</b>	<b>(280)</b>	<b>1,541,834</b>
<b>Internal Funds</b>								
Academic Business Planning Fund	1,205	-	794	11	614	-	-	1,397
Agriculture and Forestry Fund	1,372	1,000	-	12	899	-	-	1,485
Brexit Fund	1,909	1,000	-	16	245	-	-	2,680
Contingency Fund	7,235	40,000	-	229	-	-	-	47,464
Digital Strategy Fund	5,318	-	-	57	1,058	-	-	4,317
Economic Development Fund	9,966	-	180	86	465	-	-	9,768
Healthcare Transformation Fund	10,328	-	-	45	1,486	-	-	8,887
Housing Reserve Fund	4,946	-	303	85	3,922	-	-	1,411
Invest to Save Fund	3,831	-	-	26	1,663	-	-	2,194
Land & Property Acquisition Reserve	7,181	-	-	63	331	-	-	6,914
Legal Costs Reserve	2,330	1,500	-	24	688	-	-	3,166
Marketing Initiatives Fund	3,602	-	-	23	2,096	-	-	1,528
Medical Indemnity Fund	4,407	3,000	-	32	4,490	-	-	2,950
Seized Assets Fund	1,537	-	1,454	32	-	-	-	3,022
Town & Village Centre Regen. Fund	1,252	250	-	12	-	-	-	1,514
<b>Total Internal Funds</b>	<b>66,420</b>	<b>46,750</b>	<b>2,731</b>	<b>754</b>	<b>17,958</b>	<b>-</b>	<b>-</b>	<b>98,696</b>
<b>TOTAL</b>	<b>1,553,306</b>	<b>46,750</b>	<b>37,366</b>	<b>69,739</b>	<b>58,816</b>	<b>8,094</b>	<b>(280)</b>	<b>1,640,531</b>
<b>Note - Total for the Funds which have an internal and an external element</b>								
Manx Currency Account	86,614	-	13,135	1,317	550	618	194	99,703
Public Service Employees Pension Reserve	109,418	-	-	6,165	33,201	228	-	82,153
Media Development Fund	18,122	-	-	(1,964)	292	58	(1,282)	17,089
Enterprise Development Scheme	10,155	-	-	47	(808)	118	808	10,084

#### Notes

- Net withdrawals from the externally managed funds including fees etc. totalled £48.7m (2018-19 £57.5m).
- 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. During quarter four of 2019-20 the markets were negatively impacted by Coronavirus and the market value of investments was less than the book cost by £10.9m.
- The market values of the funds as at 31 March 2020 are presented later in the document (section 7).



### 3.5 Balance sheet

<b>BALANCE SHEET</b>				
<b>£000</b>	<b>Actual 2019-20</b>	<b>Actual 2018-19</b>	<b>Movement</b>	<b>Notes</b>
<b>ASSETS</b>				
Loan Schemes	77,445	77,786	(341)	1 below, Section 5.8
Capital Advances	1,030,468	1,008,164	22,304	Section 5.6
External Investments	1,440,155	1,401,168	38,988	
Investment in IOMSPG	48,752	48,752	-	Section 7.1.2
Cash and Bank Balances	267,347	150,843	116,504	3 below
Debtors	31,270	78,964	(47,693)	Section 11.6.1
Stock	4,013	3,709	304	Section 11.6.2
Amounts Due From UK HMRC	3,455	10,977	(7,522)	4 below
<b>Total Assets</b>	<b>2,902,906</b>	<b>2,780,362</b>	<b>122,543</b>	
<b>LIABILITIES</b>				
Loans in respect of bond issue	260,000	260,000	-	
Creditors	37,847	39,162	1,315	Section 11.6.3
Third Party Funds	9,860	7,568	(2,292)	Section 11.6.4
NI Operating Account	33,275	17,044	(16,231)	Section 7.5
Currency in Circulation	94,293	81,600	(12,694)	Section 7.3
<b>Total Liabilities</b>	<b>434,582</b>	<b>405,374</b>	<b>(29,902)</b>	
<b>Total Net Assets/Liabilities</b>	<b>2,467,630</b>	<b>2,374,989</b>	<b>92,641</b>	
<b>RESERVES</b>				
<b>Restricted</b>				
Internal Funds	98,696	66,420	32,277	Section 8.1
Capital Fund	829,350	813,380	15,969	Section 7.1.2
External Investment Reserves	1,063,308	1,053,762	9,546	2 below, Section 7.1
<b>Total Restricted Reserves</b>	<b>1,991,354</b>	<b>1,933,562</b>	<b>57,792</b>	
<b>Unrestricted</b>				
External Investment Reserves - Reserve Fund	384,233	351,524	32,708	2 below, Section 7.7
Net General Revenue Account	92,043	89,902	2,141	Section 4.1
<b>Total Unrestricted Reserves</b>	<b>476,276</b>	<b>441,427</b>	<b>34,849</b>	
<b>Total Reserves</b>	<b>2,467,630</b>	<b>2,374,989</b>	<b>92,641</b>	

#### Notes

1. Loan schemes have been adjusted to include the £75.3m loan to the Isle of Man Steam Packet Group in 2018-19. In the 2018-19 Light Blue Book the loan principle was previously included within debtors.
2. External Investment reserves have been separated between those restricted and unrestricted.
3. Cash and Bank Balances have increased year on year due to the annual payment from the UK Work and Pensions being received within the same financial period (2018-19 was received in April 2019). Cash balances previously included external investment cash; this has been reclassified to external investments in 2019-20.
4. As the amounts due/to from the UK in respect of VAT are adjusted quarterly, there is often a large movement in the position. The amount due from the UK at the end of March 2020 was received in April 2020.



## 4. General Revenue Account

### 4.1 Net General Revenue Account (NGRA)

Table 4.1

NET GENERAL REVENUE ACCOUNT					
£000	Actual 2019-20	Budget 2019-20	Variance To Budget	Actual 2018-19	Variance to 2018-19
(Surplus)/Deficit for the year	(68,891)	5,954	74,845	(30,689)	38,202
<b>Transfers from:</b>					
Reserve Fund	20,000	-	(20,000)	20,000	-
	<b>(48,891)</b>	<b>5,954</b>	<b>54,845</b>	<b>(10,689)</b>	<b>38,202</b>
<b>Transfers to:</b>					
Agricultural Development Fund	1,000	1,000	-	-	(1,000)
BREXIT Fund	1,000	1,000	-	2,000	1,000
Contingency Fund	40,000	-	(40,000)	-	(40,000)
Healthcare Transformation Fund	-	-	-	5,000	5,000
Legal Costs Reserve	1,500	1,500	-	2,000	500
Medical Indemnity Fund	3,000	3,000	-	2,500	(500)
Town & Village Regeneration Fund	250	250	-	500	250
	<b>46,750</b>	<b>6,750</b>	<b>(40,000)</b>	<b>12,000</b>	<b>(34,750)</b>
<b>Net Movement for Year</b>	<b>(2,141)</b>	<b>12,704</b>	<b>14,845</b>	<b>1,311</b>	<b>3,452</b>
Balance at 1st April	(89,902)	(109,902)	(20,000)	(91,213)	(1,311)
<b>Balance at 31 March</b>	<b>(92,043)</b>	<b>(97,198)</b>	<b>(5,155)</b>	<b>(89,902)</b>	<b>2,141</b>

#### Notes

1. In the 2019-20 Budget it was originally envisaged that the General Revenue Account would produce a surplus for the year of £2m. However the surplus for the year was actually £68.9m, largely due to a higher than budgeted level of VAT income and income tax receipts and lower spending on social security benefits.
2. In 2019-20 £20m cash was invested in the Reserve Fund.
3. There was a total of £66.8m of transfers into reserves during the year, which together with the £68.9m surplus for the year resulted in a carried forward balance on Net General Revenue Account as at 31 March 2020 of £92m (an increase of £2.1m).



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

**Table 4.1b**

<b>BALANCE ON NGRA REPRESENTED BY:</b>			
<b>£000</b>	<b>Actual 31 Mar 20</b>	<b>Actual 31 Mar 19</b>	<b>Movement</b>
Imprest Advances	50	50	(0)
Monies at Call or Short Notice	254,400	162,700	91,700
Stock & Debtors	35,283	82,673	(47,390)
Amounts due from UK HMRC	3,455	10,977	(7,522)
Investment in Subsidiary	48,752	48,752	-
IOMSPC Loan	75,354	75,354	-
	<b>417,295</b>	<b>380,506</b>	<b>36,789</b>
Balance due to Bankers	(111,952)	(127,790)	15,838
N.I. Operating Account	(33,275)	(17,044)	(16,231)
Reserve Funds	(132,317)	(99,040)	(33,277)
Creditors	(37,847)	(39,162)	1,315
Third Party Funds	(9,860)	(7,568)	(2,292)
	<b>(325,252)</b>	<b>(290,604)</b>	<b>(34,648)</b>
<b>Balance as at 31 March</b>	<b>92,043</b>	<b>89,902</b>	<b>2,141</b>

**Notes**

1. Monies at call or short notice have increased in the year due to the annual receipt of the UK Work and Pensions settlement which was received in March compared to April last year. In addition, cash balances were being managed on deposits and other cash instruments due to the stock market impacts from Coronavirus.
2. Stock and Debtor balances have reduced in the year due to a reduction in receivable accruals resulting from the timing of the receipt from the UK Work and Pensions (see note 1 above).
3. The provision for repayment to UK HMRC includes a provision for the quarterly VAT settlement which was received in April 2020.

The prior year balances for stock and Debtors, Creditors and Third Party Funds have been reclassified to show the correct presentation of the balances.



## 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 2019-20</b>					
<b>£000</b>	<b>Original Budget (Pink Book)</b>	<b>Supp. Votes</b>	<b>Transfer from Revenue Contingency</b>	<b>Other Adjs.</b>	<b>Revised Budget</b>
<b>Treasury Income</b>					
Customs and Excise	(380,519)	-	-	-	(380,519)
Income and Other Taxes	(230,520)	-	-	-	(230,520)
Other Treasury Receipts	(7,035)	-	-	200	(6,835)
Social Security	(269,362)	-	-	40,684	(228,678)
<b>Total Income</b>	<b>(887,436)</b>	<b>-</b>	<b>-</b>	<b>40,884</b>	<b>(846,552)</b>
<b>Government Departments</b>					
Cabinet Office	30,448	-	27	-	30,475
Enterprise	17	-	1,045	-	1,062
Education, Sport & Culture	107,773	-	749	-	108,522
Environment, Food & Agriculture	16,743	-	370	-	17,113
Health & Social Care	223,120	8,000	-	-	231,120
Home Affairs	37,486	-	-	0	37,486
Infrastructure	68,046	-	2,212	-	70,258
Treasury (Gross Expenditure)	380,751	-	(4,411)	(40,885)	335,455
<b>Other Bodies</b>					
Executive Government	11,197	-	-	(1)	11,196
Manx National Heritage	4,638	-	8	-	4,646
Statutory Boards (Rev. Funded)	255	-	-	-	255
Expenses of the Legislature	4,916	-	-	-	4,916
<b>Total Expenditure</b>	<b>885,390</b>	<b>8,000</b>	<b>1</b>	<b>(40,886)</b>	<b>852,505</b>
<b>Surplus/Deficit</b>	<b>2,046</b>	<b>(8,000)</b>	<b>(1)</b>	<b>1</b>	<b>(5,954)</b>
Transfer from/(to) Reserves	-	-	-	-	-
Balance Brought Forward	-	-	-	-	-
<b>(Surplus)/Deficit</b>	<b>(2,046)</b>	<b>(8,000)</b>	<b>1</b>	<b>(1)</b>	<b>5,954</b>

### Notes

#### 1. Supplementary votes

Tynwald approved a supplementary vote of £8m for the DHSC in January 2020.

#### 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**

**Transfers from Revenue Contingency Budget 2019-20**

£ Department / Description	Transfers from Contingency
<b>Cabinet Office</b>	
OHR PIP Savings delayed	26,366
<b>Environment, Food &amp; Agriculture</b>	
Climate Change Consultation	370,250
<b>Education, Sports &amp; Culture</b>	
Student Maintenance Grants	749,000
<b>Enterprise</b>	
Overstatement in Ship Registry income	498,606
Bad Debt Provision- Ship Registry	250,000
Motorsport H&S Measures	296,617
<b>Infrastructure</b>	
Laxey Flooding	307,036
Airline Negotiations	891,043
Increase in fuel allowance	283,000
Increase in rates expenditure	292,640
COVID-19 related expenditure	438,130
<b>Manx National Heritage</b>	
Finance Staff Costs	8,000
<b>Total Use of Contingency</b>	<b>4,410,688</b>
<b>Treasury</b>	
Revenue Contingency Budget	(4,410,688)
<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

RECONCILIATION OF 2019-20 BUDGETS BY CATEGORY								
£000	Original Pink Book Budget	Supp. Votes	Transfer from Contingency	Public Sector Pensions	NI NHS Contribution Adjustment	Employees Pension Contributions	Virements	Revised Budget
Income	(1,039,868)	-	-	(64,230)	40,884	(26,810)	12,089	(1,077,935)
Employee Costs	389,983	6,500	-	101,230	-	-	652	498,364
Infrastructure Costs	43,971	87	-	-	-	-	(1,459)	42,599
Transport Costs	10,373	38	-	-	-	-	(185)	10,227
Supplies & Services	93,107	(179)	(8)	-	-	-	(4,279)	88,642
Agency & Contracted Services	85,291	1,554	-	-	-	-	(113)	86,733
Loan Charges	48,812	-	-	-	-	-	(1,900)	46,912
Social Security Clients	331,395	-	-	-	(40,884)	26,810	(10,314)	307,006
Other	34,890	-	-	(37,000)	-	-	5,518	3,407
<b>Total Budget</b>	<b>(2,046)</b>	<b>8,000</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>5,954</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 2019-20			Revised Budget 2019-20			Variance to Budget			Actual 2018-19 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	-	(444,531)	(444,531)	-	(380,519)	(380,519)	-	64,012	64,012	(369,703)	74,828
Income and Other Taxes	-	(241,124)	(241,124)	-	(230,520)	(230,520)	-	10,604	10,604	(237,742)	3,382
Other Treasury Income	-	(10,305)	(10,305)	-	(6,835)	(6,835)	-	3,469	3,469	(10,321)	(16)
Social Security	-	(226,980)	(226,980)	-	(228,678)	(228,678)	-	(1,698)	(1,698)	(212,223)	14,757
<b>Sub-total - Treasury Income</b>	<b>-</b>	<b>(922,940)</b>	<b>(922,940)</b>	<b>-</b>	<b>(846,552)</b>	<b>(846,552)</b>	<b>-</b>	<b>76,388</b>	<b>76,388</b>	<b>(829,989)</b>	<b>92,950</b>
<b>Government Departments</b>											
Cabinet Office	31,732	(1,257)	30,475	32,022	(1,547)	30,475	290	(290)	(0)	30,714	239
For Enterprise	26,749	(25,687)	1,062	28,043	(26,981)	1,062	1,294	(1,294)	0	17	(1,045)
Education & Children	118,534	(10,029)	108,504	119,588	(11,066)	108,522	1,054	(1,037)	18	102,302	(6,202)
Environment, Food & Agriculture	20,799	(3,711)	17,088	20,985	(3,872)	17,113	186	(161)	25	16,042	(1,046)
Health & Social Care	285,676	(54,681)	230,995	284,672	(53,552)	231,120	(1,004)	1,129	125	220,147	(10,848)
Home Affairs	38,896	(1,449)	37,447	38,688	(1,201)	37,486	(208)	247	39	35,109	(2,339)
Infrastructure	126,271	(56,013)	70,258	127,165	(56,906)	70,258	894	(894)	0	63,578	(6,680)
Treasury (Gross Expenditure)	338,383	-	338,383	335,455	-	335,455	(2,928)	-	(2,928)	312,864	(25,519)
	<b>987,039</b>	<b>(152,826)</b>	<b>834,213</b>	<b>986,617</b>	<b>(155,125)</b>	<b>831,492</b>	<b>(422)</b>	<b>(2,299)</b>	<b>(2,721)</b>	<b>780,773</b>	<b>(53,441)</b>
<b>Other Bodies</b>											
Executive Government	82,561	(71,356)	11,204	77,862	(66,665)	11,196	(4,699)	4,691	(8)	10,217	(988)
Manx Museum and National Trust	5,736	(1,091)	4,646	5,508	(862)	4,646	(228)	228	0	4,445	(201)
Statutory Boards (Revenue Funded)	8,868	(9,589)	(722)	8,977	(8,722)	255	109	868	977	(703)	19
Legislature (Parliament)	4,779	(71)	4,708	4,925	(9)	4,916	146	62	208	4,569	(139)
<b>Sub-total - Voted Services</b>	<b>1,088,983</b>	<b>(234,934)</b>	<b>854,049</b>	<b>1,083,889</b>	<b>(231,383)</b>	<b>852,506</b>	<b>(5,094)</b>	<b>3,550</b>	<b>(1,543)</b>	<b>799,300</b>	<b>(54,749)</b>
<b>(Surplus)/Deficit</b>	<b>1,088,983</b>	<b>(1,157,874)</b>	<b>(68,891)</b>	<b>1,083,889</b>	<b>(1,077,935)</b>	<b>5,954</b>	<b>(5,094)</b>	<b>79,938</b>	<b>74,845</b>	<b>(30,689)</b>	<b>38,202</b>

**Note**

The revised budget figure includes the supplementary votes, contingency transfers and virements which are detailed in this section.



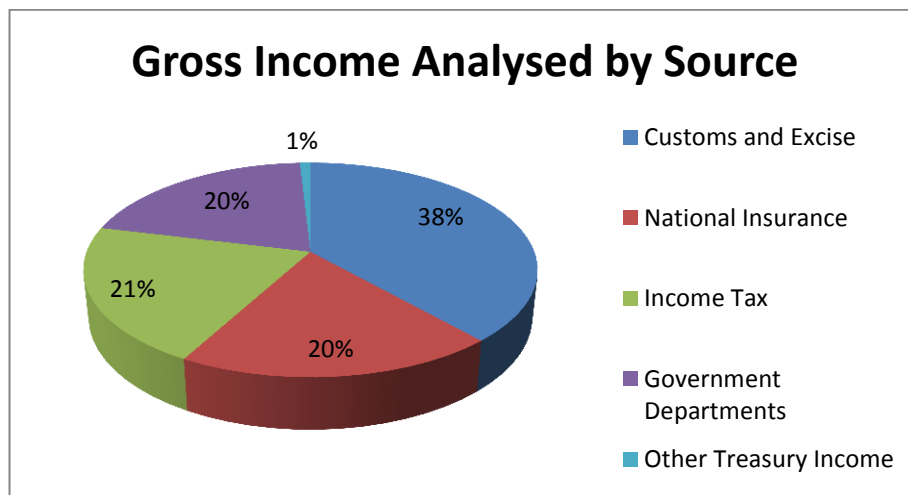
#### 4.6 Breakdown of income

**Table 4.6**

<b>BREAKDOWN OF INCOME BY TYPE</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>TAXATION INCOME</b>					
Income Tax	(241,127)	(230,520)	10,607	(237,742)	3,385
Social Security	(226,770)	(228,406)	(1,636)	(211,948)	14,821
Duties In Common With The UK	(33,782)	(78,400)	(44,618)	(31,656)	2,126
Consumer Taxes	(126,771)	(293,919)	(167,148)	(25,947)	100,824
Customs Receipts From UK	(274,175)	1,300	275,475	(300,420)	(26,245)
Isle Of Man Duties	(8,928)	(9,100)	(172)	(10,844)	(1,916)
Other Taxation Income	(59,527)	(59,357)	170	(58,193)	1,334
Pensions	(68,846)	(64,230)	4,616	(66,779)	2,067
	<b>(1,039,926)</b>	<b>(962,631)</b>	<b>77,295</b>	<b>(943,529)</b>	<b>96,397</b>
<b>THIRD PARTY CONTRIBUTIONS</b>					
Reimbursements	(5,217)	(5,674)	(458)	(5,395)	(178)
	<b>(5,217)</b>	<b>(5,674)</b>	<b>(458)</b>	<b>(5,395)</b>	<b>(178)</b>
<b>OPERATING INCOME</b>					
Sale Of Goods	(3,577)	(3,670)	(92)	(3,602)	(24)
Sales Of Services	(43,032)	(43,811)	(779)	(46,661)	(3,628)
Rental Income	(16,849)	(17,187)	(338)	(17,343)	(494)
Fees Levies And Charges	(29,404)	(30,004)	(600)	(31,110)	(1,706)
	<b>(92,863)</b>	<b>(94,671)</b>	<b>(1,809)</b>	<b>(98,715)</b>	<b>(5,852)</b>
<b>GRANT INCOME</b>					
Grant Income	(3,299)	(3,059)	240	(2,854)	445
	<b>(3,299)</b>	<b>(3,059)</b>	<b>240</b>	<b>(2,854)</b>	<b>445</b>
<b>OTHER NON TRADING INCOME</b>					
Other Non-Trading Income	(16,569)	(11,899)	4,671	(16,350)	220
	<b>(16,569)</b>	<b>(11,899)</b>	<b>4,671</b>	<b>(16,350)</b>	<b>220</b>
<b>TOTAL INCOME</b>	<b>(1,157,874)</b>	<b>(1,077,935)</b>	<b>79,938</b>	<b>(1,066,843)</b>	<b>91,030</b>

#### Note

Pension income is £2m higher than prior year as a result of increased GUS pension contributions.





#### 4.7 Breakdown of expenditure

Table 4.7

<b>BREAKDOWN OF SPEND BY CATEGORY</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>EMPLOYEE COSTS</b>					
Wages And Salaries	380,820	386,674	5,854	359,825	(20,995)
Employee Transport And Subsistence	1,968	2,669	701	1,813	(155)
Training	2,189	2,954	765	1,807	(382)
Other Staff Costs	89	56	(33)	49	(39)
Recruitment Costs	738	1,145	408	802	64
Expenses	1	-	(1)	0	(1)
Agency Staff	11,855	3,636	(8,219)	13,391	1,536
	<b>397,659</b>	<b>397,134</b>	<b>(525)</b>	<b>377,688</b>	<b>(19,971)</b>
<b>INFRASTRUCTURE EXPENSES</b>					
Structures	10,812	11,741	929	12,444	1,632
Grounds	1,007	788	(219)	888	(118)
Road Runways And Landscaping	(1,265)	(1,610)	(344)	(352)	913
Energy Costs	8,207	8,476	269	8,198	(9)
Rent Rates And Water Charges	6,406	6,306	(100)	6,792	386
Fixtures And Fittings	636	461	(175)	456	(180)
Cleaning And Waste Disposal	14,309	12,732	(1,577)	13,342	(967)
Property Insurance	-	-	-	-	-
Other Premises Expenses	3,659	3,704	46	3,526	(132)
	<b>43,770</b>	<b>42,599</b>	<b>(1,171)</b>	<b>45,295</b>	<b>1,525</b>
<b>TRANSPORT EXPENSES</b>					
Vehicle Purchase	(123)	11	134	(110)	13
Vehicle Repairs And Maintenance	2,896	2,278	(617)	1,925	(971)
Vehicle Running Costs	3,097	2,970	(127)	3,090	(7)
Contract Hire And Operating Leases	188	170	(18)	415	227
Public Transport Costs	4,790	4,625	(164)	4,410	(379)
Transport - Insurance	7	7	(0)	7	(0)
Transport - Carriage	178	164	(14)	258	80
	<b>11,032</b>	<b>10,227</b>	<b>(805)</b>	<b>9,996</b>	<b>(1,036)</b>
<b>SUPPLIES AND SERVICES</b>					
Equipment	10,862	10,012	(850)	9,357	(1,505)
Furniture	289	209	(79)	237	(51)
Materials	23,974	25,344	1,370	22,872	(1,101)
Printing Stationery And General Office Expenses	2,230	2,562	332	3,707	1,477
Advertising Publicity Marketing	4,246	2,980	(1,266)	3,311	(935)
Services	29,553	23,515	(6,037)	27,718	(1,835)
Communications And Computing	17,169	14,759	(2,409)	17,884	715
Expenses	9,743	12,536	2,793	9,847	103
Exchange Rate & Other Differences	(3,923)	(3,276)	647	(4,122)	(199)
	<b>94,142</b>	<b>88,642</b>	<b>(5,501)</b>	<b>90,812</b>	<b>(3,330)</b>
<b>Sub-Total Carried Forward</b>	<b>546,603</b>	<b>538,601</b>	<b>(8,002)</b>	<b>523,791</b>	<b>(22,812)</b>

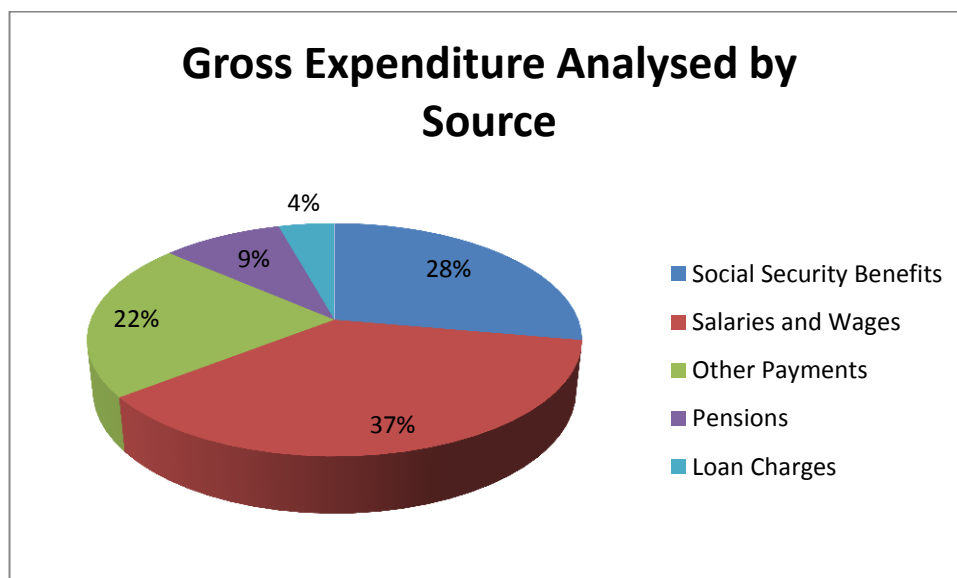
*Expenditure continues on next page...*



**Breakdown of expenditure (Continued)**

**Table 4.7 (Continued)**

<b>BREAKDOWN OF SPEND BY CATEGORY (Continued)</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>GROSS EXPENDITURE (continued)</b>					
Brought forward	546,603	538,601	(8,002)	523,791	(22,812)
<b>AGENCY AND CONTRACTED SERVICES</b>					
Contribution To Uk Government	3,178	3,178	0	3,122	(56)
Contribution To Local Authorities	2,475	2,985	510	1,829	(646)
Contribution To Departments	456	277	(179)	452	(4)
Medical And Care Services	83,877	80,292	(3,585)	80,636	(3,241)
	<b>89,986</b>	<b>86,733</b>	<b>(3,253)</b>	<b>86,039</b>	<b>(3,947)</b>
<b>TRANSFER PAYMENTS</b>					
Grants And Subsidies	35,490	38,247	2,756	35,648	157
Compensation Payments	5,161	268	(4,893)	2,576	(2,585)
Social Security Clients	301,253	303,056	1,803	281,992	(19,262)
Loan Charges	46,819	46,912	93	45,654	(1,165)
Other Costs	8,281	1,830	(6,451)	1,650	(6,631)
Aid Payments	2,500	2,500	(0)	2,500	(0)
Legal Aid Schemes	3,098	2,810	(287)	3,148	51
Internal Recharges	(1,173)	5,485	6,658	(233)	941
Reimbursements From Internal Funds	(49,901)	(43,782)	6,119	(46,710)	3,191
	<b>351,527</b>	<b>357,326</b>	<b>5,798</b>	<b>326,225</b>	<b>(25,303)</b>
<b>OTHER COSTS</b>					
Pension Expenditure	100,867	101,230	363	100,100	(767)
<b>Total Expenditure</b>	<b>1,088,983</b>	<b>1,083,889</b>	<b>(5,094)</b>	<b>1,036,154</b>	<b>(52,829)</b>





#### 4.8 Pay Analysis – actual 2019-20 versus revised budget

**Table 4.8**

£000	EMPLOYEE COSTS - ACTUAL V BUDGET																				
	ACTUAL							REVISED BUDGET							VARIANCE TO BUDGET						
	Basic Pay	Overtime	National Insurance	Pension	Agency Staff	Other	Total 2019-20	Basic Pay	Overtime	National Insurance	Pension	Agency Staff	Other	Total Budget	Basic Pay	Overtime	National Insurance	Pension	Agency Staff	Other	Total
	2101	2102	2105	2110	29		2	2101	2102	2105	2110	29		2							
<b>Department</b>																					
DFE	7,459	225	862	961	124	290	9,920	7,545	213	836	941	99	217	9,851	86	(12)	(25)	(20)	(25)	(74)	(70)
DESC	60,407	3,444	6,104	8,882	101	1,050	79,988	63,415	64	6,311	9,329	37	930	80,086	3,008	(3,380)	207	447	(64)	(120)	98
DEFA	6,863	132	759	975	156	281	9,165	6,907	79	716	1,106	63	250	9,121	44	(53)	(43)	131	(93)	(31)	(45)
DHSC	103,165	9,805	12,925	14,115	10,690	13,372	164,072	113,827	3,815	13,000	19,458	2,985	10,880	163,965	10,662	(5,990)	75	5,343	(7,705)	(2,492)	(107)
DHA	19,951	1,404	2,458	2,896	57	2,676	29,442	21,685	920	2,134	3,173	32	2,290	30,234	1,734	(484)	(323)	277	(25)	(386)	793
DOI	31,863	3,946	3,818	4,315	493	2,586	47,021	31,082	3,139	3,395	5,808	313	1,566	45,301	(781)	(808)	(423)	1,493	(180)	(1,020)	(1,720)
Treasury	11,623	126	1,229	1,675	100	206	14,959	12,039	54	1,402	1,948	34	157	15,636	417	(72)	173	274	(66)	(48)	677
Cabinet Office	13,792	152	1,560	1,794	108	991	18,397	13,265	66	1,496	2,096	-	952	17,875	(527)	(86)	(64)	302	(108)	(38)	(522)
<b>Executive Government</b>																					
IRO	184	17	23	26	7	6	264	221	-	18	22	1	3	265	38	(17)	(5)	(4)	(6)	(4)	1
VWS	70	2	8	10	1	3	94	65	2	6	11	1	7	92	(5)	(0)	(1)	0	0	3	(2)
ICO	204	-	23	31	-	7	265	313	-	21	29	-	10	373	109	-	(1)	(2)	-	2	108
GR	2,999	4	325	366	5	98	3,796	2,837	10	322	468	33	161	3,831	(162)	6	(3)	102	28	63	35
AGC	3,827	1	438	550	-	90	4,905	3,864	-	407	567	-	35	4,872	37	(1)	(31)	17	-	(54)	(32)
<b>Statutory Boards</b>																					
Comms Commn.	282	-	32	27	9	2	353	332	-	33	47	-	9	422	50	-	0	20	(9)	8	69
FSA	4,014	66	449	493	4	129	5,154	3,833	1	463	604	25	238	5,163	(181)	(66)	13	111	21	110	9
GSC	763	-	95	109	-	58	1,025	794	2	82	112	-	52	1,042	32	2	(13)	3	-	(6)	17
OFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PSPA	676	4	75	101	-	16	873	729	5	70	132	-	13	948	53	1	(6)	31	-	(4)	75
FIU	507	-	57	57	-	51	672	580	-	49	57	1	61	748	73	-	(7)	(0)	1	9	76
MMNT	2,594	61	254	344	-	129	3,383	2,451	17	189	397	-	208	3,262	(143)	(45)	(65)	53	-	79	(121)
Road Transport Licensing Commit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legislature	2,413	6	349	402	0	750	3,919	2,348	7	381	477	13	822	4,048	(64)	1	32	75	12	72	129
<b>TOTAL</b>	<b>273,654</b>	<b>19,395</b>	<b>31,842</b>	<b>38,127</b>	<b>11,855</b>	<b>22,792</b>	<b>397,666</b>	<b>288,133</b>	<b>8,394</b>	<b>31,330</b>	<b>46,780</b>	<b>3,636</b>	<b>18,861</b>	<b>397,134</b>	<b>14,479</b>	<b>(11,001)</b>	<b>(512)</b>	<b>8,652</b>	<b>(8,219)</b>	<b>(3,931)</b>	<b>(532)</b>

#### Notes

1. The revised budget includes £8m from the DHSC supplementary vote.
2. Other costs include arrears, employee travel, training and recruitment costs.
3. See Appendix A at section 12 for a list of abbreviations.



#### 4.9 Pay analysis – actual 2019-20 versus actual 2018-19

**Table 4.9**

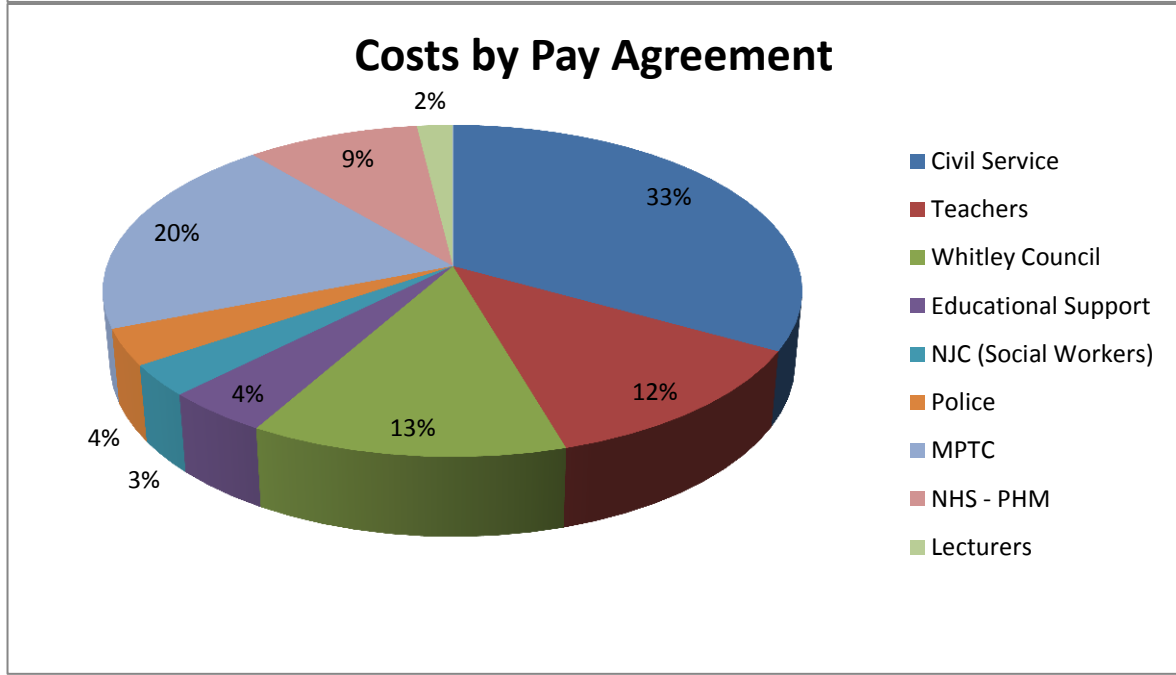
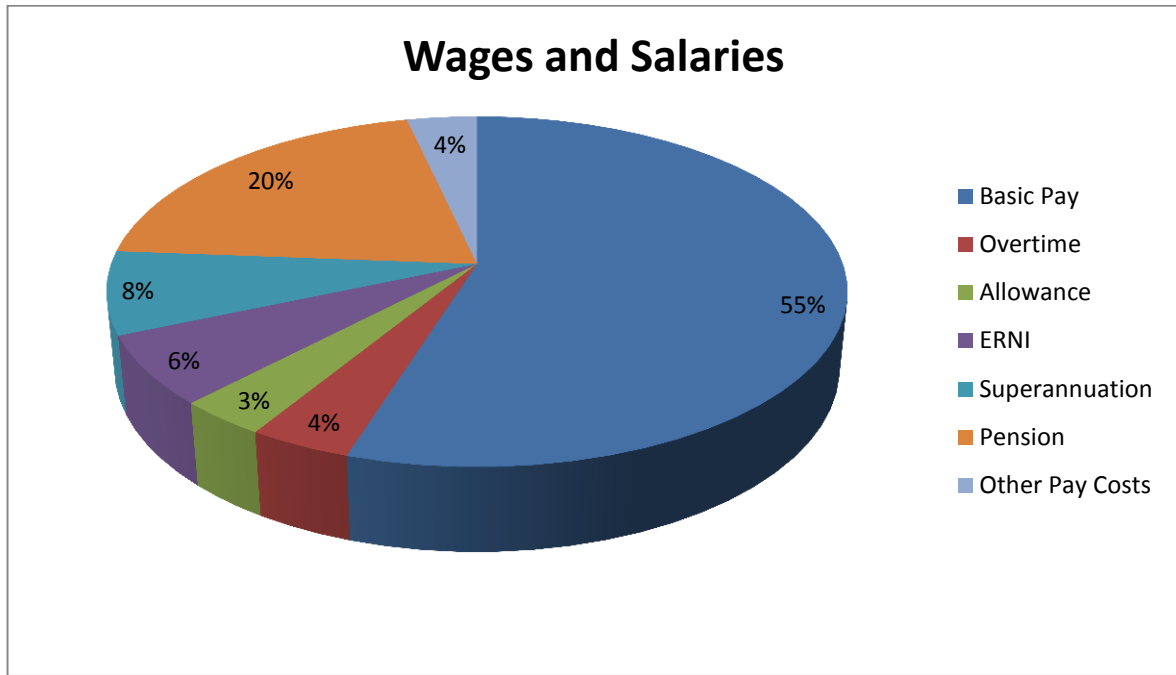
£000	EMPLOYEE COSTS - ACTUAL V LAST YEAR																				
	ACTUAL 2019-20							ACTUAL 2018-19							VARIANCE TO 2018-19						
	Basic Pay	Overtime	National Insurance	Pension	Agency Costs	Other	Total 2018-19	Basic Pay	Overtime	National Insurance	Pension	Agency Costs	Other	Total 0	Basic Pay	Overtime	National Insurance	Pension	Agency Costs	Other	Total Variance
	2101	2102	2105	2110	29		21	2101	2102	2105	2110	29		2							
<b>Department</b>																					
DFE	7,459	225	862	961	124	290	9,920	6,866	183	659	901	158	368	9,135	(593)	(42)	(202)	(60)	35	78	(785)
DESC	60,407	3,444	6,104	8,882	101	1,050	79,988	57,779	1,822	4,582	8,480	75	1,295	74,033	(2,628)	(1,622)	(1,522)	(402)	(26)	245	(5,955)
DEFA	6,863	132	759	975	156	281	9,165	6,612	109	544	949	82	290	8,585	(251)	(24)	(215)	(27)	(73)	10	(580)
DHSC	103,165	9,805	12,925	14,115	10,690	13,372	164,072	95,900	9,225	9,981	13,781	12,325	17,050	158,263	(7,265)	(580)	(2,943)	(334)	1,635	3,677	(5,809)
DHA	19,951	1,404	2,458	2,896	57	2,676	29,442	19,294	1,118	1,856	2,704	100	2,645	27,718	(656)	(286)	(602)	(192)	43	(31)	(1,724)
DOI	31,863	3,946	3,818	4,315	493	2,586	47,021	30,167	3,548	2,897	4,244	399	2,756	44,012	(1,696)	(398)	(921)	(70)	(94)	170	(3,009)
Treasury	11,623	126	1,229	1,675	100	206	14,959	11,074	144	929	1,628	135	326	14,236	(548)	18	(301)	(47)	35	120	(722)
Cabinet Office	13,792	152	1,560	1,794	108	991	18,397	13,725	205	1,295	1,826	94	1,183	18,327	(67)	53	(265)	32	(15)	192	(70)
<b>Executive Government</b>																					
IRO	184	17	23	26	7	6	264	174	-	17	27	1	3	222	(10)	(17)	(6)	1	(6)	(3)	(42)
VWS	70	2	8	10	1	3	94	68	0	5	10	2	1	86	(2)	(2)	(2)	(0)	1	(2)	(8)
ICO	204	-	23	31	-	7	265	31	-	3	108	-	104	246	(174)	-	(20)	78	-	97	(19)
GR	2,999	4	325	366	5	98	3,796	2,842	28	276	353	13	119	3,631	(156)	24	(48)	(13)	8	21	(165)
AGC	3,827	1	438	550	-	90	4,905	3,532	1	352	510	0	75	4,471	(295)	0	(85)	(39)	0	(15)	(434)
<b>Statutory Boards</b>																					
Comms Commn.	282	-	32	27	9	2	353	250	-	24	25	-	17	317	(32)	-	(8)	(2)	(9)	15	(36)
FSA	4,014	66	449	493	4	129	5,154	4,016	19	390	466	-	144	5,035	3	(48)	(60)	(27)	(4)	15	(120)
GSC	763	-	95	109	-	58	1,025	685	-	66	98	-	93	943	(78)	-	(29)	(11)	-	35	(82)
OFT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PSPA	676	4	75	101	-	16	873	694	3	59	103	-	18	877	18	(1)	(16)	2	-	2	4
FIU	507	-	57	57	-	51	672	467	-	45	50	5	41	607	(41)	-	(11)	(7)	5	(11)	(65)
MMNT	2,594	61	254	344	-	129	3,383	2,277	190	188	327	-	170	3,153	(317)	129	(66)	(17)	-	41	(230)
RTLCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legislature	2,413	6	349	402	0	750	3,919	2,309	4	293	408	1	779	3,795	(104)	(2)	(56)	6	1	30	(124)
<b>TOTAL</b>	<b>273,654</b>	<b>19,395</b>	<b>31,842</b>	<b>38,127</b>	<b>11,855</b>	<b>22,792</b>	<b>397,666</b>	<b>258,762</b>	<b>16,598</b>	<b>24,463</b>	<b>36,999</b>	<b>13,391</b>	<b>27,477</b>	<b>377,691</b>	<b>(14,892)</b>	<b>(2,798)</b>	<b>(7,379)</b>	<b>(1,128)</b>	<b>1,536</b>	<b>4,685</b>	<b>(19,975)</b>

#### Notes

1. Compared to last year costs have increased by 5% overall which includes inflationary increases agreed through the pay awards. The pay increases have impacted across all payroll costs due to the link to basic pay. National insurance costs have increased by 30% compared to the previous year.
2. DHSC agency costs are 17% lower than the prior year; other costs have also decreased by 17% due to the payment of arrears in the previous year as a result of pay awards.
3. Other costs include arrears, employee travel, training and recruitment costs.
4. See Appendix A at section 12 for a list of abbreviations



**Pay analysis (Continued) – 2019-20**



*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 2018-19</b>			<b>Actual 2019-20</b>		
	<b>Advances</b>	<b>Repaid</b>	<b>Net</b>	<b>Advances</b>	<b>Repaid</b>	<b>Net</b>
Balance brought forward at 1 April	<b>(58,753)</b>		<b>(58,753)</b>			<b>(62,785)</b>
<b>Loan Transactions</b>						
Loan from Reserve Fund to Capital Fund	(75,354)	-	(75,354)	-	-	-
Interest on Capital Fund	-	(15,448)	(15,448)	-	(15,969)	(15,969)
	<b>(134,107)</b>	<b>(15,448)</b>	<b>(149,555)</b>	<b>-</b>	<b>(15,969)</b>	<b>(78,754)</b>
<b>Borrowing Account Transactions</b>						
Cabinet Office	759	(78)	681	1,453	(164)	1,289
Economic Development	-	(764)	(764)	258	(874)	(616)
Education and Children	5,793	(5,777)	16	2,767	(5,760)	(2,993)
Environment, Food and Agriculture	684	(716)	(32)	726	(760)	(33)
Health and Social Care	2,978	(7,294)	(4,316)	3,213	(6,883)	(3,671)
Home Affairs	731	(2,496)	(1,766)	875	(2,775)	(1,900)
Infrastructure	41,646	(16,071)	25,575	52,097	(16,297)	35,800
Treasury	522	(510)	12	1,147	(546)	601
Statutory Boards	193	(54)	139	273	(68)	205
Manx National Heritage	409	(791)	(382)	189	(791)	(601)
Expenses of the Legislature	-	(342)	(342)	-	(342)	(342)
<b>Borrowing Authorities</b>						
Manx Utilities Authority	7,061	(7,507)	(445)	8,650	(9,658)	(1,008)
Isle of Man Steam Packet Group	75,354	-	75,354	-	-	-
<b>SUB-TOTAL</b>	<b>136,130</b>	<b>(42,400)</b>	<b>93,730</b>	<b>71,648</b>	<b>(44,919)</b>	<b>26,729</b>
	<b>2,023</b>	<b>(57,847)</b>	<b>(55,824)</b>	<b>71,648</b>	<b>(60,888)</b>	<b>(52,025)</b>
<b>Other Capital Transactions:</b>						
Contributions from Internal Funds applied in reducing outstanding advances		(6,116)	(6,116)		(4,253)	(4,253)
Capital Receipts applied in reducing outstanding advances		(845)	(845)		(513)	(513)
<b>Balance carried forward at 31 March</b>	<b>2,023</b>	<b>(64,808)</b>	<b>(62,785)</b>	<b>71,648</b>	<b>(65,654)</b>	<b>(56,791)</b>

#### Note

1. Compared to last year capital expenditure was lower (£71.6m vs £136.1m). This is due to the change in presentation of the loan advanced to the Isle of Man Steam Packet Group (previously shown as an external investment). Capital advances in 2018-19 excluding the Isle of Man Steam Packet Group loan were £60.8m. Repayments were slightly higher (£65.7m vs £64.8m).
2. 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 £130m, so the current year repayments seem high in comparison to the actual spend.



## 5.2 Capital interest transactions

**Table 5.2**

<b>INTEREST TRANSACTIONS</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>Interest Receivable</b>		
Investment Interest	(272)	(329)
Bond interest charged to MUA (ex-MEA)	(9,944)	(9,944)
Bond interest charged to MUA (ex-WSA)	(4,219)	(4,219)
Balance - Net Interest recharged to Borrowing	(15,175)	(15,640)
	<b>(29,610)</b>	<b>(30,132)</b>
<b>Interest Payable</b>		
Bond interest charged to MUA (ex-MEA)	9,944	9,944
Bond interest charged to MUA (ex-WSA)	4,219	4,219
Interest on Capital Fund	15,448	15,969
	<b>29,610</b>	<b>30,132</b>

## 5.3 Loans Fund balance sheet

**Table 5.3**

<b>LOANS FUND BALANCE SHEET AT 2019-20</b>		
<b>£000</b>	<b>As at 31 Mar 19</b>	<b>As at 31 Mar 20</b>
<b>Assets</b>		
Advances to Borrowing Accounts	1,085,950	1,107,913
Cash at Bank	62,785	56,791
	<b>1,148,734</b>	<b>1,164,704</b>
<b>Liabilities</b>		
Bond Issue on behalf of Manx Utilities Authority	(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>813,380</b>	<b>829,350</b>
<b>Reserves</b>		
Capital Fund	813,380	829,350
	<b>813,380</b>	<b>829,350</b>

In 2019-20 there has been a change in presentation to show the Isle of Man Steam Packet Group loan through the Consolidated Loans Fund. In 2018-19 this was shown as an external investment.



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

Capital expenditure is approved by Tynwald either as part of the Government's annual Budget or through supplementary votes. Capital expenditure approvals comprise both:

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

Capital expenditure for a given financial year is shown separately in the 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 2020:

CAPITAL EXPENDITURE APPROVED FOR THE YEAR ENDED 31 Mar 20						
£000	Column 1	Column 2	Column 3	Contingency Transfers	Supp. Votes	Approved Budget
Cabinet Office	-	2,022	-	107	-	2,129
Education, Sport & Culture	3,428	1,249	1,990	42	196	6,905
Enterprise	-	2,250	-	-	-	2,250
Environment, Food & Agriculture	451	927	-	-	34	1,412
Health and Social Care	4,063	3,243	3,466	309	-	11,081
Home Affairs	427	1,031	-	148	29	1,635
Infrastructure	33,087	43,527	-	1,367	74	78,055
Treasury	2,797	6,662	969	(1,974)	-	8,454
Statutory Boards	516	-	-	-	-	516
Manx National Heritage	-	550	-	0	-	550
<u>Borrowing Authorities:</u>						
MUA - Capital Programme	3,074	11,009	2,973	-	-	17,056
<b>Total</b>	<b>47,843</b>	<b>72,470</b>	<b>9,398</b>	<b>-</b>	<b>333</b>	<b>130,044</b>

#### Note

1. The Column 3 amounts above only include Column 3 amounts presented in the Budget which were subsequently approved by Tynwald during the financial year. These 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.



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

There were no schemes included within Column 3 of the 2019-20 Budget and approved by Tynwald after the Budget.

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>2019-20</b>	<b>Contingency</b>	<b>2019-20</b>
<b>Cabinet Office</b>			
MCW	250	56	306
TT Race Timing Solution	130	52	182
<b>Cabinet Office Total</b>	<b>380</b>	<b>108</b>	<b>488</b>
<b>Education and Children</b>			
Classroom Scheme Phase 2 - St Mary's	600	42	642
<b>Education and Children Total</b>	<b>600</b>	<b>42</b>	<b>642</b>
<b>Home Affairs</b>			
Minor Capital Works DHA (old scheme)	-	148	148
<b>Home Affairs Total</b>	<b>-</b>	<b>148</b>	<b>148</b>
<b>Health and Social Care</b>			
Older Persons Residential and Resource Unit - East	34	309	343
<b>Health and Social Care Total</b>	<b>34</b>	<b>309</b>	<b>343</b>
<b>Infrastructure</b>			
MCW Public Transport	1,160	158	1,318
Refurbishment of Michael Street Peel	49	46	95
Residential Road Refurbishment	529	144	673
Strategic Highway Refurbishment Programme	4,690	29	4,719
Heritage Trail Improvement	705	67	772
Victoria Pier Scour Protection	-	281	281
Heritage Rail Budget	6,082	642	6,724
<b>Infrastructure Total</b>	<b>13,215</b>	<b>1,367</b>	<b>14,582</b>
<b>Manx Museum and National Trust</b>			
Digitalisation & Publi Electronic Access	-	0	0
<b>Manx Museum and National Trust Total</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>Total Use of Contingency</b>	<b>14,229</b>	<b>1,974</b>	<b>16,203</b>
<b>Treasury</b>			
Capital Project Contingency Budget	5,000	(1,974)	3,026
<b>TOTAL</b>	<b>19,229</b>	<b>-</b>	<b>19,229</b>

The Older Persons Residential and Resource Unit – East scheme had accelerated spend and was included within column 3 of the 2019-20 budget but approved by Treasury as a timing difference.



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

In terms of presentation, the following schemes represent supplementary votes approved in 2019-2020. The vote in respect of the IOM Ferry Terminal relates to future budgets:

**Table 5.4d**

<b>SUPPLEMENTARY VOTES</b>			
<b>£000 Project / Scheme</b>	<b>Dept.</b>	<b>Overall Amount Approved</b>	<b>Amount Approved for 2019-20</b>
IOM Ferry Terminal	DOI	26,800	-
Ballasalla Relief Road	DOI	44,535	44,535
Douglas & Peel Cofferdam	DOI	20,720	20,720
Port St Mary Alfred Pier	DOI	3,086	3,086
Peel Harbour Bridge Replacement	DOI	5,427	5,427
Public Analyst Lab - Replacement Equipment	DOI	34,099	34,099
NSC Pool	DESC	181,194	181,194
Scoill Vallajeelt - St Thomas co-location	DESC	14,876	14,876
Fire and Rescue Equipment	DHA	21,219	21,219
New Tromode Storage Facility	DHA	7,471	7,471
<b>Total</b>		<b>359,427</b>	<b>332,627</b>



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

The following schemes are timing differences but require funding which was approved in the 2018-19 Budget to be brought forward into 2019-20 in order to meet expenditure incurred:

<b>TIMING DIFFERENCES - PREVIOUSLY APPROVED</b>			
<b>£000</b> <b>Project / Scheme</b>	<b>Dept.</b>	<b>Budget Approved for 2019-20</b>	<b>Amount carried forward into 2019-20</b>
Clagh Vane Redevelopment	DOI	1,978	94
NSC Flood Control	DOI	-	18
Communications Development Programme	DHA	-	188
Residential Accommodation- Medical Staff	DHSC	-	7
GP Surgery Palatine	DHSC	-	62
MCW Asset Replacement Programme	DHSC	-	1,341
Accommodation for Day Care Services Eastcliffe	DHSC	1,080	45
Learning Disabilities Additional Residential Unit	DHSC	-	6
Purchase of Salisbury Street Care Home	DHSC	-	7
Radar Replacement	DOI	-	301
Liverpool Landing Stage	DOI	6,520	867
X-Ray Machine Upgrade	DOI	2,020	17
King Edward VIII Pier	DOI	-	6
Lezayre Road	DOI	-	23
Airport Information Management System	DOI	-	57
Essential Building Maintenance	DEFA	358	47
Combined Cycle Gas Turbine	MUA	1,700	2,380
Regional Sewerage Strategy	MUA	527	487
Digitisation & Public Electronic Access	MMNT	-	7
<b>Total</b>		<b>14,183</b>	<b>5,960</b>

The following schemes were included in Column 3 of the 2019-20 Budget but no approval was sought from Tynwald during the year:

<b>SCHEMES NOT APPROVED</b>		
<b>£000</b> <b>Project / Scheme</b>	<b>Dept.</b>	<b>Amount Not Approved for 2019-20</b>
Castle Rushen High School	DESC	1,990
Older Persons RRU - Summerhill	DHSC	3,466
Regional Treatment Works - Peel, Laxey, Baldrine	MUA	2,973
Broadcasting House Refurbishment	RML	969
<b>Total</b>		<b>9,398</b>

The Older Persons RRU – Summerhill scheme spent £310k more the approved budget in the year but Column 3 budget wasn't sought. This timing difference has been funded through capital contingency.

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



## 5.5 Capital receipts

Table 5.5

<b>CAPITAL RECEIPTS</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>1. SALE OF ASSETS</b>		
<b>Department of Education and Children</b>		
Clifton Park	-	(479)
	-	<b>(479)</b>
<b>Department of Environment, Food &amp; Agriculture</b>		
National Glens and Footpaths	-	(1)
Ayre Cottage, Smeale	(52)	-
Sale of Land - Gobb y Volley Depot	(1)	-
	<b>(53)</b>	<b>(1)</b>
<b>Department of Home Affairs</b>		
Sale of Ramsey Courthouse	(80)	-
Sale of Ramsey Courthouse - loan in lieu of rent	(370)	-
Sekondi, Victoria Road, Castletown	(211)	-
Peel Garage	(75)	-
	<b>(736)</b>	-
<b>Department of Infrastructure</b>		
Sale of land – Hills Meadow and Ballure Road	-	(33)
Castletown Benefits Office, Castletown	(56)	-
	<b>(56)</b>	<b>(33)</b>
Total Capital Receipts from Sale of Assets	<b>(845)</b>	<b>(512)</b>
<b>2. CONTRIBUTIONS TO CAPITAL FROM INTERNAL FUNDS</b>		
<u>Housing Reserve Fund</u>		
Department of Infrastructure	(6,026)	(3,922)
<u>Land and Property Acquisition Reserve</u>		
Department of Infrastructure	-	(331)
Department of Home Affairs	(90)	-
	<b>(6,116)</b>	<b>(4,253)</b>
<b>Total Capital Receipts</b>	<b>(6,961)</b>	<b>(4,765)</b>

### Notes

1. 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 19	Transfers Between Departments 2019-20	Revised Advances O/S at 1 Apr 19	Advances		Repayments			Advances Outstanding at 31 Mar 20
				Year 2019-20	Total to 31 Mar 20	Advances Repaid 2019-20	Capital Receipts 2019-20	Total Repaid to 31 Mar 20	
Cabinet Office	792	-	792	1,453	2,492	164	-	411	2,080
Enterprise	9,318	-	9,318	258	35,807	874	-	27,104	8,702
Education and Children	96,261	-	96,261	2,767	199,257	5,760	479	106,468	92,789
Environment, Food & Agriculture	14,268	-	14,268	726	33,624	760	1	19,390	14,234
Health and Social Care	124,078	-	124,078	3,213	228,689	6,883	-	108,281	120,408
Home Affairs	49,535	-	49,535	875	78,706	2,775	-	31,227	47,479
Infrastructure	258,376	-	258,376	52,097	662,543	16,297	4,286	363,990	290,047
Treasury	5,457	-	5,457	1,147	111,689	546	-	105,631	6,058
Statutory Boards	139	-	139	273	466	68	-	122	344
Manx National Heritage	9,526	-	9,526	189	24,426	791	-	15,502	8,924
Expenses of the Legislature	4,732	-	4,732	-	10,257	342	-	5,867	4,390
Manx Utilities	438,114	-	438,114	8,650	684,531	9,658	-	247,425	437,106
Isle of Man Steam Packet Group	75,354	-	75,354	-	75,354	-	-	-	75,354
<b>Advances to Borrowing Accounts</b>	<b>1,085,950</b>	<b>-</b>	<b>1,085,950</b>	<b>71,648</b>	<b>2,147,839</b>	<b>44,919</b>	<b>4,766</b>	<b>1,031,419</b>	<b>1,107,913</b>
Less: Loan Schemes	2,432	-	-	-	141,760	341	-	139,669	2,091
<b>TOTAL CAPITAL ADVANCES</b>	<b>1,083,518</b>	<b>-</b>	<b>1,085,950</b>	<b>71,648</b>	<b>2,006,079</b>	<b>44,578</b>	<b>4,766</b>	<b>891,750</b>	<b>1,105,822</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

<b>SUMMARY OF LOAN SANCTIONS AND CAPITAL EXPENDITURE</b>					
<b>£000</b>	<b>Unexercised</b>	<b>Loan</b>	<b>Aggregate</b>	<b>Capital</b>	<b>Balance of</b>
<b>DEPARTMENT</b>	<b>Loan</b>	<b>Loan</b>	<b>Loan</b>	<b>Capital</b>	<b>Sanctions</b>
	<b>Sanctions</b>	<b>Sanctions</b>	<b>Sanctions</b>	<b>Expenditure</b>	<b>Unexercised</b>
	<b>1 Apr 19</b>	<b>2019-20</b>	<b>2020</b>	<b>2019-20</b>	<b>31 Mar 20</b>
Cabinet Office	1,011	2,172	3,183	1,453	1,730
Enterprise	1,923	327	2,250	258	1,992
Education, Sport & Culture	489	9,963	10,452	2,767	7,685
Environment, Food & Agriculture	407	1,062	1,469	726	742
Health and Social Care	3,331	270	3,601	3,213	388
Home Affairs	2,249	-	2,249	875	1,374
Infrastructure	2,676	93,888	96,564	52,097	44,468
Treasury	7,517	2,878	10,395	1,147	9,249
Executive Government	2,756	-	2,756	-	2,756
Manx National Heritage	68	508	576	189	386
Statutory Boards	6,139	-	6,139	273	5,866
Expenses of the Legislature	1,588	-	1,588	-	1,588
Manx Utilities Authority	6,847	16,705	23,552	8,650	14,901
<b>TOTAL</b>	<b>37,001</b>	<b>127,773</b>	<b>164,774</b>	<b>71,648</b>	<b>93,126</b>



### 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 19	Advances		Repayments		Balance Outstanding at 31 Mar 20	Movement
		Year 2019-20	Total to 31 Mar 20	Year 2019-20	Total to 31 Mar 20		
Agricultural Holdings Scheme 1978	76	-	5,452	26	5,402	50	(26)
Agricultural Holdings Scheme 2000	485	-	935	103	554	381	(103)
Agricultural Credits Acts 1924-66	12	-	2,797	3	2,789	9	(3)
Fishing Industry	11	-	5,038	3	5,031	8	(3)
<b>Agriculture and Fisheries Sub-Total</b>	<b>583</b>	<b>-</b>	<b>14,223</b>	<b>135</b>	<b>13,775</b>	<b>448</b>	<b>(135)</b>
Building By Private Enterprise Schemes 1968/74	-	-	2,704	-	2,704	-	-
Housing Advances Schemes	(0)	-	21,447	-	21,447	(0)	-
House Purchase Schemes	16	-	56,664	4	56,652	12	(4)
House Purchase & Refurbishment Scheme 1991	350	-	25,997	100	25,747	250	(100)
Royal British Legion Housing Association	-	-	676	-	676	-	-
<b>Housing Sub-total</b>	<b>366</b>	<b>-</b>	<b>107,488</b>	<b>104</b>	<b>107,226</b>	<b>262</b>	<b>(104)</b>
Sports Club Improvement Scheme	-	-	178	-	178	-	-
Local Authorities	1,482	-	19,871	102	18,490	1,380	(102)
<b>Miscellaneous Sub-Total</b>	<b>1,482</b>	<b>-</b>	<b>20,049</b>	<b>102</b>	<b>18,668</b>	<b>1,380</b>	<b>(102)</b>
<b>TOTAL</b>	<b>2,432</b>	<b>-</b>	<b>141,760</b>	<b>341</b>	<b>139,669</b>	<b>2,091</b>	<b>(341)</b>

#### Notes

1. 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>2018-19</b>	<b>2019-20</b>
<b>Revenue Account</b>		
Surplus transferred to Treasury	10	1
	<b>10</b>	<b>1</b>
<b>Capital Account</b>		
Outstanding at 31st March	16	12
	<b>16</b>	<b>12</b>

Table 5.9b

<b>HOUSE PURCHASE &amp; REFURBISHMENT SCHEME</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
<b>EXPENDITURE</b>	<b>2018-19</b>	<b>2019-20</b>
<b>Revenue Account</b>		
Surplus transferred to Treasury	11	13
	<b>11</b>	<b>13</b>
<b>Capital Account</b>		
Outstanding at 31st March	350	250
	<b>350</b>	<b>250</b>

Table 5.9c

<b>HOUSE PURCHASE &amp; REFURBISHMENT SCHEME</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
<b>EXPENDITURE</b>	<b>2018-19</b>	<b>2019-20</b>
Housing Advances & House Purchase Schemes	10	1
House Purchase & Refurbishment Scheme	11	13
<b>Total</b>	<b>20</b>	<b>14</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>2018-19</b>	<b>2019-20</b>
<b>Revenue Account</b>		
Interest on Advances	10	1
	<b>10</b>	<b>1</b>
<b>Capital Account</b>		
Outstanding at 1st April	30	16
Transactions Account to meet repayments	(14)	(4)
	<b>16</b>	<b>12</b>

**Table 5.9e**

<b>HOUSE PURCHASE &amp; REFURBISHMENT SCHEME</b>		
<b>£000</b>	<b>Actual</b>	<b>Actual</b>
	<b>2018-19</b>	<b>2019-20</b>
<b>Revenue Account</b>		
Interest on Advances	11	13
	<b>11</b>	<b>13</b>
<b>Capital Account</b>		
Advances on Property		
Outstanding at 1st April	477	350
Transactions Account to meet repayments	(127)	(100)
	<b>350</b>	<b>250</b>



## 6. Detail by departments, boards and offices

### 6.1 Cabinet Office

#### Revenue

Table 6.1a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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	5,327	(7)	<b>5,321</b>	5,113	-	<b>5,113</b>	(214)	7	<b>(207)</b>	6,255	(7)	<b>6,247</b>	927	(1)	<b>927</b>
Chief Secretary's Office	2,157	1	<b>2,158</b>	2,374	-	<b>2,374</b>	217	(1)	<b>216</b>	1,660	(0)	<b>1,659</b>	(497)	(1)	<b>(498)</b>
Crown & External Relations	2,984	(1,107)	<b>1,876</b>	2,841	(1,076)	<b>1,765</b>	(143)	32	<b>(111)</b>	2,858	(1,287)	<b>1,571</b>	(126)	(180)	<b>(305)</b>
Change and Reform Team	868	(88)	<b>780</b>	871	(92)	<b>779</b>	3	(4)	<b>(1)</b>	769	(81)	<b>688</b>	(99)	7	<b>(92)</b>
Government Technology Services	19,717	(54)	<b>19,663</b>	20,034	(379)	<b>19,655</b>	317	(324)	<b>(7)</b>	20,059	(215)	<b>19,843</b>	342	(161)	<b>181</b>
Policy & Strategy	348	-	<b>348</b>	536	-	<b>536</b>	189	-	<b>189</b>	448	-	<b>448</b>	100	-	<b>100</b>
OCSIA	331	(1)	<b>330</b>	252	-	<b>252</b>	(79)	1	<b>(78)</b>	258	-	<b>258</b>	(73)	1	<b>(72)</b>
<b>Total</b>	<b>31,732</b>	<b>(1,257)</b>	<b>30,475</b>	<b>32,022</b>	<b>(1,547)</b>	<b>30,475</b>	<b>290</b>	<b>(290)</b>	<b>(0)</b>	<b>32,305</b>	<b>(1,591)</b>	<b>30,714</b>	<b>573</b>	<b>(334)</b>	<b>239</b>

#### Commentary

Cabinet Office out-turned the financial year successfully on budget, including the withholding of bids to reserves where it was able. This included;

- i. Partial funding for the Talent Acquisition Service in the Office of Human Resources.
- ii. Human Resources GDPR initiative.
- iii. Office of Cyber Security and Information Assurance (OCSIA) service delivery including the establishment of the CyberIsle conference.



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

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).

At a Department level, employee costs are offset by salary related reserve claims for temporary staffing (e.g. Health and Care Transformation, Brexit etc.) which returns the £522k adverse back to a favourable position.”

**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>2019-20</b>	<b>2019-20</b>	<b>to Budget</b>	<b>2018-19</b>	<b>to 2018-19</b>
<b>INCOME</b>					
Taxation Income	(2)	-	2	1	3
Third Party Contributions	(55)	(438)	(383)	(215)	(159)
Operating Income	(1,204)	(1,108)	96	(1,365)	(161)
Grant Income	-	-	-	-	-
Other Non-Trading Income	5	-	(5)	(12)	(17)
<b>Total Income</b>	<b>(1,257)</b>	<b>(1,547)</b>	<b>(290)</b>	<b>(1,591)</b>	<b>(334)</b>
<b>EXPENDITURE</b>					
Employee Costs	18,397	17,875	(522)	18,327	(70)
Infrastructure Costs	136	76	(60)	243	107
Transport Costs	9	8	(0)	9	0
Supplies & Services	16,902	14,402	(2,500)	17,210	307
Agency & Contracted Services	-	-	-	-	-
Loan Charges	195	195	-	88	(107)
Other Costs	(3,906)	(534)	3,372	(3,571)	335
<b>Total Expenditure</b>	<b>31,732</b>	<b>32,022</b>	<b>290</b>	<b>32,305</b>	<b>573</b>
<b>NET EXPENDITURE</b>	<b>30,475</b>	<b>30,475</b>	<b>(0)</b>	<b>30,714</b>	<b>239</b>



**Cabinet Office – capital programme**

**Table 6.1c**

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2019-20</b>					<b>TOTAL TO 2019-20</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>
Gen Reg New IT System	-	-	-	501	(501)	1,950	1,290	660
Cabinet Office Minor Capital Works	250	56	306	306	0	556	556	0
Technology - Passports & Immigration System	400	-	400	-	400	400	-	400
CABO Captial NUIX Solution	707	-	707	353	354	707	353	354
CABO Captial DOI Network Migration	535	-	535	112	423	535	112	423
CABO Captial TT Race Timing Solution	130	51	181	181	0	182	181	0
<b>TOTAL</b>	<b>2,022</b>	<b>107</b>	<b>2,129</b>	<b>1,453</b>	<b>677</b>	<b>4,329</b>	<b>2,492</b>	<b>1,838</b>

The adjustment on Minor Capital Works relates to the Airport CCTV project which was approved for contingency reserve funding during the year.

The adjustment on the TT Race Timing Solution scheme is due a contingency reserve approval to fund accelerated works which will be offset against budget for 2020-21.



## 6.2 Department for Enterprise

### Revenue

Table 6.2a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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	1,478	74	1,551	1,473	(5)	1,468	(5)	(79)	(84)	2,824	(934)	1,890	1,346	(1,008)	338
Inward Investment & Business Support	-	-	-	-	-	-	-	-	-	1,336	(75)	1,261	1,336	(75)	1,261
Employment & Skills Group	-	-	-	-	-	-	-	-	-	620	(157)	464	620	(157)	464
Employment	-	-	-	-	-	-	-	-	-	13	-	13	13	-	13
Isle of Man Ship Registry	3,295	(3,013)	282	4,088	(4,310)	(222)	793	(1,297)	(504)	2,873	(4,024)	(1,151)	(422)	(1,011)	(1,433)
Financial Assistance Scheme	-	-	-	-	-	-	-	-	-	3,590	(90)	3,500	3,590	(90)	3,500
Aircraft Registry	3,041	(3,984)	(942)	2,600	(4,022)	(1,422)	(441)	(38)	(480)	2,833	(4,454)	(1,621)	(208)	(471)	(679)
Fund Reclaims	(73)	0	(73)	(260)	-	(260)	(187)	(0)	(187)	(20)	-	(20)	53	(0)	53
Digital Agency	785	0	785	807	-	807	22	(0)	22	1,074	-	1,074	289	(0)	289
Finance Agency	572	-	572	727	-	727	156	-	156	446	-	446	(125)	-	(125)
Visit Agency	1,492	(41)	1,452	1,559	(25)	1,534	66	16	82	1,430	(40)	1,390	(62)	0	(62)
Central Registry	1,848	(14,826)	(12,977)	1,701	(14,184)	(12,483)	(148)	642	494	1,775	(14,665)	(12,891)	(74)	160	87
Motorsport	8,603	(2,821)	5,783	7,988	(3,081)	4,906	(616)	(261)	(876)	8,597	(3,148)	5,448	(7)	(328)	(335)
Enterprise Support	3,127	(158)	2,969	4,518	(181)	4,338	1,391	(22)	1,368	86	-	86	(3,041)	158	(2,883)
Strategy & Policy Division	2,204	(914)	1,290	2,423	(1,173)	1,250	219	(259)	(39)	-	-	-	(2,204)	914	(1,290)
Business Agency	377	(5)	372	419	-	419	43	5	48	129	-	129	(248)	5	(243)
<b>Total</b>	<b>26,749</b>	<b>(25,687)</b>	<b>1,062</b>	<b>28,043</b>	<b>(26,981)</b>	<b>1,062</b>	<b>1,294</b>	<b>(1,294)</b>	<b>0</b>	<b>27,606</b>	<b>(27,588)</b>	<b>17</b>	<b>856</b>	<b>(1,901)</b>	<b>(1,045)</b>

### Commentary

The financial position for the year ended 31st March 2020 showed the Department with a small year-end surplus of £134.00, this not identifiable in the tabled figures which are rounded to thousands.

The Department's budget as presented in the 2020-21 Pink Book (£17,264) was increased during the year by £1,045,223 to £1,062,353 (as shown in the table above). This sum related to the following three contingency items; a 2018-19 credit note value of £499k relating to the Isle of Man Ship Registry, emergency Health and Safety measures costing £297k within the Motorsport Division and a £250k increase to the bad Debt Provision.





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

The on budget position was largely achieved by a combination of the Central Registry's income exceeding its target (£642k) and reduced commitments from the Financial Assistance Scheme (£1.336k) both offset by anticipated over target forecasts for loss of Isle of Man Ship Registry income (£799k) and overspend in the Aircraft registry (£438k) and Motorsport Division (£404k). The year-end position was challenging for the Department due to the same 2018-19 pressures prevailing in the reporting year. Those pressures within the Isle of Man Ship Registry, Aircraft Registry and Motorsport Division have been considered for the forthcoming budget period and successful revenue bids have been awarded

Table 6.2b

INCOME & EXPENDITURE BY CATEGORY					
£000	Actual	Budget	Variance	Actual	Variance
CATEGORY	2019-20	2019-20	to Budget	2018-19	to 2018-19
<b>INCOME</b>					
Taxation Income	(41)	(25)	16	(36)	5
Third Party Contributions	0	(3)	(3)	0	(0)
Operating Income	(25,707)	(26,863)	(1,156)	(27,373)	(1,665)
Grant Income	(13)	-	13	(0)	12
Other Non-Trading Income	73	(90)	(163)	(179)	(252)
<b>Total Income</b>	<b>(25,687)</b>	<b>(26,981)</b>	<b>(1,294)</b>	<b>(27,588)</b>	<b>(1,901)</b>
<b>EXPENDITURE</b>					
Employee Costs	9,920	9,851	(70)	9,135	(785)
Infrastructure Costs	1,092	748	(344)	1,221	129
Transport Costs	1	-	(1)	32	30
Supplies & Services	14,017	11,620	(2,397)	13,030	(987)
Agency & Contracted Services	-	-	-	-	-
Loan Charges	1,063	1,063	-	1,042	(21)
Other Costs	655	4,761	4,106	3,145	2,490
<b>Total Expenditure</b>	<b>26,749</b>	<b>28,043</b>	<b>1,294</b>	<b>27,606</b>	<b>856</b>
<b>NET EXPENDITURE</b>	<b>1,062</b>	<b>1,062</b>	<b>0</b>	<b>17</b>	<b>(1,045)</b>

The lower than budgeted income, as noted, was largely within the Isle of Man Ship Registry, this was a result of the political situation in the Gulf region and in addition to the aforementioned 2018-19 credit note being applied. Other income pressures existed within Strategy & Policy for work permits and the Motorsport Division due to a number of 2019-20 events being cancelled owing to adverse weather.

Over target budget categories are largely due to expenditure eligible for reimbursement from internal funds and are included in the Transfer Payments category sum. Such reimbursements include the Marketing Initiative Fund (£2.096m), Economic Development Fund (£426k), Enterprise Development Scheme (£198k) and the Brexit Fund (£82k).



**Department for Enterprise – capital programme**

Table 6.2c

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b> <b>Scheme Name</b>	<b>CURRENT YEAR - 2019-20</b>					<b>TOTAL TO 2019-20</b>		
	<b>Original Budget</b>	<b>Adjust-ments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Grandstand Development	250	-	250	50	200	250	50	200
Fibre Optic Network	2,000	-	2,000	208	1,792	2,000	208	1,792
<b>TOTAL</b>	<b>2,250</b>	<b>-</b>	<b>2,250</b>	<b>258</b>	<b>1,992</b>	<b>2,250</b>	<b>258</b>	<b>1,992</b>



### 6.3 Department of Education, Sport and Culture

#### Revenue

**Table 6.3a**

<b>INCOME &amp; EXPENDITURE BY DIVISION</b>															
<b>£000</b>	<b>ACTUAL 2019-20</b>			<b>BUDGET 2019-20</b>			<b>VARIANCE TO BUDGET</b>			<b>ACTUAL 2018-19</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>
Primary Education	25,325	(60)	<b>25,264</b>	25,334	(67)	<b>25,267</b>	10	(7)	<b>3</b>	22,995	(35)	<b>22,959</b>	(2,330)	25	<b>(2,305)</b>
Secondary Education	32,022	(1,948)	<b>30,074</b>	31,867	(2,063)	<b>29,804</b>	(155)	(114)	<b>(270)</b>	30,239	(2,181)	<b>28,058</b>	(1,783)	(233)	<b>(2,016)</b>
University College Isle of Man	12,722	(1,507)	<b>11,216</b>	12,925	(1,606)	<b>11,319</b>	202	(99)	<b>103</b>	11,347	(1,643)	<b>9,705</b>	(1,375)	(136)	<b>(1,511)</b>
Student Grants	9,682	(163)	<b>9,519</b>	10,331	(159)	<b>10,172</b>	650	3	<b>653</b>	9,022	16	<b>9,038</b>	(660)	179	<b>(481)</b>
Education Meals	2,702	(1,663)	<b>1,039</b>	2,356	(1,731)	<b>626</b>	(346)	(67)	<b>(413)</b>	307	(324)	<b>(17)</b>	(2,395)	1,339	<b>(1,056)</b>
Youth and Community	939	(4)	<b>936</b>	994	(61)	<b>933</b>	54	(58)	<b>(3)</b>	910	(28)	<b>882</b>	(29)	(25)	<b>(54)</b>
Educational Improvement Service	2,655	(87)	<b>2,568</b>	2,766	(97)	<b>2,669</b>	111	(10)	<b>101</b>	2,566	(87)	<b>2,479</b>	(89)	(0)	<b>(89)</b>
Corporate Services Division	12,933	(138)	<b>12,795</b>	13,395	(183)	<b>13,212</b>	462	(45)	<b>417</b>	12,800	(224)	<b>12,576</b>	(133)	(86)	<b>(218)</b>
Special Educational Needs	8,157	(25)	<b>8,132</b>	8,141	-	<b>8,141</b>	(15)	25	<b>9</b>	9,924	(17)	<b>9,908</b>	1,768	8	<b>1,775</b>
Villa Gaiety Complex	4,410	(3,260)	<b>1,150</b>	4,258	(3,571)	<b>687</b>	(152)	(311)	<b>(463)</b>	4,570	(3,765)	<b>805</b>	160	(505)	<b>(345)</b>
Sports & Arts	5,321	(1,175)	<b>4,146</b>	5,577	(1,529)	<b>4,048</b>	256	(354)	<b>(98)</b>	5,024	(1,150)	<b>3,874</b>	(298)	25	<b>(273)</b>
Arts Council	23	-	<b>23</b>	22	-	<b>22</b>	(0)	-	<b>(0)</b>	23	-	<b>23</b>	1	-	<b>1</b>
Apprenticeship & vocational training	1,642	-	<b>1,642</b>	1,621	-	<b>1,621</b>	(22)	-	<b>(22)</b>	2,012	-	<b>2,012</b>	370	-	<b>370</b>
<b>Total</b>	<b>118,534</b>	<b>(10,029)</b>	<b>108,504</b>	<b>119,588</b>	<b>(11,066)</b>	<b>108,522</b>	<b>1,054</b>	<b>(1,037)</b>	<b>18</b>	<b>111,740</b>	<b>(9,438)</b>	<b>102,302</b>	<b>(6,793)</b>	<b>591</b>	<b>(6,202)</b>

#### Commentary

The DESC ended the year with a positive net variance of £18k (0.02% of the Department's £108,522,000 budget). This year DESC was under received by £1,037,000 (9% of its income target of £11,066,000). To compensate for this lack of income, gross expenditure was £950k underspent (0.79% of the expenditure target of £119,588,000). Income was 0.01% greater than 18/19, expenditure was 6% greater and there was an overall increase in net spend of 6%.

With the exception of Students Awards and Inclusion and Safeguarding, which both have relatively little income, all sections did not meet their income targets. This is not wholly unexpected given the impact of the C19 restrictions impacting on the final 10 days of the year. However, the NSC closure resulted in £413k under receiving. The other area of concern is the Villa Gaiety where income received was £311k less than the target.



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

**Table 6.3b**

<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>2019-20</b>	<b>2019-20</b>	<b>to Budget</b>	<b>2018-19</b>	<b>to 2018-19</b>
<b>INCOME</b>					
Third Party Contributions	(92)	(161)	(69)	(119)	(26)
Operating Income	(9,361)	(10,315)	(955)	(8,788)	572
Grant Income	(71)	-	71	-	71
Other Non-Trading Income	(506)	(589)	(84)	(531)	(26)
<b>Total Income</b>	<b>(10,029)</b>	<b>(11,066)</b>	<b>(1,037)</b>	<b>(9,438)</b>	<b>591</b>
<b>EXPENDITURE</b>					
Employee Costs	79,988	80,086	98	74,033	(5,955)
Infrastructure Costs	3,926	4,582	656	4,107	181
Transport Costs	292	345	53	175	(117)
Supplies & Services	9,866	9,939	73	9,567	(300)
Loan Charges	7,713	7,713	-	7,633	(80)
Other Costs	16,748	16,923	174	16,225	(524)
<b>Total Expenditure</b>	<b>118,534</b>	<b>119,588</b>	<b>1,054</b>	<b>111,740</b>	<b>(6,793)</b>
<b>NET EXPENDITURE</b>	<b>108,504</b>	<b>108,522</b>	<b>18</b>	<b>102,302</b>	<b>(6,202)</b>



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

Youth and Community - the Youth service were able to transfer £50k to the ABP Fund, which is the reason for the apparent over spend with the Duke of Edinburgh scheme.

Education Improvement Service - a number of individual services within EIS had small overspend including the Music Service, English as an Additional Language, Monitoring and Inspection and Curriculum Development. There are no areas of concern within the Division.

Corporate Services - £381k of the £412k underspend was as a result of a reduction in the number of pre-school children receiving credit during the year. Whilst this trend is continuing a number of COVID measures will impact upon this budget in 2020-21, however, flexibility still remains within this budget. The only area of concern is within primary school lettings. The income target has been set at £138k whilst only £62k was achieved.

Inclusion and Safeguarding - the Division remained within budget in a year where there was risk by devolving budgets to schools. There was a misalignment of the budget split between Primary and Secondary school SEN, however, the net impact was positive. An underspend within the Central Teams salaries and expenses budgets mitigated overspends in the Pre-school Assessment Centre and the Sensory Impairment Teams

Villa Gaiety - In 2019-20, the complex exceeded its expenditure budget and fell short of its income target. The primary areas of concern are income generation from the Entertainment in the Royal Hall and the Bars, particularly in the Villa Marina.

National Sports Centre - the closure of the NSC pool(s) during the year significantly impacted income, the over spend have been higher but for the settlement of a previous loss of income insurance claim. An under-spend within Sports Development also mitigated the overspend across the Sport and Recreation Division.


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

Table 6.3c

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2019-20					TOTAL TO 2019-20		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Classroom Scheme Phase 2 - St Mary's	600	42	642	995	(353)	3,844	3,844	(0)
Covered Play and Teaching Areas Phase 3	200	-	200	100	100	260	101	158
Castle Rushen High School Development	2,300	(1,990)	310	126	184	600	227	373
School Security	250	-	250	-	250	848	22	826
NSC - Floating Floor Replacement	-	181	181	1,412	(1,231)	2,744	3,975	(1,231)
NSC – Flumes Replacement	-	-	-	-	-	512	29	483
DDA Works	967	-	967	64	903	1,067	66	1,001
NSC Flood Control	-	-	-	18	(18)	530	376	154
National Sports Centre Pool Hall	750	-	750	-	750	594	-	594
Villa Gaiety Light and Sound (under DESC from 18-19)	800	-	800	-	800	800	-	800
QEII Science & Technology	400	-	400	13	388	450	13	438
Scoill Vallajeelt - St Thomas co-location	-	15	15	30	(15)	395	395	0
Minor Capital Works - Sports and Recreation	400	-	400	9	391	2,067	1,384	683
<b>TOTAL</b>	<b>6,667</b>	<b>(1,752)</b>	<b>4,915</b>	<b>2,767</b>	<b>2,148</b>	<b>14,711</b>	<b>10,433</b>	<b>4,278</b>

**Notes**

Contingency reserve approvals were provided on the Classroom Scheme Phase 2 - St Mary's due to a delay in the receipt of external funding. The NSC and Scoill Vallajeelt schemes required supplementary approval due to an overspend against budget in the year and cumulatively, the latter being due to post contract fees.

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.



## 6.4 Department of Environment, Food and Agriculture

### Revenue

**Table 6.4a**

<b>INCOME &amp; EXPENDITURE BY DIVISION</b>																
<b>£000</b>	<b>ACTUAL 2019-20</b>			<b>BUDGET 2019-20</b>			<b>VARIANCE TO BUDGET</b>			<b>ACTUAL 2018-19</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>	
Corporate Services	2,034	(147)	<b>1,887</b>	1,878	(145)	<b>1,732</b>	(156)	2	<b>(154)</b>	1,846	(139)	<b>1,707</b>	(187)	8	<b>(179)</b>	
Agriculture	7,685	(51)	<b>7,635</b>	7,878	(73)	7,804	192	(23)	170	4,782	(83)	4,700	(2,903)	(32)	(2,935)	
Animal Health	919	(215)	<b>704</b>	869	(302)	567	(50)	(87)	(137)	877	(180)	698	(42)	35	(6)	
Fisheries	1,192	(137)	<b>1,054</b>	1,065	(167)	898	(126)	(30)	(157)	1,010	(227)	783	(181)	(90)	(271)	
Forestry, Amenity and Lands	2,395	(967)	<b>1,428</b>	2,559	(938)	1,621	164	29	193	2,319	(924)	1,395	(76)	43	(33)	
Environment	1,519	(69)	<b>1,450</b>	1,464	(66)	1,398	(56)	3	(52)	1,393	(58)	1,335	(126)	11	(115)	
Government Laboratory	934	(139)	<b>795</b>	890	(115)	775	(44)	24	(20)	879	(106)	773	(55)	33	(22)	
Wildlife Park	801	(295)	<b>506</b>	742	(319)	423	(59)	(24)	(83)	829	(307)	521	28	(13)	15	
Planning & Building Control	1,404	(1,280)	<b>124</b>	1,543	(1,340)	203	139	(59)	79	1,261	(1,440)	(179)	(143)	(160)	(303)	
Office of Fair Trading	648	(40)	<b>609</b>	783	(41)	742	135	(2)	133	726	(46)	680	78	(6)	72	
Road Transport Licensing Cttee	171	(76)	<b>94</b>	147	(56)	90	(24)	20	(4)	128	(50)	77	(43)	26	(17)	
Eco Systems Policy Unit	462	(2)	<b>460</b>	452	(2)	451	(10)	0	(10)	442	(1)	441	(20)	0	(20)	
Energy Policy Unit	269	(297)	<b>(28)</b>	345	(306)	39	76	(9)	67	278	(278)	0	8	19	28	
Initiatives	(0)	-	<b>(0)</b>	-	-	-	0	-	0	3,110	-	3,110	3,110	-	3,110	
Climate Emergency Consultative Transformation Team	366	5	<b>370</b>	370	-	370	5	(5)	0	-	-	-	(366)	(5)	(370)	
<b>Total</b>	<b>20,799</b>	<b>(3,711)</b>	<b>17,088</b>	<b>20,985</b>	<b>(3,872)</b>	<b>17,113</b>	<b>186</b>	<b>(161)</b>	<b>25</b>	<b>19,882</b>	<b>(3,840)</b>	<b>16,042</b>	<b>(917)</b>	<b>(129)</b>	<b>(1,046)</b>	

### Commentary

DEFA out-turned the financial year successfully on budget in 19/20, including prudent use of reserves from the Agriculture and Forestry Fund of £899k.

Variances in the Agriculture subdivision between 18/19 and 19/20 are due to drought support fund drawdown (£1m) in 18/19 and Meat Plant subvention payment (£2m) made in 19/20.



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

Fisheries incurred additional essential maintenance costs for the Barrule sea protection vessel in 19/20.

Whilst Forestry saw an increase in sawmill sales, they also facilitated savings from decreases in contract maintenance and wages.

The Planning and Building Control income target in 19/20 was inflated due to an unusually high previous budget, skewing the budget target, this will be revisited in 20/21. Expenditure for Planning and Building Control was higher than normal in 19/20 due to additional work with the British Research Establishment to commission online energy calculators and services.

The Wildlife Park made additional investment on park improvements in the 19/20 period.

At a Department level, employee costs are offset by salary related reserve claims made for Brexit staffing which returns the £45k overspend back to a favourable position.

**Table 6.4b**

<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>2019-20</b>	<b>2019-20</b>	<b>to Budget</b>	<b>2018-19</b>	<b>to 2018-19</b>
<b>INCOME</b>					
Taxation Income	(116)	(97)	19	(95)	21
Third Party Contributions	(299)	(308)	(9)	(280)	20
Operating Income	(3,263)	(3,393)	(130)	(3,394)	(131)
Grant Income	-	-	-	-	-
Other Non-Trading Income	(32)	(74)	(41)	(71)	(38)
<b>Total Income</b>	<b>(3,711)</b>	<b>(3,872)</b>	<b>(161)</b>	<b>(3,840)</b>	<b>(129)</b>
<b>EXPENDITURE</b>					
Employee Costs	9,165	9,121	(45)	8,585	(580)
Infrastructure Costs	759	762	3	747	(12)
Transport Costs	209	45	(164)	48	(161)
Supplies & Services	2,333	2,097	(236)	3,942	1,609
Agency & Contracted Services	0	1	0	0	0
Loan Charges	906	906	-	901	(5)
Other Costs	7,427	8,055	628	5,659	(1,768)
<b>Total Expenditure</b>	<b>20,799</b>	<b>20,985</b>	<b>186</b>	<b>19,882</b>	<b>(917)</b>
<b>NET EXPENDITURE</b>	<b>17,088</b>	<b>17,113</b>	<b>25</b>	<b>16,042</b>	<b>(1,046)</b>




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

Table 6.4c

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2019-20</b>					<b>TOTAL TO 2019-20</b>		
	<b>Original Budget</b>	<b>Adjust- ments</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
Mill Road Yard Development	87	-	87	10	77	3,031	2,864	167
Essential Building Maintenance	358	-	358	405	(47)	2,102	2,076	27
Public Analyst Lab - Replacement Equipment	66	34	100	49	51	291	291	0
Ballure Slope Periodic Maintenance	20	-	20	2	18	100	81	19
MCW - National Glens & Footpaths	350	-	350	251	99	500	462	38
Wildlife Park Redevelopment / Gateway	497	-	497	9	488	500	13	487
<b>TOTAL</b>	<b>1,378</b>	<b>34</b>	<b>1,412</b>	<b>726</b>	<b>686</b>	<b>6,525</b>	<b>5,788</b>	<b>737</b>

**Notes**

Supplementary approval was sought for £34k in respect of the Public Analyst Lab Replacement Equipment. A timing difference occurred in 2018-19 where £51k of budget was brought forward from the 2019-20 budget.



## 6.5 Department of Health and Social Care

### Revenue

Table 6.5a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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
Adult Services	28,079	(6,209)	<b>21,871</b>	27,653	(5,702)	21,951	(427)	507	80	35,436	(6,956)	28,480	7,357	(748)	6,609
Child & Families (Social) Services	14,731	(71)	<b>14,660</b>	15,645	-	15,645	914	71	985	14,577	(0)	14,577	(154)	71	(83)
Mental Health Service	21,094	(26)	<b>21,068</b>	17,706	(18)	17,688	(3,388)	8	(3,380)	22,268	(19)	22,249	1,174	6	1,181
Chief Operating Officer's Office	617	(124)	<b>492</b>	693	(100)	593	76	24	100	864	(102)	762	247	22	269
DSC Corporate Services	-	-	-	-	-	-	-	-	-	4	-	4	4	-	4
DHSC Corporate Services	8,435	(174)	<b>8,261</b>	22,208	(117)	22,091	13,773	56	13,830	12,947	(2,050)	10,896	4,511	(1,877)	2,635
Management Information and Technology Directorate	(0)	-	<b>(0)</b>	-	-	-	0	-	0	(1)	-	(1)	(1)	-	(1)
Social Security Administration Act 1992	-	(40,855)	<b>(40,855)</b>	-	(40,855)	(40,855)	-	-	-	-	(39,665)	(39,665)	-	1,190	1,190
Public Health Directorate	1,460	(1)	<b>1,459</b>	1,924	-	1,924	464	1	465	1,369	(9)	1,360	(91)	(8)	(99)
Government Catering Services	-	-	-	-	-	-	-	-	-	5,134	(2,792)	2,342	5,134	(2,792)	2,342
Noble's Hospital	119,875	(3,137)	<b>116,737</b>	109,950	(2,790)	107,159	(9,925)	347	(9,578)	111,667	(3,166)	108,501	(8,208)	(28)	(8,236)
UK Referrals and Patient Transport	25,091	7	<b>25,098</b>	19,345	-	19,345	(5,747)	(7)	(5,753)	20,961	0	20,961	(4,130)	(6)	(4,137)
Primary Health Care Services	66,294	(4,091)	<b>62,204</b>	69,550	(3,969)	65,581	3,256	121	3,377	51,662	(1,982)	49,681	(14,632)	2,109	(12,523)
<b>Total</b>	<b>285,676</b>	<b>(54,681)</b>	<b>230,995</b>	<b>284,672</b>	<b>(53,552)</b>	<b>231,120</b>	<b>(1,004)</b>	<b>1,129</b>	<b>125</b>	<b>276,889</b>	<b>(56,742)</b>	<b>220,147</b>	<b>(8,787)</b>	<b>(2,061)</b>	<b>(10,848)</b>

### Commentary

The Department of Health and Social Care result for 2019/20 was a net spend of £230.9m, within its net budget vote of £231.1m, including the additional £8m supplementary vote approved by Tynwald in January 2020.

The Department continues to have significant demands on its services and continues to face a shortfall of permanent staff resulting in increased staffing costs due to the utilisation of agency and bank to cover vacancies. Despite these challenges the Department's agency spend has reduced by £1m over the last 2 years. Other cost pressures were seen for referrals to NHS England hospitals due to increased patient numbers, several highly-specialised cases and high-cost complex patients including cancer treatments and cirrhosis surgery.

In addition, the pay awards agreed in the year were in excess of the increases included in the budget, further adding to cost pressures during the year.


**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>2019-20</b>	<b>2019-20</b>	<b>to</b>	<b>2018-19</b>	<b>to 2018-19</b>
			<b>Budget</b>		<b>19</b>
<b>INCOME</b>					
Taxation Income	(40,956)	(40,939)	17	(39,762)	1,194
Third Party Contributions	(1,362)		306	(1,183)	179
Operating Income	(12,240)	(11,554)	686	(15,789)	(3,549)
Other Non-Trading Income	(124)	(4)	120	(9)	115
<b>Total Income</b>	<b>(54,681)</b>	<b>(53,552)</b>	<b>1,129</b>	<b>(56,742)</b>	<b>(2,061)</b>
<b>EXPENDITURE</b>					
Employee Costs	164,072	163,965	(107)	158,263	(5,809)
Infrastructure Costs	1,705	1,539	(166)	1,581	(124)
Transport Costs	4,660	4,457	(203)	4,869	209
Supplies & Services	26,203	27,378	1,175	25,317	(886)
Agency & Contracted Services	83,830	79,792	(4,038)	80,363	(3,467)
Loan Charges	9,397	9,397	-	9,892	495
Other Costs	(4,190)	(1,856)	2,334	(3,395)	795
<b>Total Expenditure</b>	<b>285,676</b>	<b>284,672</b>	<b>(1,004)</b>	<b>276,889</b>	<b>(8,787)</b>
<b>NET EXPENDITURE</b>	<b>230,995</b>	<b>231,120</b>	<b>125</b>	<b>220,147</b>	<b>(10,848)</b>

The overall outturn at £230.9m represents an increase in net cost of operation of 4.9% against last year's position.

The Department faces a period of significant change following the independent report into the Island's health and care system produced by Sir Jonathan Michael. The implementation of the recommendations made will provide the foundation for a far reaching overhaul of the Island's health and care services to deliver a system which is sustainable, both clinically and financially in the long term.



## Department of Health and Social Care – capital programme

Table 6.5c

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2019-20					TOTAL TO 2019-20		
	Original Budget	Adjustments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Residential Accom Medical Staff - Phase 5	-	-	-	7	(7)	2,511	2,194	317
GP Surgery Palatine	-	-	-	62	(62)	1,120	1,113	6
Asset Replacement Programme	-	-	-	1,341	(1,341)	8,818	8,562	257
Radiology Equipment Replacement Scheme	550	-	550	200	350	2,750	1,593	1,157
Acute Adult Psychiatric In-Patient Facility	1,741	-	1,741	109	1,632	10,365	7,088	3,277
Accommodation for Day Care Services Eastcliffe	1,080	-	1,080	1,125	(45)	5,486	4,905	581
Older Persons Residential & Resource Unit East	3,500	(3,157)	343	343	(0)	857	857	-
Strategic Development Fund	250	-	250	90	160	500	233	267
Asset Replacement Programme	1,644	-	1,644	-	1,644	282	88	194
Learning Disabilities Additional Residential Unit	-	-	-	6	(6)	1,438	1,409	28
GP Surgery Development - Palatine	-	-	-	(52)	52	636	584	52
Purchase of Salisbury Street Care Home	-	-	-	7	(7)	8,100	7,915	185
GP Surgery Peel - Extension	260	-	260	25	235	400	25	375
Purchase of Bonwick House (contingency)	100	-	100	-	100	200	-	200
Older Persons Residential & Resource Unit North -	147	-	147	(67)	214	251	10	241
Redevelopment of Grianagh Court	1,500	-	1,500	17	1,483	1,500	17	1,483
<b>TOTAL</b>	<b>10,772</b>	<b>(3,157)</b>	<b>7,615</b>	<b>3,213</b>	<b>4,403</b>	<b>45,214</b>	<b>36,593</b>	<b>8,621</b>

### Notes

A contingency transfer was made in the year in respect of the Older Persons Residential and Resource Unit East (Summerhill View). This was due to accelerated works which were included in column 3 future approvals but were not sought.

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



## 6.6 Department of Home Affairs

### Revenue

Table 6.6a

INCOME & EXPENDITURE BY DIVISION																
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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	5,168	(175)	<b>4,994</b>	5,123	(137)	4,986	(45)	38	(7)	5,382	(112)	5,271	214	63	277	
Civil Defence Division	222	(6)	<b>216</b>	156	(6)	150	(66)	0	(66)	183	(6)	177	(39)	0	(39)	
IOM Fire and Rescue Service	5,435	(132)	<b>5,303</b>	5,161	(42)	5,119	(274)	90	(184)	5,053	(116)	4,937	(382)	16	(366)	
Communications Division	1,956	(593)	<b>1,363</b>	1,950	(564)	1,387	(5)	29	24	1,928	(572)	1,356	(28)	21	(6)	
Isle of Man Constabulary	17,216	(334)	<b>16,882</b>	17,679	(345)	17,334	463	(11)	452	15,367	(321)	15,046	(1,849)	13	(1,836)	
Prison and Probation Service	8,898	(208)	<b>8,690</b>	8,618	(107)	8,511	(280)	101	(179)	8,481	(159)	8,321	(417)	49	(368)	
<b>Total</b>	<b>38,896</b>	<b>(1,449)</b>	<b>37,447</b>	<b>38,688</b>	<b>(1,201)</b>	<b>37,486</b>	<b>(208)</b>	<b>247</b>	<b>39</b>	<b>36,395</b>	<b>(1,286)</b>	<b>35,109</b>	<b>(2,501)</b>	<b>162</b>	<b>(2,339)</b>	

### Commentary

In 2019/20, the Department benefitted from the addition of several new bids that saw £3m added to our revenue budget. This has allowed the Department to make some much needed investment into neighbourhood policing, serious crime, training for the Police and Fire and Rescue Service and Community Service. As the majority of this new funding was related to the recruitment of new Police officers, there has been a delay to the full year costs while appointment was made – this is reflected in an underspend against the Isle of Man Constabulary of £452k. This has been utilised to meet overspends elsewhere in the DHA including the Fire and Rescue Service (£184k) and the Prison and Probation Service (£179k) whose structural deficits still remain.

As we move into 2020/21, it is expected that the full £450k will be fully applied to the delivery of the enhanced services which will be operating at full capacity. The coming year will be financially challenging but the Department are fully committed to driving savings wherever possible and will undertake a line-by-line review to identify and deliver measures to ensure we remain within our target.


**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>2019-20</b>	<b>2019-20</b>	<b>to Budget</b>	<b>2018-19</b>	<b>to 2018-19</b>
<b>INCOME</b>					
Third Party Contributions	(133)	(100)	33	(110)	24
Operating Income	(884)	(791)	93	(835)	49
Other Non-Trading Income	(431)	(310)	121	(341)	90
<b>Total Income</b>	<b>(1,449)</b>	<b>(1,201)</b>	<b>247</b>	<b>(1,286)</b>	<b>162</b>
<b>EXPENDITURE</b>					
Employee Costs	29,442	30,234	793	27,718	(1,724)
Infrastructure Costs	1,118	1,017	(100)	1,023	(94)
Transport Costs	(2)	-	2	10	12
Supplies & Services	4,800	3,663	(1,137)	4,241	(559)
Loan Charges	3,773	3,773	-	4,063	290
Other Costs	(235)	-	235	(660)	(426)
<b>Total Expenditure</b>	<b>38,896</b>	<b>38,688</b>	<b>(208)</b>	<b>36,395</b>	<b>(2,501)</b>
<b>NET EXPENDITURE</b>	<b>37,447</b>	<b>37,486</b>	<b>39</b>	<b>35,109</b>	<b>(2,339)</b>

While the majority of the services that the Department provides are statutory, we always try to recoup our costs where appropriate for those that are not – this is reflected in the successful generation of an additional £0.25m of revenue against the original forecast. The Department has reversed its performance within employee costs from the previous year however as explained previously, this is due to a time lag on the recruitment of new Police Staff which will not be recurring beyond 2019/20. The pressure from pay awards remains.

Another concern this year has been the increasing costs of some existing contracts, prices have increased above inflation which are beyond our control and must be met from existing resources. The overspend of £1.1m against supplies and services was supported by a number of successful bids to the Internal Funds for £570k which could have been drawn down upon if necessary however were not needed due to the in-year underspend.



## Department of Home Affairs – capital programme

Table 6.6c

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2019-20					TOTAL TO 2019-20		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Communications Development Programme	-	-	-	188	(188)	4,379	4,323	56
Minor Capital Works DHA	-	148	148	156	(9)	2,508	2,508	(0)
Port Erin Replacement Fire Station	10	-	10	2	8	50	2	48
Castletown Fire Station Replacement	70	-	70	7	63	1,648	1,542	106
Police Equipment Replacement Programme	103	-	103	78	25	655	618	37
Fire and Rescue Equipment	140	21	161	152	9	529	529	0
TETRA Replacement Programme	400	-	400	74	326	5,180	4,860	320
Joint Douglas Fire and Ambulance Station	475	-	475	-	475	975	22	953
New Tromode Storage Facility	-	7	7	7	(0)	318	318	(0)
Police HQ Redevelopment	50	-	50	-	50	50	-	50
Prison Minor Capital Works	210	-	210	210	0	210	210	0
<b>TOTAL</b>	<b>1,458</b>	<b>177</b>	<b>1,635</b>	<b>875</b>	<b>760</b>	<b>16,502</b>	<b>14,931</b>	<b>1,571</b>

### Notes

Adjustments on the Minor Capital Works scheme include contingency approval for expenditure within the IOM Prison (£107k) and a timing difference (£41k) which will be recovered within the 2020-21 budget.

A contingency transfer has been made in respect of the Fire and Rescue Equipment.

Additional spend of £90,000 on the Tromode Storage Facility was covered by a transfer from the Land and Property Acquisition Reserve and a further £7k from Contingency.



## 6.7 Department of Infrastructure

### Revenue

Table 6.7a

INCOME & EXPENDITURE BY DIVISION																
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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	
Minister and Chief Executive's Office	-	-	-	-	-	-	-	-	-	203	-	203	203	-	203	
Strategy, Policy and Performance	-	-	-	-	-	-	-	-	-	762	-	762	762	-	762	
Central Support & Change Division	17,370	(9,921)	<b>7,448</b>	17,268	(9,477)	7,791	(101)	444	343	16,111	(9,291)	6,820	(1,259)	631	(628)	
Ports Division	20,807	(11,180)	<b>9,627</b>	20,391	(12,027)	8,364	(416)	(847)	(1,263)	17,321	(11,877)	5,444	(3,486)	(696)	(4,182)	
Highway Services Division	17,030	(15,483)	<b>1,547</b>	17,666	(15,697)	1,970	636	(213)	423	16,130	(15,681)	449	(900)	(197)	(1,098)	
Public Estates and Housing	44,812	(11,953)	<b>32,859</b>	46,321	(12,469)	33,853	1,509	(516)	993	44,713	(12,425)	32,288	(100)	(472)	(572)	
Transport Services Division	26,252	(7,475)	<b>18,777</b>	25,518	(7,237)	18,281	(734)	238	(496)	25,041	(7,438)	17,604	(1,211)	37	(1,174)	
Housing Division	-	-	-	-	-	-	-	-	-	8	-	8	8	-	8	
<b>Total</b>	<b>126,271</b>	<b>(56,013)</b>	<b>70,258</b>	<b>127,165</b>	<b>(56,906)</b>	<b>70,258</b>	<b>894</b>	<b>(894)</b>	<b>0</b>	<b>120,289</b>	<b>(56,711)</b>	<b>63,578</b>	<b>(5,982)</b>	<b>(698)</b>	<b>(6,680)</b>	

### Commentary

The Department of Infrastructure ended the 2019-20 financial year with a small net underspend of £1.

**Central Support and Change** - This division consolidates the Minister & Chief Exec's Office, Strategy, Policy and Performance and Finance & Governance divisions. The year-end favourable position against budget included an unfavourable variance in the Energy from Waste Facility budget. This adverse variance is supported by favourable income and expenditure variances in the rest of the division. The division was reported a similar result for the year ended at 31 March 2019.

**Ports** – Income achieved was below budget by £847k. Overspend in payroll related in the main to higher than budgeted pay awards together with redundancy payments resulting from cost saving measures. Unavoidable increased operational costs also contributed to the adverse budget position at yearend.





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

**Public Estates & Housing** – An adverse income budget variance (£516k) has been supported by a favourable expenditure budget variance at year end. This included a payroll underspend of £162k and a favourable budget variance of £538k for non-pay expenditure. This was due largely to lower than forecast Housing Deficiency payments.

**Highway Services** – A favourable budget variance of £423k includes an adverse variance in income (£213k) which has been supported by favourable variances in all expenditure lines across the division.

**Transport Services** – An adverse budget variance of £494k is largely as a result of an adverse variance of £1,103k in payroll costs. This was partly off-set by a favourable budget variance of £456k in rail operations.

**Table 6.7b**

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000 CATEGORY</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018- 19</b>
<b>INCOME</b>					
Taxation Income	(13,313)	(13,302)	11	(13,329)	(15)
Third Party Contributions	(3,018)	(3,344)	(325)	(3,214)	(196)
Operating Income	(35,424)	(36,728)	(1,304)	(36,249)	(825)
Other Non-Trading Income	(4,256)	(3,532)	724	(3,919)	338
<b>Total Income</b>	<b>(56,013)</b>	<b>(56,906)</b>	<b>(894)</b>	<b>(56,711)</b>	<b>(698)</b>
<b>EXPENDITURE</b>					
Employee Costs	47,021	45,301	(1,720)	44,012	(3,009)
Infrastructure Costs	34,016	32,787	(1,229)	35,296	1,280
Transport Costs	5,863	5,371	(492)	4,853	(1,010)
Supplies & Services	13,945	13,813	(133)	11,379	(2,566)
Agency & Contracted Services	2,571	3,485	914	2,147	(424)
Loan Charges	21,841	21,841	-	20,159	(1,682)
Other Costs	1,013	4,566	3,553	2,443	1,429
<b>Total Expenditure</b>	<b>126,271</b>	<b>127,165</b>	<b>894</b>	<b>120,289</b>	<b>(5,982)</b>
<b>NET EXPENDITURE</b>	<b>70,258</b>	<b>70,258</b>	<b>0</b>	<b>63,578</b>	<b>(6,680)</b>



### Department of Infrastructure – capital programme

Table 6.7c

CAPITAL EXPENDITURE BY SCHEME								
£000 Scheme Name	CURRENT YEAR - 2019-20					TOTAL TO 2019-20		
	Original Budget	Adjustments	Revised Budget	Actual	Variance	Budget	Actual	Variance
DOI Planned Maintenance Schemes	1,900	-	1,900	1,850	50	25,741	23,841	1,900
Clagh Vane Redevelopment - Project 7	1,978	-	1,978	2,072	(94)	10,418	6,224	4,194
House Purchase Assistance Scheme (CLF funded from 2017-18)	500	-	500	(2,031)	2,531	3,000	669	2,331
Minor Capital Works - Public Transport	1,160	158	1,318	1,227	91	16,080	16,080	0
Public Transport Vehicle Replacement Programme	1,991	-	1,991	862	1,129	14,897	14,848	50
Minor Capital Works - Education	3,028	-	3,028	2,476	552	24,610	23,711	899
Minor Capital Works - DHSC	1,086	-	1,086	351	735	3,745	3,000	745
Disability Discrimination Act - Public Buildings	112	-	112	11	101	750	494	256
Government Estate - Planned Maintenance	1,514	-	1,514	1,451	63	6,115	5,870	245
Quarry Plant Replacement Programme	1,302	-	1,302	1,140	162	5,030	4,159	871
Plant & Vehicle Replacement Programme	4,689	-	4,689	3,345	1,344	18,802	17,871	931
Ramsey Tidal Marina	250	-	250	-	250	665	230	435
Strategic Highway Refurbishment Programme	4,690	29	4,719	4,597	122	29,622	29,622	(0)
Douglas Outer Harbour Development	254	-	254	-	254	510	56	454
Douglas Promenade	9,036	-	9,036	8,536	500	24,980	13,724	11,256
Airport Pavement Refurbishment	2,150	-	2,150	1,604	546	5,445	4,709	736
Radar Replacement	-	-	-	301	(301)	3,752	3,276	475
Site Feasibility Study	125	-	125	58	67	284	284	0
Ballasalla Relief Road	-	45	45	77	(33)	95	95	-
Problematic Waste Landfill Facility	1,711	-	1,711	17	1,694	1,711	17	1,694
Ramsey Station (Transport Interchange)	200	-	200	1	199	211	1	210
<b>SUBTOTAL CARRIED FORWARD</b>	<b>37,676</b>	<b>231</b>	<b>37,907</b>	<b>27,943</b>	<b>9,964</b>	<b>196,462</b>	<b>168,780</b>	<b>27,682</b>

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



Table 6.7c

**CAPITAL EXPENDITURE BY SCHEME**

£000 Scheme Name	CURRENT YEAR - 2019-20					TOTAL TO 2019-20		
	Original Budget	Adjustments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Douglas & Peel Cofferdam	-	21	21	21	(0)	372	372	(0)
Strategic Structural Maintenance	2,102	-	2,102	1,258	844	8,520	8,375	145
Asset Management System	47	-	47	22	25	121	120	1
Glencrutchery Road	127	-	127	-	127	288	151	137
Climate Change Adaption	3,314	-	3,314	301	3,013	6,200	3,149	3,051
Liverpool Landing Stage (G18-093)	6,520	-	6,520	7,387	(867)	11,254	10,130	1,123
Town & Village Regeneration	950	-	950	849	101	3,000	2,271	729
Port St Mary Alfred Pier	-	3	3	21	(18)	403	403	(0)
X-Ray Machines Upgrade	2,020	-	2,020	2,037	(17)	3,420	3,385	35
Noble's Hospital Maintenance	397	-	397	48	349	556	93	463
Noble's Hospital - Asset Replacement	937	-	937	591	346	2,631	1,909	722
King Edward VIII Pier - Berth 5 Emergency Works (G18-105)	-	-	-	6	(6)	1,782	1,624	157
Ambulance Fleet Replacement (Was DOH052)	370	-	370	-	370	781	236	544
East Quay Peel	2,341	-	2,341	36	2,306	2,405	42	2,363
Peel Harbour Bridge Replacement	38	5	43	21	23	415	415	0
Pulrose River Bridge	1,605	-	1,605	160	1,445	1,700	229	1,471
Replace Instrument Landing System	1,460	-	1,460	78	1,382	1,500	79	1,421
Residential Road Refurbishment	529	144	673	647	25	1,619	1,619	(0)
West Quay Ramsey	180	-	180	104	76	190	104	86
<b>SUBTOTAL CARRIED FORWARD</b>	<b>60,613</b>	<b>404</b>	<b>61,017</b>	<b>41,529</b>	<b>19,488</b>	<b>243,618</b>	<b>203,486</b>	<b>40,132</b>


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

Table 6.7c

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2019-20</b>					<b>TOTAL TO 2019-20</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>
DHA Vehicle Acquisition	2,252	-	2,252	943	1,309	2,220	1,333	887
Minor Capital Works -DfE (G18-119)	125	-	125	64	61	240	184	56
Minor Capital Works -DHA (G18-120)	202	-	202	121	81	400	321	79
Minor Capital Works -Villa & Gaiety (G18 -121)	290	-	290	175	115	400	252	148
Minor Capital Works - Wildlife Park (G18 -122)	138	-	138	118	20	313	191	122
EFW Control Emissions Monitoring System (G18 -132)	23	-	23	-	23	385	331	54
Raggatt Landfill	220	-	220	-	220	300	-	300
Active Travel (G18 -125)	1,631	-	1,631	342	1,289	2,015	476	1,539
Heritage Trail Improvements (G18 - 126)	705	67	772	782	(10)	912	912	(0)
Lezayre Road (G18 -127)	-	-	-	23	(23)	475	379	96
Vehicle Test Centre Relocation (G18-128)	1,750	-	1,750	125	1,625	2,000	136	1,864
Banks Circus Road Renewal (G18-131)	128	-	128	8	120	690	557	133
Victoria Pier Scour Protection	-	281	281	452	(171)	1,545	1,545	(0)
Airport Information Management System (IMS) (Contingency)	-	-	-	57	(57)	120	57	63
Heritage Rail Budget	6,082	642	6,724	6,724	(0)	6,724	6,724	(0)
A5 Road Reconstruction	52	-	52	44	8	52	44	8
Douglas Harbour Strategy - A Cruise Berth Victoria Pier	494	-	494	106	388	494	106	388
Douglas Promenade Walkway	138	-	138	-	138	138	-	138
Jurby Development Initiative	813	-	813	41	772	813	41	772
Peel Marina Works	909	-	909	17	892	909	17	892
Refurbishment of Michael Street Peel	49	46	95	95	0	95	95	0
<b>TOTAL</b>	<b>76,614</b>	<b>1,441</b>	<b>78,055</b>	<b>51,766</b>	<b>26,289</b>	<b>264,859</b>	<b>217,188</b>	<b>47,671</b>



## 6.8 The Treasury

### Revenue

Table 6.8a

INCOME & EXPENDITURE BY DIVISION															
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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
Audit Advisory Division	631	(98)	<b>533</b>	768	(95)	673	137	2	140	657	(97)	<b>560</b>	26	1	26
Customs and Excise	2,694	(444,531)	<b>(441,838)</b>	2,712	(380,519)	(377,807)	18	64,012	64,031	2,437	(369,703)	<b>(367,267)</b>	(257)	74,828	74,571
Finance Gov.Div.	16,769	(10,207)	<b>6,562</b>	11,196	(6,740)	4,456	(5,572)	3,467	(2,105)	10,609	(10,224)	<b>385</b>	(6,160)	(17)	(6,177)
Income and Other Taxes	5,150	(241,124)	<b>(235,974)</b>	5,445	(230,520)	(225,075)	295	10,604	10,899	5,144	(237,742)	<b>(232,598)</b>	(6)	3,382	3,376
Lottery Distribution	1,613	-	<b>1,613</b>	1,400	-	1,400	(213)	-	(213)	1,310	-	<b>1,310</b>	(303)	-	(303)
Treasury Grants	5,758	-	<b>5,758</b>	4,930	-	4,930	(828)	-	(828)	4,418	-	<b>4,418</b>	(1,340)	-	(1,340)
Government Contingency	-	-	-	1,881	-	1,881	1,881	-	1,881	-	-	-	-	-	-
<b>Social Security Division:</b>															
NI Operating Account	210,611	(226,842)	<b>(16,231)</b>	217,108	(228,478)	(11,370)	6,497	(1,635)	<b>4,862</b>	209,330	(212,041)	<b>(2,711)</b>	(1,281)	14,801	13,520
NI Transfer to/From NI Account	16,231	-	<b>16,231</b>	11,370	-	11,370	(4,862)	-	<b>(4,862)</b>	2,711	-	<b>2,711</b>	(13,520)	-	(13,520)
Non-Contributory Benefits	74,626	-	<b>74,626</b>	74,579	-	74,579	(47)	-	<b>(47)</b>	71,982	-	<b>71,982</b>	(2,643)	-	(2,643)
Legal Aid Administration	3,974	(137)	<b>3,837</b>	3,764	(200)	3,564	(210)	(63)	<b>(273)</b>	3,972	(182)	<b>3,790</b>	(2)	(45)	(47)
SSC Admin	3,870	-	<b>3,870</b>	3,276	-	3,276	(594)	-	<b>(594)</b>	3,922	-	<b>3,922</b>	52	-	52
SSC Admin	53	-	<b>53</b>	-	-	-	(53)	-	<b>(53)</b>	200	-	<b>200</b>	147	-	147
SSC Admin	(3,923)	-	<b>(3,923)</b>	(3,276)	-	(3,276)	647	-	<b>647</b>	(4,122)	-	<b>(4,122)</b>	(198)	-	(198)
Criminal Injury Compensation	326	-	<b>326</b>	303	-	303	(23)	-	<b>(23)</b>	295	-	<b>295</b>	(31)	-	(31)
<b>Sub-total SSD</b>	<b>305,768</b>	<b>(226,980)</b>	<b>78,789</b>	<b>307,123</b>	<b>(228,678)</b>	<b>78,445</b>	<b>1,354</b>	<b>(1,698)</b>	<b>(344)</b>	<b>288,290</b>	<b>(212,223)</b>	<b>76,067</b>	<b>(17,478)</b>	<b>14,757</b>	<b>(2,721)</b>
<b>Total</b>	<b>338,383</b>	<b>(922,940)</b>	<b>(584,557)</b>	<b>335,455</b>	<b>(846,552)</b>	<b>(511,097)</b>	<b>(2,928)</b>	<b>76,388</b>	<b>73,460</b>	<b>312,864</b>	<b>(829,989)</b>	<b>(517,125)</b>	<b>(25,519)</b>	<b>92,950</b>	<b>67,431</b>

### Commentary

The main feature of the Treasury's positive result is the VAT collected from customs and excise which was £64 million better than budgeted. Income tax income received was £10.6 million favourable due to an increase in resident tax. Class 1 National Insurance income was up on budget by £4.4 million as a result of very low unemployment on the Island however this has been offset against a £5.8m lower than budgeted contribution from UK DHSS. Spending on benefits was also down, primarily due to retirement pensions payments which were £8.1 million below budget. Further details on the Treasury's income and expenditure are given in the tables to follow.



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

**Table 6.8b**

<b>INCOME &amp; EXPENDITURE BY CATEGORY</b>					
<b>£000</b> <b>CATEGORY</b>	<b>Actual</b> <b>2019-20</b>	<b>Budget</b> <b>2019-20</b>	<b>Variance</b> <b>to Budget</b>	<b>Actual</b> <b>2018-19</b>	<b>Variance</b> <b>to 2018-19</b>
<b>INCOME</b>					
Taxation Income	(911,551)	(839,045)	72,506	(818,558)	92,993
Third Party Contributions	(146)	(200)	(54)	(139)	7
Operating Income	(73)	(72)	1	(124)	(51)
Other Non-Trading Income	(11,170)	(7,235)	3,935	(11,169)	1
<b>Total Income</b>	<b>(922,940)</b>	<b>(846,552)</b>	<b>76,388</b>	<b>(829,989)</b>	<b>92,950</b>
<b>EXPENDITURE</b>					
Employee Costs	14,959	15,636	677	14,236	(722)
Infrastructure Costs	7	14	6	11	4
Supplies & Services	1,951	1,335	(616)	2,197	246
Agency & Contracted Services	3,585	3,454	(130)	3,529	(56)
Loan Charges	531	531	-	481	(50)
Other Costs	317,350	314,485	(2,865)	292,409	(24,941)
<b>Total Expenditure</b>	<b>338,383</b>	<b>335,455</b>	<b>(2,928)</b>	<b>312,864</b>	<b>(25,519)</b>
<b>NET EXPENDITURE</b>	<b>(584,557)</b>	<b>(511,097)</b>	<b>73,460</b>	<b>(517,125)</b>	<b>67,431</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>2019-20</b>	<b>Budget</b> <b>2019-20</b>	<b>Variance</b> <b>to Budget</b>	<b>Actual</b> <b>2018-19</b>	<b>Variance</b> <b>to 2018-19</b>
Laxey Glen Mills	41	41	-	41	-
Manx Radio	1,080	980	(100)	955	(125)
Manx Utilities Authority	500	500	-	500	-
Culture Vannin	99	100	1	68	(31)
Financial Services Authority	3,215	3,059	(156)	2,854	(361)
<b>Sub-Total Treasury Grants</b>	<b>4,935</b>	<b>4,680</b>	<b>(255)</b>	<b>4,418</b>	<b>(517)</b>

An additional £100k grant was provided to Manx Radio to fund staffing costs and the expected deficit.

An additional £156k grant was provided to the Financial Services Authority to cover additional staffing costs.



## The Treasury income – income tax

Table 6.8d

<b>ANALYSIS OF INCOME TAX RECEIPTS</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>Resident Tax</b>					
Receipts	(71,630)	(65,000)	6,630	(72,201)	(572)
Superannuation	(308)	(300)	8	(509)	(201)
Interest	(237)	(350)	(113)	(338)	(101)
Personal Allowance Credit	681	950	269	832	151
Late Return Penalty	(340)	-	340	(349)	(9)
Refunds	15,385	16,250	865	15,054	(330)
Repayment Supplement	60	-	(60)	51	(9)
	<b>(56,390)</b>	<b>(48,450)</b>	<b>7,940</b>	<b>(57,460)</b>	<b>(1,070)</b>
<b>Company Tax</b>					
Receipts	(11,277)	(12,300)	(1,023)	(9,851)	1,426
Refunds	633	500	(133)	266	(366)
Late Return Penalties	(391)	(500)	(109)	(492)	(101)
	<b>(11,035)</b>	<b>(12,300)</b>	<b>(1,265)</b>	<b>(10,076)</b>	<b>959</b>
<b>Non Resident Tax</b>					
Receipts	(22,837)	(19,800)	3,037	(20,817)	2,020
Refunds	583	500	(83)	746	163
	<b>(22,253)</b>	<b>(19,300)</b>	<b>2,953</b>	<b>(20,071)</b>	<b>2,182</b>
<b>ITIP</b>					
Receipts	(147,960)	(148,070)	(110)	(147,310)	650
Refunds	129	500	371	110	(19)
Penalties	(163)	(150)	13	(126)	37
	<b>(147,994)</b>	<b>(147,720)</b>	<b>274</b>	<b>(147,326)</b>	<b>668</b>
<b>Sub-Contractors</b>					
Sub-Contractors Receipts	(3,368)	(2,764)	604	(2,816)	552
Sub-Contractors Refunds	7	14	7	13	6
	<b>(3,360)</b>	<b>(2,750)</b>	<b>610</b>	<b>(2,803)</b>	<b>557</b>
<b>EU Savings Directive</b>					
EUSD Receipts	-	-	-	(5)	(5)
International Penalties	(92)	-	92	-	92
	<b>(92)</b>	<b>-</b>	<b>92</b>	<b>(5)</b>	<b>86</b>
<b>Total</b>	<b>(241,124)</b>	<b>(230,520)</b>	<b>10,604</b>	<b>(237,742)</b>	<b>3,382</b>

### Notes

1. Income tax receipts have been higher than budget due to continuing low unemployment rates.
2. There has been a continued trend in restructuring to branch banking operations which results in a shift from company tax to non-resident tax.



**The Treasury income – customs and excise**

Table 6.8e

<b>ANALYSIS OF CUSTOMS &amp; EXCISE INCOME</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>Shared Revenue</b>					
Value Added Tax	(402,246)	(293,919)	108,327	(327,567)	74,679
Excise Duty	(32,207)	(77,100)	(44,893)	(31,656)	551
Cost of Collection Adjustment	1,300	1,300	-	1,200	(100)
<b>Sub-total Shared revenue</b>	<b>(433,153)</b>	<b>(369,719)</b>	<b>63,434</b>	<b>(358,024)</b>	<b>75,130</b>
<b>Non-Shared Revenue</b>					
Gambling Duty	(3,621)	(3,700)	(79)	(5,312)	(1,691)
Air Passenger Duty	(5,307)	(5,400)	(93)	(5,531)	(224)
<b>Sub-total Non-Shared revenue</b>	<b>(11,378)</b>	<b>(10,800)</b>	<b>578</b>	<b>(11,680)</b>	<b>(302)</b>
<b>Total</b>	<b>(444,531)</b>	<b>(380,519)</b>	<b>64,012</b>	<b>(369,703)</b>	<b>74,828</b>

**Notes**

1. 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 the year which has resulted in the large positive variance against budget.
2. A new indexation rate has been established and is valid for the next five years up to 2025.
3. Although they represent a small part overall, the non-shared revenue amounts above are slightly unfavourable to budget and last year.
4. Online gaming receipts were lower than prior year by £1.6m due to business changes within the sector and air passenger duty was £224k lower than prior year due to the collapse of an operator during the Coronavirus period.





## The Treasury income – other

**Table 6.8f**

<b>ANALYSIS OF OTHER TREASURY INCOME</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
Contribution from IOM PO	(500)	-	500	(1,500)	(1,000)
Fines and Fixed Penalties	(781)	(480)	301	(888)	(107)
	<b>(1,281)</b>	<b>(480)</b>	<b>801</b>	<b>(2,388)</b>	<b>(1,107)</b>
<b>Income From Investments</b>					
Reserve Fund Income	(8,367)	(6,000)	2,367	(7,279)	1,088
	<b>(8,367)</b>	<b>(6,000)</b>	<b>2,367</b>	<b>(7,279)</b>	<b>1,088</b>
<b>Miscellaneous</b>					
Commission on payroll deductions	(8)	-	8	(8)	(0)
Miscellaneous Income	(283)	-	283	(287)	(4)
Rate Collection Charges	(269)	(260)	9	(263)	6
Assurance Advisory Division	(98)	(95)	2	(97)	1
	<b>(657)</b>	<b>(355)</b>	<b>302</b>	<b>(655)</b>	<b>3</b>
<b>Total</b>	<b>(10,305)</b>	<b>(6,835)</b>	<b>3,469</b>	<b>(10,321)</b>	<b>(17)</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 positive variance to budget.
2. Reserve Fund income has increased compared to prior year due to the interest received on the Isle of Man Steam Packet loan. This is part of the overall surplus which has been transferred to reserves.



**Social Security Division – NI fund operating account**

**Table 6.8g**

<b>SOCIAL SECURITY - NI FUND OPERATING ACCOUNT</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>National Insurance Fund - INCOME</b>					
Contributions - Class 1	(215,278)	(210,833)	4,445	(201,273)	14,005
Contributions - Class 2	(1,501)	(1,538)	(37)	(1,502)	(1)
Contributions - Class 3	(630)	(399)	231	(391)	239
Contributions - Class 4	(4,145)	(4,121)	24	(3,947)	197
Less: allocated to Manx NHS	40,855	40,884	29	39,665	(1,190)
Contributions Equivalent Premium	(80)	-	80	(44)	36
Agency Settlement With UK DHSS	(46,531)	(52,400)	(5,869)	(44,946)	1,585
Class 1 National Insurance Refunds	220	-	(220)	223	3
Class 2 National Insurance Refunds	36	-	(36)	49	13
Class 3 National Insurance Refunds	9	-	(9)	15	6
Class 4 National Insurance Refunds	274	-	(274)	204	(70)
<b>Sub-total National Insurance Income</b>	<b>(226,770)</b>	<b>(228,406)</b>	<b>(1,636)</b>	<b>(211,948)</b>	<b>14,821</b>
<b>Other Income:</b>					
Uncashed Cheques Written Off	-	-	-	(21)	(21)
Property Rents	(72)	(72)	-	(72)	-
<b>Sub-total Other Income</b>	<b>(72)</b>	<b>(72)</b>	<b>-</b>	<b>(93)</b>	<b>(21)</b>
<b>Total NI Fund Income</b>	<b>(226,842)</b>	<b>(228,478)</b>	<b>(1,636)</b>	<b>(212,041)</b>	<b>14,801</b>
<b>National Insurance Fund - EXPENDITURE</b>					
Incapacity Benefit Long Term	9,388	9,071	(317)	8,709	(680)
Incapacity Benefit Short Term	2,361	3,059	698	2,124	(237)
Incapacity Benefit Youth	35	37	2	40	5
Retirement Pension - Basic	142,363	145,821	3,458	142,601	238
Retirement Pension - Age Addition	430	455	25	454	24
Retirement Pension - Premium	1,263	1,666	403	1,346	83
Retirement Pension - Supplement	35,456	36,305	849	36,511	1,055
Manx State Pension	2,139	5,600	3,461	-	(2,139)
Jobseekers Contribution Based	306	400	94	296	(10)
Bereavement Benefit	275	591	316	322	47
Bereavement Lump Sum	(2)	50	52	-	2
Bereavement Support Payment	785	-	(785)	678	(107)
Disablement Benefit	749	792	43	704	(45)
Lump Sum Christmas Bonus	967	1,000	33	974	7
Maternity Benefit	3,568	3,810	242	3,662	94
Other Benefits	7,037	6,351	(686)	6,375	(662)
Contracted Out Rebates	(13)	-	13	-	13
Administration Contribution	3,288	2,100	(1,188)	2,502	(786)
Bad Debt	0	-	(0)	13	13
Health Transformation Fund	-	-	-	1,444	1,444
Computer Maintenance	214	-	(214)	575	360
<b>Total NI Fund Expenditure</b>	<b>210,611</b>	<b>217,108</b>	<b>6,497</b>	<b>209,330</b>	<b>(1,281)</b>
<b>Movement on NI Operating Account</b>	<b>(16,231)</b>	<b>(11,370)</b>	<b>4,861</b>	<b>(2,711)</b>	<b>13,520</b>

See notes on next page



## Notes on NI operating account

1. NI income was £1.6m worse than budget due to a reduced agency settlement with the UK.
2. Retirement pensions were £4.7m below budget and £1.4m down on last year. Manx state pensions were £3.5m below budget however administrative contributions were higher than budget by £1.2m.
3. As a result of the reduced costs there was a surplus in the year of £16.2m on the NI operating account versus a budgeted £11.4m.

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

**Table 6.8h**

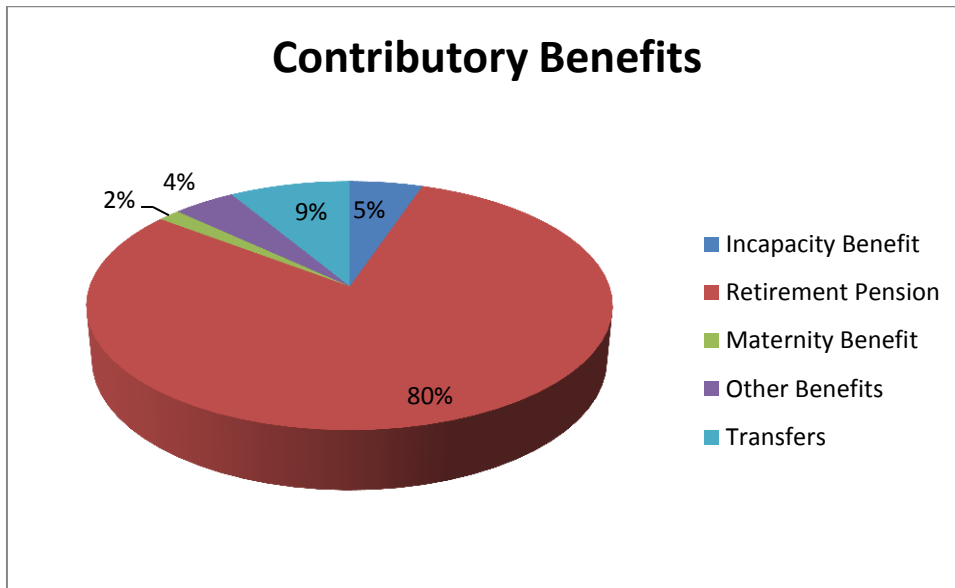
<b>SOCIAL SECURITY - REVENUE-FUNDED EXPENDITURE</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018-19</b>
<b>Non-Contributory Benefits</b>					
Miscellaneous - Revenue Funded	408	365	(43)	392	(16)
Nursing Care Contribution Scheme	(1)	-	1	-	1
Disability Living Allowance	11,633	10,340	(1,293)	10,708	(925)
Carers Allowance	(6)	-	6	(2)	4
Severe Disablement Allowance	526	553	27	534	8
Attendance Allowance	4,803	4,343	(460)	4,593	(209)
Child Benefit	10,687	11,025	338	10,523	(164)
Maternity Payment	43	82	39	53	10
Income Support	33,829	33,924	95	31,990	(1,839)
Employed Persons Allowance	9,073	9,776	703	9,124	51
Exceptional Needs Grant	108	130	22	114	7
Winter Bonus	788	817	29	768	(20)
Job Seekers (Income Based)	1,367	2,048	681	1,570	203
Administration Contribution	1,368	1,176	(192)	1,616	247
<b>Total Non-Contributory Benefits</b>	<b>74,626</b>	<b>74,579</b>	<b>(47)</b>	<b>71,982</b>	<b>(2,643)</b>
Total NI Funded Benefits	<b>210,611</b>	<b>217,108</b>	<b>6,497</b>	<b>209,330</b>	<b>(1,281)</b>
<b>TOTAL</b>	<b>285,236</b>	<b>291,687</b>	<b>6,450</b>	<b>281,313</b>	<b>(3,924)</b>

### Non-contributory benefits

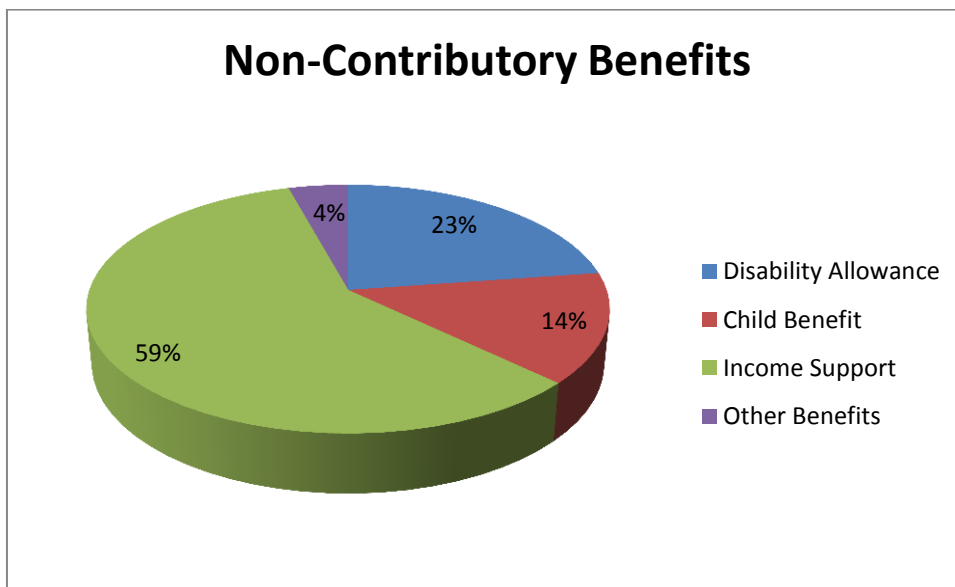
1. Total expenditure was £47k above budget and £2.6m higher than last year with the largest impact on budget driven by increased disability living and attendance allowance.
2. As a result of the low unemployment on the Island, income support remained below budget (although this has increased by £1.8k compared to 2018-19) and job seekers allowance was below budget by £681k.



### Analysis of social security benefits – 2019-20



*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 - 2019-20					TOTAL TO 2019-20		
	Original Budget	Adjust- ments	Revised Budget	Actual	Variance	Budget	Actual	Variance
Capital Project Contingency Budget	5,000	(1,826)	3,174	-	3,174	8,093	-	8,093
Manx Radio Broadcasting House Maintenance	150	-	150	107	43	350	345	5
Broadcasting House Refurbishment	969	(969)	-	-	-	-	-	-
Technology - Operational Change Programme (One Treasury)	4,309	-	4,309	1,040	3,269	2,851	1,358	1,493
<b>TOTAL</b>	<b>10,428</b>	<b>(2,795)</b>	<b>7,633</b>	<b>1,147</b>	<b>6,486</b>	<b>11,294</b>	<b>1,703</b>	<b>9,591</b>

### Notes

1. Transfers from the Capital Project Contingency Budget to other schemes are detailed in section 5.4 (table 5.4c).
2. The Treasury approved in-year timing differences are detailed section 5.4 (table 5.4e)

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 2019-20</b>			<b>BUDGET 2019-20</b>			<b>VARIANCE TO BUDGET</b>			<b>ACTUAL 2018-19</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>	<b>Spend</b>	<b>Income</b>	<b>Spend</b>	<b>Spend</b>	<b>Income</b>	<b>Spend</b>	<b>Spend</b>	<b>Income</b>	<b>Spend</b>	<b>Spend</b>	<b>Income</b>	<b>Spend</b>	<b>Spend</b>	<b>Income</b>	<b>Spend</b>
Industrial Relations Office	271	-	<b>271</b>	273	-	273	1	-	1	236	-	236	(35)	-	(35)
Veterans Welfare Service	96	-	<b>96</b>	104	-	104	8	-	8	87	-	87	(9)	-	(9)
Information Commissioner	278	(156)	<b>121</b>	420	(270)	150	142	(113)	29	265	(117)	148	(13)	40	27
General Registry	5,101	(2,248)	<b>2,854</b>	4,908	(2,100)	2,807	(194)	147	(46)	4,773	(2,337)	2,436	(328)	(89)	(418)
H.M. Attorney Generals	5,468	(106)	<b>5,362</b>	5,427	(65)	5,362	(41)	41	-	4,893	(83)	4,810	(575)	23	(552)
Superannuation	68,846	(68,846)	<b>(0)</b>	64,230	(64,230)	-	(4,616)	4,616	-	66,779	(66,779)	-	(2,067)	2,067	-
Overseas Aid	2,500	-	<b>2,500</b>	2,500	-	2,500	-	-	-	2,500	-	2,500	-	-	-
<b>Total</b>	<b>82,561</b>	<b>(71,356)</b>	<b>11,204</b>	<b>77,862</b>	<b>(66,665)</b>	<b>11,196</b>	<b>(4,699)</b>	<b>4,691</b>	<b>(8)</b>	<b>79,532</b>	<b>(69,316)</b>	<b>10,217</b>	<b>(3,028)</b>	<b>2,040</b>	<b>(988)</b>

### Note

1. The Attorney General Chamber's drawdowns totalled £114k, being £16k from the Legal Costs Reserve and £98k from the Medical Indemnity Fund.
2. 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 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance to Budget</b>	<b>Actual 2018-19</b>	<b>Variance to 2018- 19</b>
<b>INCOME</b>					
Taxation Income	(68,990)	(64,500)	4,490	(66,895)	2,095
Third Party Contributions	(103)	(65)	38	(134)	(31)
Operating Income	(2,256)	(2,096)	160	(2,278)	(22)
Other Non-Trading Income	(7)	(4)	3	(9)	(2)
<b>Total Income</b>	<b>(71,356)</b>	<b>(66,665)</b>	<b>4,691</b>	<b>(69,316)</b>	<b>2,040</b>
<b>EXPENDITURE</b>					
Employee Costs	110,183	110,663	480	108,753	(1,430)
Infrastructure Costs	7	80	72	36	29
Supplies & Services	1,500	1,619	119	1,204	(296)
Other Costs	(29,130)	(34,500)	(5,370)	(30,460)	(1,330)
<b>Total Expenditure</b>	<b>82,561</b>	<b>77,862</b>	<b>(4,665)</b>	<b>79,532</b>	<b>(3,028)</b>
<b>NET EXPENDITURE</b>	<b>11,204</b>	<b>11,196</b>	<b>(8)</b>	<b>10,217</b>	<b>(988)</b>

**Pension's expenditure**

**Table 6.9c**

<b>PENSIONS - BREAKDOWN OF EXPENDITURE</b>					
<b>£000</b>	<b>Actual 2019-20</b>	<b>Budget 2019-20</b>	<b>Variance 2019-20</b>	<b>Actual 2018-19</b>	<b>Variance to 2018- 19</b>
<b>Pensions and Grants</b>					
Government Unified Scheme	74,622	73,549	(1,074)	72,987	(1,635)
Teachers Pension	15,303	16,510	1,207	15,932	629
Police Pension Regulations 1991 & 2010	7,843	7,777	(66)	7,645	(198)
Manual Workers No 1 Scheme	354	350	(4)	351	(4)
Judicial Scheme	561	535	(26)	480	(81)
Tynwald 1995	1,004	970	(34)	982	(22)
Other Expenditure	2	-	(2)	(1)	(3)
<b>Sub-Total</b>	<b>99,689</b>	<b>99,690</b>	<b>1</b>	<b>98,376</b>	<b>(1,313)</b>
Refunds of Contributions	248	180	(68)	168	(80)
Transfer Values Paid	923	1,360	437	1,552	629
<b>Sub-Total Expenditure</b>	<b>100,860</b>	<b>101,230</b>	<b>370</b>	<b>100,096</b>	<b>(764)</b>
Transfer from Public Service Pension Reserve	(32,014)	(37,000)	(4,986)	(33,318)	(1,304)
<b>NET EXPENDITURE</b>	<b>68,846</b>	<b>64,230</b>	<b>(4,616)</b>	<b>66,779</b>	<b>(2,067)</b>



**Pension's income**

**Table 6.9d**

<b>PENSION'S - BREAKDOWN OF INCOME</b>					
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Variance</b>
<b>£000</b>	<b>2019-20</b>	<b>2019-20</b>	<b>2019-20</b>	<b>2018-19</b>	<b>to 2018-19</b>
<u>Contributions Received</u>					
Government Unified Scheme	(55,548)	(49,585)	5,963	(51,071)	4,477
Teacher's Pension	(10,078)	(9,710)	368	(9,896)	181
Police Pension Regulations 1991 & 2010	(2,275)	(2,000)	275	(2,207)	68
Judicial Schemes	(220)	(200)	20	(209)	11
<b>Sub-Total</b>	<b>(68,120)</b>	<b>(61,495)</b>	<b>6,625</b>	<b>(63,383)</b>	<b>4,737</b>
Transfer Values Received	(725)	(2,735)	(2,010)	(3,395)	(2,670)
<b>TOTAL INCOME</b>	<b>(68,846)</b>	<b>(64,230)</b>	<b>4,616</b>	<b>(66,779)</b>	<b>2,067</b>
Expenditure brought Forward	68,846	64,230	(4,616)	66,779	(2,067)
<b>NET SPEND</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note**

- Contributions received now include contributions from Government departments, boards and offices which were set at 13.8% of employee costs for 2019-20 (2018-19: 13.8%). The contributions total £38.1m in 2019-20 (2018-19 £36.9m).

**Pensions spending – analysis of expenditure**

**Table 6.9e**

<b>PENSIONS - ANALYSIS OF AMOUNTS PAID</b>					
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Actual</b>	<b>Variance</b>
<b>£000</b>	<b>2019-20</b>	<b>2019-20</b>	<b>2019-20</b>	<b>2018-19</b>	<b>to 2018-19</b>
<b>EXPENDITURE</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<u>Analysis of Amounts Paid:</u>					
Monthly Pensions Paid	75,063	72,810	(2,253)	71,589	(3,474)
Lump Sum Amounts Paid	24,626	26,880	2,254	26,787	2,161
Refunds of Contributions	248	180	(68)	168	(80)
Transfer Values Paid	923	1,360	437	1,552	629
<b>Total</b>	<b>100,860</b>	<b>101,230</b>	<b>370</b>	<b>100,096</b>	<b>(764)</b>





## 6.10 Manx Museum and National Trust

Table 6.10a

INCOME & EXPENDITURE BY ORGANISATION															
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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
Manx Museum and National Trust	5,736	(1,091)	4,646	5,508	(862)	4,646	(228)	228	0	5,540	(1,095)	4,445	(197)	(4)	(201)
<b>Total</b>	<b>5,736</b>	<b>(1,091)</b>	<b>4,646</b>	<b>5,508</b>	<b>(862)</b>	<b>4,646</b>	<b>(228)</b>	<b>228</b>	<b>0</b>	<b>5,540</b>	<b>(1,095)</b>	<b>4,445</b>	<b>(197)</b>	<b>(4)</b>	<b>(201)</b>

Table 6.10b

INCOME & EXPENDITURE BY CATEGORY £000					
£000	Actual 2019-20	Budget 2019-20	Variance to Budget	Actual 2018-19	Variance to 2018-19
<b>INCOME</b>					
Operating Income	(969)	(803)	165	(988)	(20)
Other Non-Trading Income	(122)	(59)	63	(106)	16
<b>Total Income</b>	<b>(1,091)</b>	<b>(862)</b>	<b>228</b>	<b>(1,095)</b>	<b>(4)</b>
<b>EXPENDITURE</b>					
Employee Costs	3,383	3,262	(121)	3,153	(230)
Infrastructure Costs	687	659	(28)	710	23
Transport Costs	0	-	(0)	-	(0)
Supplies & Services	723	605	(118)	654	(69)
Loan Charges	983	983	-	993	10
Other Costs	(39)	-	39	30	69
<b>Total Expenditure</b>	<b>5,736</b>	<b>5,508</b>	<b>(228)</b>	<b>5,540</b>	<b>(197)</b>
<b>NET EXPENDITURE</b>	<b>4,646</b>	<b>4,646</b>	<b>0</b>	<b>4,445</b>	<b>(201)</b>

### Commentary

Increasing the generation of income continues to be a focus for Manx National Heritage (MNH) to assist in protecting assets and services. With continuing pressures on budgets, in particular for wage increases and significant increases in building service costs, income over budget has been used principally to maintain assets in accordance with statutory obligations. Additional revenue expenditure was also used to support retail stock purchase and curatorial responsibilities.

MNH did apply for, and received, additional property maintenance funding of £100k for three years from 2019/20. This is gratefully acknowledged. With higher than inflation increases in building service costs and ageing assets there will continue to be significant pressure on this area of expenditure.


**Manx Museum & National Trust – capital programme**

**Table 6.10c**

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2019-20</b>					<b>TOTAL TO 2019-20</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>								
Digitisation & Public Electronic Access	-	0	0	7	(7)	605	605	0
Minor Capital Works	300	-	300	173	127	2,589	2,336	252
Gallery Redisplay	250	-	250	9	241	1,584	1,318	266
<b>TOTAL</b>	<b>550</b>	<b>0</b>	<b>550</b>	<b>189</b>	<b>361</b>	<b>4,779</b>	<b>4,260</b>	<b>519</b>

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



### 6.11 Statutory Boards (revenue funded)

Table 6.11a

INCOME & EXPENDITURE BY ORGANISATION																
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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	
Organisation																
Communications Commission	475	(1,292)	(818)	594	(804)	(211)	119	488	607	457	(1,352)	(895)	(18)	(59)	(77)	
Financial Services Authority	6,336	(6,336)	-	6,295	(6,295)	-	(41)	41	-	6,268	(6,053)	215	(68)	283	215	
Gambling Supervision Commission	1,279	(1,949)	(670)	1,262	(1,623)	(361)	(17)	326	309	1,071	(1,773)	(702)	(207)	175	(32)	
Financial Intelligence Unit	766	-	766	826	-	826	61	-	61	679	-	679	(87)	-	(87)	
Public Sector Pensions Authority	12	(12)	(0)	-	-	-	(12)	12	0	12	(12)	0	(0)	0	0	
<b>Total</b>	<b>8,868</b>	<b>(9,589)</b>	<b>(722)</b>	<b>8,977</b>	<b>(8,722)</b>	<b>255</b>	<b>109</b>	<b>868</b>	<b>977</b>	<b>8,488</b>	<b>(9,191)</b>	<b>(703)</b>	<b>(380)</b>	<b>399</b>	<b>19</b>	

Table 6.11b

INCOME & EXPENDITURE BY CATEGORY £000					
£000	Actual 2019-20	Budget 2019-20	Variance to Budget	Actual 2018-19	Variance to 2018-19
<b>INCOME</b>					
Taxation Income	(4,957)	(4,724)	233	(4,855)	101
Third Party Contributions	-	-	-	-	-
Operating Income	(1,418)	(938)	480	(1,479)	(61)
Grant Income	(3,215)	(3,059)	156	(2,854)	361
Other Non-Trading Income	(0)	(1)	(1)	(3)	(3)
<b>Total Income</b>	<b>(9,589)</b>	<b>(8,722)</b>	<b>868</b>	<b>(9,191)</b>	<b>399</b>
<b>EXPENDITURE</b>					
Employee Costs	8,077	8,323	246	7,779	(299)
Infrastructure Costs	317	335	18	320	3
Supplies & Services	1,477	1,730	253	1,684	206
Loan Charges	74	74	-	56	(18)
Other Costs	(1,078)	(1,485)	(407)	(1,350)	(272)
<b>Total Expenditure</b>	<b>8,868</b>	<b>8,977</b>	<b>109</b>	<b>8,488</b>	<b>(380)</b>
<b>NET EXPENDITURE</b>	<b>(722)</b>	<b>255</b>	<b>977</b>	<b>(703)</b>	<b>19</b>



**Statutory boards - capital programme**

Table 6.10c

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b> <b>Scheme Name</b>	<b>CURRENT YEAR - 2019-20</b>					<b>TOTAL TO 2019-20</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>
FSA Restructure Costs	36	-	36	14	22	50	28	22
FSA - Atlas System	268	-	268	129	139	500	219	281
GSC IT System	212	-	212	130	82	500	219	281
<b>TOTAL</b>	<b>516</b>	<b>-</b>	<b>516</b>	<b>273</b>	<b>243</b>	<b>1,050</b>	<b>466</b>	<b>584</b>



## 6.12 Legislature (parliament)

Table 6.12a

INCOME & EXPENDITURE															
£000	ACTUAL 2019-20			BUDGET 2019-20			VARIANCE TO BUDGET			ACTUAL 2018-19			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	4,779	(71)	4,708	4,925	(9)	4,916	146	62	208	4,626	(57)	4,569	(154)	15	(139)
<b>Total</b>	<b>4,779</b>	<b>(71)</b>	<b>4,708</b>	<b>4,925</b>	<b>(9)</b>	<b>4,916</b>	<b>146</b>	<b>62</b>	<b>208</b>	<b>4,626</b>	<b>(57)</b>	<b>4,569</b>	<b>(154)</b>	<b>15</b>	<b>(139)</b>

Table 6.12b

INCOME & EXPENDITURE BY CATEGORY £000					
	Actual 2019-20	Budget 2019-20	Variance to Budget	Actual 2018-19	Variance to 2018-19
<b>INCOME</b>					
Third Party Contributions	(8)	-	8	(3)	4
Operating Income	(65)	(9)	56	(53)	12
Other Non-Trading Income	1	-	(1)	-	(1)
<b>Total Income</b>	<b>(71)</b>	<b>(9)</b>	<b>62</b>	<b>(57)</b>	<b>15</b>
<b>EXPENDITURE</b>					
Employee Costs	3,919	4,048	129	3,795	(124)
Transport Costs	0	-	(0)	-	(0)
Supplies & Services	424	441	17	387	(36)
Loan Charges	437	437	-	443	7
<b>Total Expenditure</b>	<b>4,779</b>	<b>4,925</b>	<b>146</b>	<b>4,626</b>	<b>(154)</b>
<b>NET EXPENDITURE</b>	<b>4,708</b>	<b>4,916</b>	<b>208</b>	<b>4,569</b>	<b>(139)</b>



### 6.13 Manx Utilities Authority - capital programme

**Table 6.10c**

<b>CAPITAL EXPENDITURE BY SCHEME</b>								
<b>£000</b>	<b>CURRENT YEAR - 2019-20</b>					<b>TOTAL TO 2019-20</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>
MUA Borrowing - Capital Programme	5,414	-	5,414	1,687	3,727	68,114	63,255	4,859
Combined Cycle Gas Turbine	1,700	-	1,700	4,080	(2,380)	13,926	10,909	3,017
All Island Refurbishment of Infrastructure	2,735	-	2,735	1,018	1,717	29,105	25,693	3,412
Sewer Flood Alleviation in Douglas Onchan and Andreas	850	-	850	444	406	2,367	1,540	827
Regional Sewerage Strategy 2	3,500	(2,973)	527	1,014	(487)	26,450	3,872	22,578
MUA Minor Capital Works	1,907	-	1,907	407	1,500	4,590	1,000	3,590
Sewer Network Modelling	950	-	950	-	950	1,075	1,018	57
<b>TOTAL</b>	<b>17,056</b>	<b>(2,973)</b>	<b>14,083</b>	<b>8,650</b>	<b>5,433</b>	<b>145,626</b>	<b>107,287</b>	<b>38,339</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 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.

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 unfavourable variance for the year arises from budgeted work for 2018-19 being delayed to 2019-20. The 'MUA Borrowing – Capital Programme' principally relating to electricity network maintenance expenditure.



### **Manx Utilities Authority - capital programme (continued)**

The 'MUA 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. The Phase 1 investment was substantially completed during 2016-17, with the majority of the final costs paid in 2017-18 and retentions being released in 2018-19. Phase 2 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 unfavourable variance is a result of delays in securing sites for Laxey and Baldrine during 2018-19 and the spend occurring in 2019-20.



## 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 2019	INCOME			EXPENDITURE		Balances Carried Forward 31 March 2020
		Contributions Seizures & Other	Investment Income	Net Profit on Sale of Investments	Transfers to Internal Accounts	Other Expenses	
Hospital Estate Development Fund	32,499	0	834	249	0	3,914	29,668
Manx Currency Account	86,614	13,135	1,198	119	745	618	99,703
NI Fund - Investment A/c	814,641	0	21,919	17,030	0	2,047	851,544
Public Service Employees Pension Res.	109,418	0	2,068	4,097	0	33,464	82,119
Reserve Fund	351,524	20,000	11,815	9,471	7,622	956	384,233
MUA Bond Repayment Fund	63,912	1,500	1,450	653	0	156	67,359
<b>Sub-total</b>	<b>1,458,610</b>	<b>34,635</b>	<b>39,284</b>	<b>31,619</b>	<b>8,367</b>	<b>41,154</b>	<b>1,514,627</b>
Media Development Fund	18,122	0	109	(2,073)	(990)	58	17,089
Enterprise Development Scheme	10,155	0	47	0	0	118	10,084
<b>Sub-total</b>	<b>1,486,886</b>	<b>34,635</b>	<b>39,440</b>	<b>29,546</b>	<b>7,377</b>	<b>41,329</b>	<b>1,541,800</b>
General Revenue A/C Temp Loans	130,080	90,734	0	0	0	0	220,813
<b>Total Invested Funds</b>	<b>1,616,966</b>	<b>125,368</b>	<b>39,440</b>	<b>29,546</b>	<b>7,377</b>	<b>41,329</b>	<b>1,762,613</b>
Equity Investment IOMSPG	48,752	0	0	0	0	0	48,752
<b>Total Invested Funds</b>	<b>1,665,718</b>	<b>125,368</b>	<b>39,440</b>	<b>29,546</b>	<b>7,377</b>	<b>41,329</b>	<b>1,811,365</b>

#### Note

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

BOOK VALUE AND MARKET VALUE BY FUND						
£000 Invested Fund	As at 31 Mar 19		As at 31 Mar 20		Movement	
	Book Cost	Market Value	Book Cost	Market Value	Book Value	Market Value
Hospital Estate Development Fund	32,499	32,968	29,668	27,325	(2,831)	(5,644)
Manx Currency Account	86,614	86,562	99,703	98,514	13,089	11,952
MUA Bond Repayment Fund	63,912	70,438	67,359	69,208	3,447	(1,231)
NI Fund - Investment A/c	814,641	896,909	851,544	847,257	36,903	(49,653)
Public Service Employees Pension Res.	109,418	117,324	82,153	80,911	(27,265)	(36,413)
Reserve Fund	351,524	386,424	384,233	380,504	32,708	(5,920)
<b>Sub-total</b>	<b>1,458,610</b>	<b>1,590,626</b>	<b>1,514,660</b>	<b>1,503,718</b>	<b>56,051</b>	<b>(86,908)</b>
Media Development Fund	18,122	18,122	17,089	17,089	(1,033)	(1,033)
Enterprise Development Fund	10,155	10,155	10,084	10,084	(71)	(71)
<b>Sub-total</b>	<b>1,486,886</b>	<b>1,618,903</b>	<b>1,541,834</b>	<b>1,530,892</b>	<b>54,948</b>	<b>(88,011)</b>
General Revenue A/c Temp. Loans	130,080	130,080	220,779	220,779	90,699	90,699
<b>Total Invested Funds</b>	<b>1,616,966</b>	<b>1,748,982</b>	<b>1,762,613</b>	<b>1,751,671</b>	<b>145,647</b>	<b>2,689</b>
Equity Investment IOMSPG	48,752	48,752	48,752	48,752	-	-
<b>Total External Investments</b>	<b>1,665,718</b>	<b>1,797,734</b>	<b>1,811,365</b>	<b>1,800,423</b>	<b>145,647</b>	<b>2,689</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

BOOK VALUE AND MARKET VALUE BY ASSET TYPE						
£000 Asset Class	As at 31 Mar 19		As at 31 Mar 20		Movement	
	Book Cost £000	Market Value £000	Book Cost £000	Market Value £000	Book Value £000	Market Value £000
Property	408	600	408	600	-	-
Investment in Films	3,001	3,001	635	635	(2,365)	(2,365)
Equity Investment in IOMSPG	48,752	48,752	48,752	48,752	-	-
United Kingdom Fixed Interest	331,654	340,648	378,076	377,796	46,421	37,148
United Kingdom Equities	319,201	340,623	305,550	261,169	(13,651)	(79,454)
Overseas Fixed Interest	61,153	64,360	64,672	64,734	3,519	374
Overseas Equities	374,839	470,428	365,378	404,336	(9,461)	(66,093)
Other Investments	116,879	119,463	175,573	170,058	58,694	50,594
<b>Sub-total Investments</b>	<b>1,255,887</b>	<b>1,387,875</b>	<b>1,339,044</b>	<b>1,328,080</b>	<b>83,157</b>	<b>(59,795)</b>
Cash & Cash Instruments	194,032	194,060	149,864	149,885	(44,169)	(44,175)
Cash funds held by Treasury	215,798	215,798	322,458	322,458	106,660	106,660
<b>Sub-total Cash</b>	<b>409,831</b>	<b>409,859</b>	<b>472,321</b>	<b>472,343</b>	<b>62,491</b>	<b>62,484</b>
<b>Total</b>	<b>1,665,718</b>	<b>1,797,734</b>	<b>1,811,365</b>	<b>1,800,423</b>	<b>145,647</b>	<b>2,689</b>



## 7.2 Hospital Estate Development Fund (HEDF)

Table 7.2a

<b>HOSPITAL ESTATE DEVELOPMENT FUND</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Income from Investments	916	834
Net (profit)/loss on realisation of Investments	273	249
<b>Total Income</b>	<b>1,189</b>	<b>1,083</b>
<b>EXPENDITURE</b>		
<u>Department of Health</u>		
Loan Charges on Nobles Hospital	3,786	3,800
<u>Other</u>		
Custodian Fees	5	10
Investment Management Fees	82	104
<b>Total Expenditure</b>	<b>3,873</b>	<b>3,914</b>
<b>Net Movement for Year</b>	<b>(2,684)</b>	<b>(2,831)</b>
Balance brought forward at 1 April	35,183	32,499
<b>Balance carried forward at 31 March</b>	<b>32,499</b>	<b>29,668</b>

### Notes

- Investments at 31 March 2020 were:

Table 7.2b

<b>INVESTMENTS BY ASSET TYPE</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>
United Kingdom Fixed Interest	7,583	7,750	6,438	6,383
United Kingdom Equities	8,324	8,252	7,764	6,423
Overseas Equities	7,678	7,962	7,407	6,587
Other Investments	6,266	6,356	6,767	6,639
Cash & Cash Instruments	2,648	2,648	1,292	1,292
<b>Total</b>	<b>32,499</b>	<b>32,968</b>	<b>29,668</b>	<b>27,325</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 2020 it was anticipated that the fund would be exhausted in 2028-29 (2018: 2032-33).

Key assumptions made during this forecast are:

- a. Net return on investments being constant at 2.84% going forward (2019: 2.84%).
  - b. Consolidated loans fund interest rate has remained at 2% in 2019-20 and is not expected to increase thereafter.
  - c. Loan sanction duration 50 years (2019: 50 years).
6. As at 31 March 2020 the balance of the outstanding loan was £64.6 million with 28 years of the loan period remaining.
  7. The amount of £3.6 million paid in 2019-20 comprises £2.3 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 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Income from Investments	1,032	1,198
Net profit or loss on realisation of Investments	107	119
Increase/(decrease) in Notes in Circulation	371	11,193
Increase/(decrease) in base metal Coins in Circulation	1,501	1,750
Income on Commemorative Coin Sales	142	192
<b>Total Income</b>	<b>3,153</b>	<b>14,452</b>
<b>EXPENDITURE</b>		
<u>Treasury</u>		
Custodian Fees	5	12
Investment Management Fees	53	53
Expenses of the Note Issue	516	287
Cost of Circulating Coin Sales	617	-
Commemorative Coin Expenses	-	265
<u>Transfers</u>		
Transfer to General Revenue Account	(29)	745
<b>Total Expenditure</b>	<b>1,162</b>	<b>1,362</b>
<b>Net Movement for Year</b>	<b>1,991</b>	<b>13,089</b>
Balance brought forward at 1 April	84,623	86,614
<b>Balance carried forward at 31 March</b>	<b>86,614</b>	<b>99,703</b>

### Manx Currency Account – Notes

- Investments at 31 March 2020 were:

**Table 7.3b**

<b>INVESTMENTS BY ASSET TYPE</b>				
<b>£000</b>	<b>As at 31 March 2019</b>		<b>As at March 2020</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
United Kingdom Fixed Interest	26,796	27,111	23,959	23,865
United Kingdom Equities	3,281	2,892	3,394	2,440
Overseas Fixed Interest	-	-	-	-
Overseas Equities	234	273	83	54
Other Investments	488	469	535	420
Cash & Cash Instruments	2,765	2,766	5,738	5,741
Cash funds held by Treasury	53,051	53,051	65,993	65,993
<b>Total</b>	<b>86,614</b>	<b>86,562</b>	<b>99,703</b>	<b>98,514</b>



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

2. The face value of Manx currency in circulation at 31 March 2020 was:

**Table 7.3c**

<b>FACE VALUE OF MANX CURRENCY IN CIRCULATION</b>		
<b>£000</b>	<b>As at 31 Mar 19</b>	<b>As at 31 Mar 20</b>
Notes	62,874	74,067
Coins	18,726	20,227
<b>Total</b>	<b>81,600</b>	<b>94,293</b>
Fund Balance	86,614	99,703
<b>Balance in excess of face value</b>	<b>5,014</b>	<b>5,410</b>

3. The balance at 31 March 2020 on the Coins Account comprises:

**Table 7.3d**

<b>COMPOSITION OF THE COINS ACCOUNT</b>		
<b>£000</b>	<b>As at 31 Mar 19</b>	<b>As at 31 Mar 20</b>
Cash at Bank	3,227	4,977
Money at call or short notice	17,000	17,000
<b>Total</b>	<b>20,227</b>	<b>21,977</b>

4. Net profit on commemorative coin sales for the year was **£191,987** (2018-19: £141,843). This represents consistent performance following a change of approach by the mint appointed by the Treasury in April 2017.



## 7.4 MUA Bond Repayment Fund

Table 7.4a

<b>MUA BOND REPAYMENT FUND</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Income from Investments	1,282	1,450
Net profit/(loss) on realisation of Investments	161	655
Net profit/(loss) on Currency Transfers	14	(2)
<u>Transfers</u>		
Transfer to Fund Managers	8,000	1,500
<b>Total Income</b>	<b>9,457</b>	<b>3,602</b>
<b>EXPENDITURE</b>		
<u>Other</u>		
Custodian Fees	4	11
Investment Management Fees	130	145
<b>Total Expenditure</b>	<b>134</b>	<b>156</b>
<b>Net Movement for Year</b>	<b>9,323</b>	<b>3,447</b>
Balance brought forward at 1 April	54,589	63,912
<b>Balance carried forward at 31 March</b>	<b>63,912</b>	<b>67,359</b>

### Notes

- Investments at 31 March 2020 were:

Table 7.4b

<b>INVESTMENTS BY ASSET TYPE</b>				
<b>£000</b>	<b>As at 31 March 2019</b>		<b>As at March 2020</b>	
	<b>Book Cost</b>	<b>Market Value</b>	<b>Book Cost</b>	<b>Market Value</b>
United Kingdom Fixed Interest	12,546	14,121	9,636	11,412
United Kingdom Equities	11,864	13,493	15,048	13,417
Overseas Fixed Interest	14,522	14,974	17,549	17,739
Overseas Equities	14,080	16,900	10,606	11,696
Other Investments	2,861	2,912	5,015	5,437
Cash & Cash Instruments	8,039	8,039	9,505	9,505
<b>Total</b>	<b>63,912</b>	<b>70,438</b>	<b>67,359</b>	<b>69,208</b>



### **MUA 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 the Manx Utilities Authority ("MUA") was the ability of the merged utility to have the internal cash flows to set up a further bond repayment fund that would be also able to repay the MEA 2034 loan in full on maturity.
4. The administration of the Water Repayment Fund was transferred to the Treasury with effect from 1 April 2015 titled 'IOM Government MUA Bond Repayment Fund'. The MUA Bond Repayment Fund is not segregated between the IOMWA and MEA components. The Treasury reports on the value of the MUA Bond Repayment Fund to the MUA, 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 that the fund was on schedule to meet its liabilities in April 2020.
5. A portfolio totalling £32.8 million was transferred from the MUA in April 2015, £11.5 million was paid to the fund by the MUA in March 2016, followed by a further £6.5 million in March 2017, £6.5m in April 2018, £1.5m in March 2019 and £1.5m in March 2020. The market value of the fund was £69.2m as at 31 March 2020 against the target value of £43m.



## 7.5 National Insurance Account

**Table 7.5a**

<b>NATIONAL INSURANCE ACCOUNT</b>				
<b>£000</b>	<b>2018-19</b>	<b>2019-20</b>		
	<b>Total</b>	<b>Operating Account</b>	<b>Investment Account</b>	<b>Total</b>
<b>INCOME</b>				
National Insurance Contributions	167,074	180,311	-	180,311
Income from Investments	20,705	-	21,919	21,919
Net profit or loss on realisation of Investments	13,204	-	15,611	15,611
Net profit or loss on Currency Transfers	3,194	-	1,419	1,419
Financial adjustments with United Kingdom	44,947	46,531	-	46,531
Other Income	21	0	-	0
<u>Transfers</u>				
Income transferred to Operating Account	2	-	-	-
<b>Total Income</b>	<b>249,147</b>	<b>226,842</b>	<b>38,949</b>	<b>265,792</b>
<b>EXPENDITURE</b>				
Benefits	204,810	207,109	-	207,109
Administration Costs	2,502	3,288	-	3,288
Consultancy and ICT Costs	575	214	-	214
Custodian Fees	54	-	117	117
Investment Management Fees	1,818	-	1,929	1,929
<u>Transfers</u>				
Transfer to Healthcare Transformation Fund	1,444	-	-	-
<b>Total Expenditure</b>	<b>211,203</b>	<b>210,611</b>	<b>2,047</b>	<b>212,658</b>
<b>Net Movement for Year</b>	<b>37,944</b>	<b>16,231</b>	<b>36,903</b>	<b>53,134</b>
Balance brought forward at 1 April	793,741	17,044	814,641	831,685
<b>Balance carried forward at 31 March</b>	<b>831,685</b>	<b>33,275</b>	<b>851,544</b>	<b>884,819</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.





2. Balances of the combined fund at 31 March 2020 were:

**Table 7.5b**

<b>COMPOSITION OF THE FUND BALANCE</b>						
£000	As at 31 March 2019		As at March 2020		Movement	
	Book Cost	Market Value	Book Cost	Market Value	Book Cost	Market Value
Balance on externally managed fund	814,234	896,309	851,136	846,657	36,903	(49,653)
Freehold Property vested in the Treasury	408	600	408	600	-	-
<b>Sub-total NI Investment A/C</b>	<b>814,641</b>	<b>896,909</b>	<b>851,544</b>	<b>847,257</b>	<b>36,903</b>	<b>(49,653)</b>
Cash Balance of Operating Account	17,044	17,044	33,275	33,275	16,231	16,231
<b>Total</b>	<b>831,685</b>	<b>913,953</b>	<b>884,819</b>	<b>880,532</b>	<b>53,134</b>	<b>(33,421)</b>

3. Investments held by the fund managers at 31 March 2020 were:

**Table 7.5c**

<b>INVESTMENTS BY ASSET TYPE</b>						
£000	As at 31 March 2019		As at March 2020		Movement	
	Book Cost	Market Value	Book Cost	Market Value	Book Cost	Market Value
UK Fixed Interest	175,657	179,883	209,774	208,719	34,117	28,836
UK Equities	186,689	205,231	181,969	162,152	(4,719)	(43,079)
Overseas Fixed Interest	24,119	24,366	32,073	31,910	7,954	7,544
Overseas Equities	232,908	288,662	223,660	242,844	(9,247)	(45,817)
Other Investments	83,747	87,063	117,746	115,108	33,999	28,045
Property	408	600	408	600	-	-
Cash & Cash Instruments	111,115	111,104	85,914	85,923	(25,201)	(25,181)
<b>Total</b>	<b>814,641</b>	<b>896,909</b>	<b>851,544</b>	<b>847,257</b>	<b>36,903</b>	<b>(49,653)</b>

4. National insurance contributions comprise:

**Table 7.5d**

<b>National Insurance Contributions Comprise:</b>		
£000	2018-19	2019-20
Gross Contributions	(206,667)	(221,094)
Less: Property Rents	(72)	(72)
Less: Allocation to Health Services	39,665	40,855
<b>Total</b>	<b>(167,074)</b>	<b>(180,311)</b>

5. Financial adjustments with the United Kingdom comprise:

**Table 7.5e**

<b>Financial Adjustments with the UK Compromise:</b>		
£000	2018-19	2019-20
Prev year Deficit	(44,516)	(44,228)
Inflationary uplift pre 1978	(1,335)	(1,150)
	(2,959)	(2,824)
<b>Sub-Total Receipts</b>	<b>(48,810)</b>	<b>(48,202)</b>
Net Deficit to Imprest Adjustment	1,863	1,623
Annual Settlement - provision	2,000	48
<b>Total</b>	<b>(44,947)</b>	<b>(46,531)</b>



## 7.6 Public Service Employees Pension Reserve (PSEPR)

Table 7.6a

PUBLIC SERVICE EMPLOYEE PENSION RESERVE				
£000	2018-19	2019-20		
	Total	Internal Fund	External Fund	Total
<b>INCOME</b>				
Interest on funds held by Treasury	36	74	-	74
Income from Investments	3,098	-	1,994	1,994
Net profit/(loss) on realisation of Investments	1,833	-	3,816	3,816
Net profit/(loss) on Currency Transfers	1,109	-	281	281
<b>Total Income</b>	<b>6,076</b>	<b>74</b>	<b>6,091</b>	<b>6,165</b>
<b>EXPENDITURE</b>				
<u>Public Sector Pensions Authority</u>				
Operating Expenses	868	826	-	826
Pensions Project	327	327	-	327
<u>Other</u>				
Custodian Fees	14	-	25	25
Investment Management Fees	296	-	203	203
<u>Transfers</u>				
Transfer to General Revenue Account	33,317	32,048	-	32,048
Inter-Fund Transfers	-	(33,500)	33,500	-
<b>Total Expenditure</b>	<b>34,822</b>	<b>(299)</b>	<b>33,728</b>	<b>33,429</b>
<b>Net Movement for Year</b>	<b>(28,746)</b>	<b>373</b>	<b>(27,638)</b>	<b>(27,265)</b>
Balance brought forward at 1 April	138,164	10,845	98,573	109,418
<b>Balance carried forward at 31 March</b>	<b>109,418</b>	<b>11,218</b>	<b>70,936</b>	<b>82,153</b>

### Notes

- Balances of the combined fund at 31 March 2020 were:

Table 7.6b

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	98,573	106,479	70,936	69,693
Cash Balance of Internal Fund	10,845	10,845	11,218	11,218
<b>Total</b>	<b>109,418</b>	<b>117,324</b>	<b>82,153</b>	<b>80,911</b>



## Public Service Employees Pension Reserve (continued)

2. Investments held by the fund managers at 31 March 2020 were:

**Table 7.6c**

<b>INVESTMENTS BY ASSET TYPE</b>						
<b>£000</b>	<b>As at 31 March 2019</b>		<b>As at March 2020</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	28,015	28,593	19,801	19,881	(8,214)	(8,712)
UK Equities	24,534	24,800	15,365	11,743	(9,169)	(13,057)
Overseas Fixed Interest	11,424	11,771	11,135	11,295	(289)	(477)
Overseas Equities	23,050	29,892	9,330	11,848	(13,721)	(18,044)
Other Investments	2,186	2,057	3,526	3,144	1,340	1,087
Cash & Cash Instruments	9,364	9,367	11,779	11,783	2,415	2,417
<b>Total</b>	<b>98,573</b>	<b>106,479</b>	<b>70,936</b>	<b>69,693</b>	<b>(27,638)</b>	<b>(36,786)</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 2018-19 £000</b>	<b>Actual 2019-20 £000</b>
<b>INCOME</b>		
Income from Investments	9,972	11,815
Net profit/(loss) on realisation of Investments	2,051	8,401
Net profit/(loss) on Currency Transfers	1,372	1,070
<b>Total Income</b>	<b>13,395</b>	<b>21,286</b>
<b>EXPENDITURE</b>		
<u>Other</u>		
Custodian Fees	24	62
Investment Management Fees	768	891
Expenditure - Acquisition of IOMSPC	1,148	3
<u>Transfers</u>		
Transfer to/(from) General Revenue	(20,004)	(20,000)
General Revenue (income)	7,308	7,622
<b>Total Expenditure</b>	<b>(10,756)</b>	<b>(11,422)</b>
<b>Net Movement for Year</b>	<b>24,151</b>	<b>32,708</b>
Balance brought forward at 1 April	327,373	351,524
<b>Balance carried forward at 31 March</b>	<b>351,524</b>	<b>384,233</b>

### Notes

- Investments at 31 March 2020 were:

**Table 7.7b**

<b>INVESTMENTS BY ASSET TYPE</b>						
<b>£000</b>	<b>As at 31 March 2019</b>		<b>As at March 2020</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	81,059	83,191	108,468	107,535	27,409	24,344
UK Equities	84,510	85,955	82,010	64,994	(2,500)	(20,961)
Overseas Fixed Interest	11,088	13,249	3,916	3,791	(7,173)	(9,458)
Overseas Equities	96,888	126,739	114,292	131,305	17,404	4,566
Other Investments	18,209	17,484	38,173	35,497	19,964	18,013
Cash & Cash Instruments	59,692	59,727	35,224	35,231	(24,468)	(24,496)
Cash held by Treasury (IOMSPG)	78	78	2,151	2,151	2,072	2,072
<b>Total</b>	<b>351,524</b>	<b>386,424</b>	<b>384,233</b>	<b>380,504</b>	<b>32,708</b>	<b>(5,920)</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**

<b>MEDIA DEVELOPMENT FUND</b>				
<b>£000</b>	<b>2018-19</b>	<b>2019-20</b>		
	<b>Total</b>	<b>Internal Fund</b>	<b>External Fund</b>	<b>Total</b>
<b>INCOME</b>				
Recoupment of investments	3	-	2	<b>2</b>
Investment Income	95	107	-	<b>107</b>
Net profit/(loss) on investments	(3,018)	-	(2,073)	<b>(2,073)</b>
	<b>(2,920)</b>	<b>107</b>	<b>(2,071)</b>	<b>(1,964)</b>
<b>EXPENDITURE</b>				
<u>Treasury</u>				
Investment Manager's Fees	34	-	58	<b>58</b>
<u>Transfers</u>				
Transfer to Internal Fund	324	(1,282)	292	<b>(990)</b>
Total Expenditure	<b>358</b>	<b>(1,282)</b>	<b>350</b>	<b>(932)</b>
Net Movement for Year	(3,278)	1,389	(2,421)	<b>(1,032)</b>
Balance brought forward at 1 April	21,400	14,742	3,380	<b>18,122</b>
Balance carried forward at 31 March	<b>18,122</b>	<b>16,131</b>	<b>959</b>	<b>17,089</b>

### Notes

- Investments at 31 March 2020 were:

**Table 7.8b**

<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	3,380	3,380	959	959
Cash Balance of Internal Fund	14,742	14,742	16,131	16,131
<b>Total</b>	<b>18,122</b>	<b>18,122</b>	<b>17,089</b>	<b>17,089</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 2019-20 provisions of £2.073m were applied (2018-19: £3.018m) which updates the valuation of the investments. The impact of this write-down is to reduce the value of the fund by £2.073m.



## 7.9 Enterprise Development Scheme

**Table 7.9a**

<b>Enterprise Development Scheme</b>				
<b>£000</b>	<b>2018-19</b>	<b>2019-20</b>		
	<b>Total</b>	<b>Internal Fund</b>	<b>External Fund</b>	<b>Total</b>
<b>INCOME</b>				
Interest on funds held by Treasury	57	47	-	47
Income from Investments	-	-	-	-
Net profit/(loss) on investments	(1,190)	-	-	-
<u>Transfers</u>				
From Net General Revenue Account	-	-	-	-
<b>Total Income</b>	<b>(1,133)</b>	<b>47</b>	<b>-</b>	<b>47</b>
<b>EXPENDITURE</b>				
<u>Department of Economic Development</u>				
Investments	251	-	-	-
<u>Other</u>				
Investment Management Fees	-	-	118	118
<u>Transfers</u>				
Inter-fund Transfers	-	808	(808)	-
<b>Total Expenditure</b>	<b>251</b>	<b>808</b>	<b>(690)</b>	<b>118</b>
<b>Net Movement for Year</b>	<b>(1,384)</b>	<b>(761)</b>	<b>690</b>	<b>(71)</b>
Balance brought forward at 1 April	11,539	7,033	3,122	10,155
Balance carried forward at 31 March	<b>10,155</b>	<b>6,272</b>	<b>3,812</b>	<b>10,084</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. In 2018-19, a prudent approach was taken regarding the value of the investments which were reduced by £1.1m. External valuations were not received in time for the Light Blue Book therefore no further provisions have been made in 2019-20.



**Enterprise Development Scheme (continued)**

4. Balances at 31 March 2020 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	3,122	3,122	3,812	3,812
Cash Balance of Internal Fund	7,033	7,033	6,272	6,272
<b>Total</b>	<b>10,155</b>	<b>10,155</b>	<b>10,084</b>	<b>10,084</b>





## 8. Internal Revenue Funds and Reserves

### 8.1 Summary of internally invested funds and reserves

**Table 8.1a**

SUMMARY OF INTERNAL FUNDS							
£000 Internal Revenue Fund or Reserve	Balances Brought Forward 1 April 2019	INCOME			EXPENDITURE	Balances Carried Forward 31 March 2020	Movement
		Transfers to/from Operating Account	Contributions Seizures & Other	Investment Income	Transfers to Internal Accounts		
Academic Business Planning Fund	1,205	-	794	11	614	1,397	192
Agriculture and Forestry Fund	1,372	1,000	-	12	899	1,485	113
Brexit Fund	1,909	1,000	-	16	245	2,680	770
Contingency Fund	7,235	40,000	-	229	-	47,464	40,229
Digital Strategy Fund	5,318	-	-	57	1,058	4,317	(1,001)
Economic Development Fund	9,966	-	180	86	465	9,768	(198)
Healthcare Transformation Fund	10,328	-	-	45	1,486	8,887	(1,441)
Housing Reserve Fund	4,946	-	303	85	3,922	1,411	(3,535)
Invest to Save Fund	3,831	-	-	26	1,663	2,194	(1,637)
Land & Property Acquisition Reserve	7,181	-	-	63	331	6,914	(267)
Legal Costs Reserve	2,330	1,500	-	24	688	3,166	836
Marketing Initiatives Fund	3,602	-	-	23	2,096	1,528	(2,074)
Medical Indemnity Fund	4,407	3,000	-	32	4,490	2,950	(1,457)
Seized Assets Fund	1,537	-	1,454	32	-	3,022	1,486
Town & Village Centre Regen. Fund	1,252	250	-	12	-	1,514	262
<b>Total: Internal Funds</b>	<b>66,420</b>	<b>46,750</b>	<b>2,731</b>	<b>754</b>	<b>17,958</b>	<b>98,696</b>	<b>32,277</b>

#### Notes

- 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.
- 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**

<b>DRAWDOWN FROM INTERNAL FUNDS BY DEPARTMENT</b>																
<b>£000</b>		<b>ACTUAL 2019-20</b>														
<b>Fund:</b>	<b>ABPF</b>	<b>AFF</b>	<b>BF</b>	<b>CF</b>	<b>DSF</b>	<b>EDF</b>	<b>HTF</b>	<b>HRF</b>	<b>ITSF</b>	<b>LPAR</b>	<b>LCR</b>	<b>MIF</b>	<b>MEDIF</b>	<b>SAF</b>	<b>TVRF</b>	<b>TOTAL</b>
<b>Department</b>																
Enterprise	-	-	81	-	-	465	-	-	-	-	-	2,096	-	-	-	<b>2,642</b>
Education, Sport & Culture	614	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>614</b>
Environment, Food & Agriculture	-	899	109	-	-	-	-	-	-	-	-	-	-	-	-	<b>1,008</b>
Health & Social Care	-	-	-	-	-	-	377	-	-	-	-	-	4,391	-	-	<b>4,768</b>
Home Affairs	-	-	-	-	-	-	-	-	-	-	235	-	-	-	-	<b>235</b>
Infrastructure	-	-	-	-	-	-	-	-	1,367	-	-	-	-	-	-	<b>1,367</b>
Treasury	-	-	-	-	-	-	146	-	37	-	-	-	-	-	-	<b>183</b>
Cabinet Office	-	-	55	-	1,058	-	964	-	221	-	437	-	-	-	-	<b>2,735</b>
<b>Executive Government</b>																
Attorney General's Chambers	-	-	-	-	-	-	-	-	-	-	16	-	-	-	-	<b>16</b>
General Registry	-	-	-	-	-	-	-	-	-	-	-	-	98	-	-	<b>98</b>
<b>Statutory Boards</b>																
Manx Museum and National Trust	-	-	-	-	-	-	-	-	39	-	-	-	-	-	-	<b>39</b>
<b>NET TRANSFERS TO REVENUE</b>	<b>614</b>	<b>899</b>	<b>245</b>	<b>-</b>	<b>1,058</b>	<b>465</b>	<b>1,486</b>	<b>-</b>	<b>1,663</b>	<b>-</b>	<b>688</b>	<b>2,096</b>	<b>4,490</b>	<b>-</b>	<b>-</b>	<b>13,704</b>
<b>TRANSFERS TO CAPITAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,922</b>	<b>-</b>	<b>331</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,253</b>
<b>TOTAL TRANSFERS TO INTERNAL ACCOUNTS</b>	<b>614</b>	<b>899</b>	<b>245</b>	<b>-</b>	<b>1,058</b>	<b>465</b>	<b>1,486</b>	<b>3,922</b>	<b>1,663</b>	<b>331</b>	<b>688</b>	<b>2,096</b>	<b>4,490</b>	<b>-</b>	<b>-</b>	<b>17,958</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

Table 8.2

<b>ACADEMIC BUSINESS PLANNING FUND</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	10	11
Transfer from Dept. of Education, Sport & Culture	838	794
<b>Total Income</b>	<b>848</b>	<b>805</b>
<b>EXPENDITURE</b>		
<u>Dept. of Education, Sport &amp; Culture</u>		
Anagh Coar	-	5
Ashley Hill	-	5
Ballacottier	-	10
Ballaugh	-	1
Braddan	-	6
Ballakermeen	4	-
Bunscoil Rhumsaa	1	-
Castle Rushen	146	148
Central	52	118
Cronk y Berry	6	-
Education improvement adviser	12	15
Education Liaison Officer (SEN)	1	93
Foxdale School	1	-
Henry Bloom Noble	-	6
Jurby School	1	-
Kewaique	21	8
Manor Park	13	7
Priority Based budgeting	22	-
QE2	48	48
Ramsey Grammar	11	-
Rushen School	7	17
Scoil yn Jubilee	31	31
St Johns	3	4
St Marys	-	3
Saint Ninian's	60	-
Sulby	-	3
University College of Man	159	63
Victoria Road	2	-
Willaston	6	-
Youth Café	-	21
<b>Total Expenditure</b>	<b>610</b>	<b>614</b>
<b>Net Movement for Year</b>	<b>239</b>	<b>191</b>
Balance brought forward at 1 April	967	1,205
<b>Balance carried forward at 31 March</b>	<b>1,205</b>	<b>1,397</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

£000	Actual 2018-19	Actual 2019-20
<b>INCOME</b>		
Interest on Funds held by Treasury	18	12
Transfer from Operating Account	-	1,000
<b>Total Income</b>	<b>18</b>	<b>1,012</b>
<b>EXPENDITURE</b>		
<u>Dept. of Environment, Food &amp; Agriculture</u>		
Meat Plant Subvention	1,010	899
<b>Total Expenditure</b>	<b>1,010</b>	<b>899</b>
<b>Net Movement for Year</b>	<b>(992)</b>	<b>113</b>
Balance brought forward at 1 April	2,364	1,372
<b>Balance carried forward at 31 March</b>	<b>1,372</b>	<b>1,485</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

<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	14	16
Transfer from Operating Account	1,000	1,000
<b>Total Income</b>	<b>1,014</b>	<b>1,016</b>
<b>EXPENDITURE</b>		
Treasury	10	
Cabinet Office	100	55
DEFA	-	109
DfE		81
<b>Total Expenditure</b>	<b>110</b>	<b>245</b>
<b>Net Movement for Year</b>	<b>904</b>	<b>770</b>
Balance brought forward at 1 April	1,006	1,909
<b>Balance carried forward at 31 March</b>	<b>1,909</b>	<b>2,680</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

**Table 8.5**

<b>Contingency Fund</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Transfer from General Revenue	-	40,000
Interest on Funds held by Treasury	62	229
Total Income	62	40,229
<b>EXPENDITURE</b>		
DEFA - Drought Support Scheme	1,110	-
Total Expenditure	<b>1,110</b>	-
Net Movement for Year	<b>(1,048)</b>	<b>40,229</b>
Balance brought forward at 1 April	8,283	7,235
Balance carried forward at 31 March	<b>7,235</b>	<b>47,464</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.



## 8.6 Digital Strategy Fund

**Table 8.6**

<b>Digital Strategy Fund</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	59	42
Transfer from General Revenue	-	15
<b>Total Income</b>	<b>59</b>	<b>57</b>
<b>EXPENDITURE</b>		
<u>Cabinet Office</u>		
Digital Strategy - Police	398	
Digital Strategy - Health	735	493
Digital Strategy - HR Modernisation Programme	195	231
Digital Strategy - Drives and Vehicles	106	5
Digital Strategy/PMO Governance	274	102
Smart Services	57	89
Order Comms Expansion	24	-
Public Housing Sector	90	137
<b>Total Expenditure</b>	<b>1,879</b>	<b>1,058</b>
<b>Net Movement for Year</b>	<b>(1,820)</b>	<b>(1,001)</b>
Balance brought forward at 1 April	7,138	5,318
Balance carried forward at 31 March	<b>5,318</b>	<b>4,317</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

Economic Development Fund		
£000	Actual 2018-19	Actual 2019-20
<b>INCOME</b>		
Interest on Funds held by Treasury	95	86
Other Income	-	-
Interest on Funds held by Treasury	79	180
<b>Total Income</b>	<b>174</b>	<b>267</b>
<b>EXPENDITURE</b>		
<u>Department for Enterprise</u>		
Employee Relocation Initiative	120	-
Airport Technology Gateway	-	91
Investment into Micro Business Grant Scheme	-	326
EDS In House Resource (Only if Overspend)	-	49
EDS Investments	-	-
<u>Cabinet Office</u>		
Policy Office AML/CFT	85	-
<b>Total Expenditure</b>	<b>205</b>	<b>465</b>
<b>Net Movement for Year</b>	<b>(31)</b>	<b>(198)</b>
Balance brought forward at 1 April	9,997	9,966
Balance carried forward at 31 March	<b>9,966</b>	<b>9,768</b>

### Notes

#### 1. Loan Balances:

Loan Balances included in 31 March		
£000	Actual 2018-19	Actual 2019-20
Sefton Group plc	1,235	-
<b>Total Loans</b>	<b>1,235</b>	<b>-</b>

- 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.
- Bids are invited and considered where costs and any economic benefits are clearly defined and measurable.
- During 2013-14 a loan in the amount of £1,300,000 was made from the fund to the Sefton Group plc. In 2017-18 the loan term was extended for 12 months and the interest rate increased from 5% to 6% per annum. Capital repayments commenced in April 2018. The loan was fully repaid in May 2019.
- The value of guarantees granted as at 31 March 2020 was £3,374,703.05 (2019: £410,000).



## 8.8 Healthcare Transformation Fund

Health Care Transformation Fund		
£000	Actual 2018-19	Actual 2019-20
<b>INCOME</b>		
Interest on Funds held by Treasury	94	45
<u>Transfers</u>		
Transfer from General Revenue	5,000	-
NHS Contribution from NI Fund	1,444	-
<b>Total Income</b>	<b>6,538</b>	<b>45</b>
<b>EXPENDITURE</b>	-	-
<u>Cabinet Office</u>		
IPC Surveillance Replacement System 234/17	7	80
Patient Safety & Quality System 234/17	161	-
Mental Health Online Support and Counseling	13	21
MALDI mass spectrometer 451/17	15	
HTF	-	862
<u>Department of Health and Social Care</u>	-	-
Pharmacists in GP surgeries	56	-
Dietician - Mental Health	27	-
Research and Development	83	24
OD Transformation Manager	13	
Medicines Optimisation	65	238
Nobles Team	28	50
Physician Associate	36	
Mental Health Online	-	65
<u>Treasury</u>		
Health & Social Care Review	760	-
Integrated Care Implementation	-	146
<b>Total Expenditure</b>	<b>1,264</b>	<b>1,486</b>
Net Movement for Year	<b>5,273</b>	<b>(1,441)</b>
Balance brought forward at 1 April	5,054	10,328
Balance carried forward at 31 March	<b>10,328</b>	<b>8,887</b>



### **Notes - Healthcare Transformation Fund**

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.



## 8.9 Housing Reserve Fund

Table 8.9

Housing Reserve Fund		
£000	Actual 2018-19	Actual 2019-20
<b>INCOME</b>		
Interest on Funds held by Treasury	49	85
House Purchase Assistance Scheme Repayments	2,208	-
Transfer from General Revenue	-	303
<u>Contribution from Departments</u>		
Department of Infrastructure, Sale of Land	31	-
<b>Total Income</b>	<b>2,288</b>	<b>387</b>
<b>EXPENDITURE</b>		
<u>DOI transfer to Capital Account for:</u>		
Planned Maintenance Schemes	2,053	1,850
Clagh Vane Redevelopment (Project 7)	3,972	2,072
<b>Total Expenditure</b>	<b>6,025</b>	<b>3,922</b>
5 Net Movement for Year	<b>(3,737)</b>	<b>(3,535)</b>
Balance brought forward at 1 April	8,683	4,946
Balance carried forward at 31 March	<b>4,946</b>	<b>1,411</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.



## 8.10 Invest to Save Fund

**Table 8.10**

<b>Invest to Save Fund</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	33	26
Transfer from General Revenue Account	1,000	-
<b>Total Income</b>	<b>1,033</b>	<b>26</b>
<b>EXPENDITURE</b>		
<u>Department of Infrastructure</u>		
Voluntary Resignation Scheme	53	-
Office Rationalisations	38	490
Belgravia House fit-out	28	-
Dilapidations	65	-
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>		
PDS Scheme	35	-
<u>Treasury</u>		
SAVE Scheme	139	37
<u>Manx Museum and National Trust</u>		
Governance and Compliance Manager	-	39
<b>Total Expenditure</b>	<b>359</b>	<b>1,663</b>
<b>Net Movement for Year</b>	<b>675</b>	<b>(1,637)</b>
Balance brought forward at 1 April	3,157	3,831
Balance carried forward at 31 March	<b>3,831</b>	<b>2,194</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.



### 8.11 Land and Property Acquisition Reserve

Land and Property Acquisition Reserve		
£000	Actual 2018-19	Actual 2019-20
<b>INCOME</b>		
Interest on Funds held by Treasury	50	63
Transfer from General Revenue	-	-
Income & Interest from Middlemarch Site	3,967	-
<b>Total Income</b>	<b>4,016</b>	<b>63</b>
<b>EXPENDITURE</b>		
DHA - Tromode Storage Sheds	90	-
DOI – Ballthane Cottage	-	331
<b>Total Expenditure</b>	<b>90</b>	<b>331</b>
<b>Net Movement for Year</b>	<b>3,926</b>	<b>(267)</b>
Balance brought forward at 1 April	3,255	7,181
<b>Balance carried forward at 31 March</b>	<b>7,181</b>	<b>6,914</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.



## 8.12 Legal Costs Reserve

**Table 8.12**

<b>Legal Costs Reserve</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	18	24
Transfer from Operating Account	2,000	1,500
<b>Total Income</b>	<b>2,018</b>	<b>1,524</b>
<b>EXPENDITURE</b>		
<u>Treasury</u>		
Criminal Injuries Compensation	160	-
<u>Home Affairs</u>		
Parole Inquiries	200	235
<u>Attorney General's Chambers</u>		
Failed Prosecution Cost Awards	-	16
<u>Cabinet Office</u>		
Legal Costs	511	437
<u>Department of Infrastructure</u>		
Snaefell Mountain Railway case	26	-
<u>Financial Services Authority</u>		
Legal Costs	160	-
<b>Total Expenditure</b>	<b>1,056</b>	<b>688</b>
<b>Net Movement for Year</b>	<b>961</b>	<b>836</b>
Balance brought forward at 1 April	1,369	2,330
<b>Balance carried forward at 31 March</b>	<b>2,330</b>	<b>3,166</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.





### 8.13 Marketing Initiatives Fund

**Table 8.13**

<b>Government Marketing Initiatives Fund</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	38	23
<b>Total Income</b>	<b>38</b>	<b>23</b>
<b>EXPENDITURE</b>		
<u>Department of Enterprise</u>		
E-gaming Target Market Access	21	49
Funds Management Association	24	-
Opportunities for Additional Growth	240	560
Manx Insurance Authority Marketing Scheme	168	-
Tourism Division Marketing Budget	15	898
Country Marketing Strategy	203	25
Family Office/Business Angel Initiative	37	10
Locate IOM	40	255
Manx Museum Sunday Opening trial	50	-
Blockchain Office	41	299
<b>Total Expenditure</b>	<b>839</b>	<b>2,096</b>
<b>Net Movement for Year</b>	<b>(801)</b>	<b>(2,074)</b>
Balance brought forward at 1 April	4,403	3,602
<b>Balance carried forward at 31 March</b>	<b>3,602</b>	<b>1,528</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.



### 8.14 Medical Indemnity Fund

**Table 8.14a**

<b>Medical Indemnity Fund</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	38	32
Transfer from Operating Account	2,500	3,000
<b>Total Income</b>	<b>2,538</b>	<b>3,032</b>
<b>EXPENDITURE</b>		
<u>Department of Health and Social Care</u>		
Payment of Claims	1,687	4,392
<u>Attorney General's Chambers</u>		
Clinical Negligence Claims	86	98
<b>Total Expenditure</b>	<b>1,773</b>	<b>4,490</b>
<b>Net Movement for Year</b>	<b>765</b>	<b>(1,458)</b>
Balance brought forward at 1 April	3,642	4,407
<b>Balance carried forward at 31 March</b>	<b>4,407</b>	<b>2,950</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 8.14b**

<b>ESTIMATED LIABILITY OF CLAIMS</b>		
<b>£000</b>	<b>As at 31 Mar 19</b>	<b>As at 31 Mar 20</b>
<b>Probability:</b>		
High	8,961	11,692
Medium	1,411	3,854
Low	51	189
<b>Total Estimated Liability</b>	<b>10,423</b>	<b>15,735</b>
Number of Claims Outstanding	27	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.

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.



## 8.15 Seized Asset Fund

**Table 8.15**

<b>Seized Assets Fund</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Seized Asset Receipts	1,164	1,454
Interest on Fund balance	26	32
Reimbursement of Asset Sharing Agreement	(637)	-
<b>Total Income</b>	<b>553</b>	<b>1,486</b>
<b>EXPENDITURE</b>		
<u>Department of Home Affairs</u>		
Confidential Claims	25	-
Police Surveillance Equipment	27	-
ECU Operating Costs	368	-
Forensic Accounting	40	-
JSNA Sexual Violence	26	-
<b>Total Expenditure</b>	<b>486</b>	<b>-</b>
<b>Net Movement for Year</b>	<b>67</b>	<b>1,486</b>
Balance brought forward at 1 April	1,470	1,537
<b>Balance carried forward at 31 March</b>	<b>1,537</b>	<b>3,022</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 to Seized Asset Fund (continued)

- 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 Intelligent 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.

**8.16 Town & Village Regeneration Fund**

Table 8.16

<b>Town &amp; Village Centre Regeneration Fund</b>		
<b>£000</b>	<b>Actual 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Interest on Funds held by Treasury	10	12
Transfer from Economic Development Fund	500	250
<b>Total Income</b>	<b>510</b>	<b>262</b>
<b>EXPENDITURE</b>		
All-Island	16	-
<b>Total Expenditure</b>	<b>16</b>	<b>-</b>
<b>Net Movement for Year</b>	<b>494</b>	<b>262</b>
Balance brought forward at 1 April	758	1,252
<b>Balance carried forward at 31 March</b>	<b>1,252</b>	<b>1,514</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 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Donation Received	-	-
Investment Income	0	-
Total Income	<b>0</b>	-
<b>EXPENDITURE</b>		
Student Support Initiatives	2	2
Sports Initiatives	39	1
Total Expenditure	<b>41</b>	<b>3</b>
Net Movement for Year	<b>(41)</b>	<b>(3)</b>
Balance brought forward at 1 April	56	15
Balance carried forward at 31 March	<b>15</b>	<b>12</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 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Grant from Public Lottery Trust	-	-
RAF Association	20	1
<b>Total Income</b>	<b>20</b>	<b>1</b>
<b>EXPENDITURE</b>		
Provision of home comforts and facilities	12	15
<b>Total Expenditure</b>	<b>12</b>	<b>15</b>
<b>Net Movement for Year</b>	<b>8</b>	<b>(14)</b>
Balance brought forward at 1 April	16	24
<b>Balance carried forward at 31 March</b>	<b>24</b>	<b>10</b>

### 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 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
National Lottery Excise Duty arising from Lottery Sales in the Isle of Man :	1,310	1,575
<b>Total Income</b>	<b>1,310</b>	<b>1,575</b>
<b>EXPENDITURE</b>		
Advances to the Sports Council	492	544
Advances to the Arts Council	456	525
Advances to Culture Vannin	342	394
Advances to Manx Ex-Services Fund	-	-
Advances to the Manx Lottery Trust	19	150
<b>Total Expenditure</b>	<b>1,310</b>	<b>1,613</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 2018-19</b>	<b>Actual 2019-20</b>
<b>INCOME</b>		
Gross amount to be collected for year	37,869	39,131
	<b>37,869</b>	<b>39,131</b>
<b>Less :</b>		
Discounts	(1,304)	(1,356)
Exemptions	(158)	(179)
Cost of Collection	(113)	(119)
Refunds	(4)	(5)
Total Deductions	<b>(1,578)</b>	<b>(1,658)</b>
<b>Total Rates due for the year</b>	<b>36,290</b>	<b>37,473</b>
Less: Arrears of Rates	(679)	(865)
Add: Previous Years Arrears recovered	456	607
<b>Total Rates collected during the year</b>	<b>36,067</b>	<b>37,215</b>
<b>EXPENDITURE</b>		
<b>Distributed as follows :</b>		
Burial Ground Authorities	495	505
Manx Utilities Authority	26,493	27,014
Town and Village Commissioners	6,732	7,220
Parish Commissioners	2,347	2,476
<b>Total Rates distributed during the year</b>	<b>36,067</b>	<b>37,215</b>

### Notes

- The Treasury Rates Section collects rates on an agency basis for most local authorities and the Manx Utilities Authority (i.e. water and sewerage rates). The following local authorities collect their own rates:-
  - Braddan Parish Commissioners;
  - Douglas Corporation; and
  - Onchan District Commissioners.
- During 2019-20 the Treasury Rates Collection Team achieved a very high collection rate of 97.7% (2018-19 98.2%).





## **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 2020 was £260,000,000 (2019: £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 Authority has a financial plan to repay to the Treasury the amounts received from the bonds so that the Treasury can meet the bond repayments as they fall due.

### **11.3 Leasing**

At 31 March 2020 there was one material finance lease extant (2019: 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 2020 the annual rental of £3,404,000 (2019: £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 2020 was £32 million (2019: £35 million).

### **11.5 Strategic Gas Oil Reserve**

The value of the strategic gas oil reserve at the 31 March 2020 was £1,691,400 (3.0 million litres); 2019: £1,941,578 (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>2018-19</b>	<b>2019-20</b>	<b>Movement</b>
Enterprise	3,081	1,636	(1,446)
Education, Sport & Culture	5,332	6,854	1,522
Environment, Food & Agriculture	226	177	(48)
Health and Social Care	3,689	4,017	328
Home Affairs	410	375	(35)
Infrastructure	3,593	3,264	(330)
Treasury	58,206	10,042	(48,164)
Cabinet Office	599	241	(358)
Executive Government	20	28	8
Manx National Heritage	68	11	(58)
Statutory Boards	3,739	4,594	855
Expenses of the Legislature	-	1	1
<b>TOTAL at 31st March</b>	<b>78,964</b>	<b>31,270</b>	<b>(47,693)</b>

#### Notes

1. Debtors balances include trade debtors, accruals, student loans and other balances due to Government.
2. The large reduction in debtors for Treasury is primarily due to the receipt of the UK Work and Pensions in March which was received in April 2019 in the previous year.
3. The reduction in debtors for Enterprise is due to increased provisions within the Shipping Registry.
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.
6. In 2019-20 there was a reclassification of balances between debtors and creditors, the Isle of Man Steam Packet Loan was also reclassified to Loan Schemes. For comparative purposes 2018-19 has also been adjusted (previously 2018-19 was shown as £150,076k).

### 11.6.2 Stock

**Table 11.6.2**

<b>STOCK BALANCES £000</b>			
<b>DEPARTMENT</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Movement</b>
Health and Social Care	2,122	2,237	115
Infrastructure	1,588	1,776	188
<b>TOTAL at 31st March</b>	<b>3,709</b>	<b>4,013</b>	<b>304</b>



### 11.6.3 Balances

**Table 11.6.3**

<b>CREDITORS BALANCES £000</b>			
<b>DEPARTMENT</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Movement</b>
Enterprise	9,904	8,764	(1,141)
Education, Sport & Culture	4,556	2,505	(2,052)
Environment, Food & Agriculture	2,081	2,218	136
Health and Social Care	11,716	11,970	254
Home Affairs	154	1,171	1,017
Infrastructure	5,543	5,163	(380)
Treasury	3,216	2,902	(314)
Cabinet Office	1,115	1,078	(37)
Executive Government	631	1,919	1,288
Manx National Heritage	110	(57)	(167)
Statutory Boards	94	178	84
Expenses of the Legislature	37	36	(1)
Financial Intelligence Unit	5	2	(3)
<b>TOTAL at 31st March</b>	<b>39,162</b>	<b>37,847</b>	<b>(1,315)</b>

#### Notes

1. The reduction in Enterprise is primarily due to a reduction in accrued expenses.
2. The reduction in Education, Sport and Culture is due to a large number of university creditors remaining outstanding in 2018-19.
3. The large increase in Executive Government is due to accruals for international development.
4. The large increase in Home Affairs creditors is due to increased accruals for reallocation of property sales and outstanding balances at year end for various suppliers.
5. The large reduction in the Treasury's creditors is mainly due to a reduction in the MUA creditor as the monthly net amount which is transferred from the MUA to Government now includes more elements (e.g. the amount previously excluded reimbursement of the spend on sewerage capital).
6. In 2019-20 balances were reclassified between debtors and creditors. For comparative purposes 2018-19 has also been adjusted (previously 2018-19 was shown as £34,771k)

### 11.6.4 Third Party Funds

**Table 11.6.4**

<b>THIRD PARTY DEPOSITS £000</b>			
<b>DEPARTMENT</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Movement</b>
Enterprise	(1)	(1)	-
Environment, Food & Agriculture	20	22	2
Education, Sport & Culture	2,000	2,506	506
Health and Social Care	1,355	1,313	(42)
Home Affairs	144	280	135
Treasury	3,987	5,687	1,700
Executive Government	63	54	(9)
Statutory Boards	0	0	-
<b>TOTAL at 31st March</b>	<b>7,568</b>	<b>9,860</b>	<b>2,292</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 movement in the Treasury's deposits is due to receipts from dormant assets and rate income pending allocation.
3. The prior year shows a small reclassification between creditors.



## 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 2020, a total of £214.4 million (2019: £214.4 million) had been advanced under these schemes and £212.9 million (2019: £212.9 million) had been recovered, leaving an outstanding balance due to Government of £1.5 million (2019: £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 2019 the anticipated shortfall in liquidation distributions (based on the Liquidator's low outcome estimate of 100.0p/£) was £1.1 million (2018: 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
MUA	Manx Utilities Authority (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**

**Issued by the Treasury  
Government Office, Douglas  
Isle of Man. IM1 3PX  
British Isles**

**Tel:** +44 (0)1624 685980

**E-mail:** [treasuryadmin@gov.im](mailto:treasuryadmin@gov.im)

**For information about the Treasury go to:**

[www.gov.im/treasury](http://www.gov.im/treasury)

**For copies of the Government accounts go to:**

[www.gov.im/categories/tax-vat-and-your-money/  
government-accounts/](http://www.gov.im/categories/tax-vat-and-your-money/government-accounts/)