

Consultation on Isle of Man Government as a Single Legal Entity

Summary of Responses and Proposed Way Forward



**Isle of Man
Government**

Reiltys Ellan Vannin

Cabinet Office
Oik Coonceil ny Shirveishee

<i>Contents</i>	<i>Page</i>
Executive Summary	2
Appendix 1 – Detailed Consultation Responses	5
Assessing the case for a Single Legal Entity	6
The Boundaries of a Single Legal Entity	11
Government as a Single Organisation	15

EXECUTIVE SUMMARY

This consultation exercise was designed to invite comments on a range of options that were laid out in a report by Sir John Elvidge, KCB entitled 'Isle of Man Government as a Single Legal Entity' which was debated in Tynwald in November 2014.

Recommendations by Sir John Elvidge

The Report recommended that:-

- a) Government should be established as a single legal identity to replace the separate legal identities of the constituent parts of Government.
- b) Whilst a Single Legal Entity status would not preclude the retention of a Departmental system of Government, it was suggested that consideration be given to Government operating as a single organisation.
- c) There should be separate detailed consideration of the functions which should sit outside the boundary of a single legal entity, such as regulatory or commercial functions.
- d) Consideration should be given to fully implementing some or all of the following elements of the single organisation model;
 - a single strategic framework for Government
 - an integrated performance management framework
 - a collective approach to political decision making
 - common systems underpinning the operation of central Government e.g. finance, ICT, HR.
 - integrated financial planning and budget management within central Government
 - an integrated Civil Service structure, with a clear overall point of authority
 - a basis for aligning the activities of centrally funded public bodies which are at 'arm's length' from central Government with the Government's strategic framework
 - a basis for aligning the activities of municipal/local Government with the Government's strategic framework

Summary of Consultation Responses

A full analysis of the findings to the consultation is attached at **Appendix 1**. The key findings of the consultation were that:

- A large majority of respondents (74%) agreed that there was merit in establishing government as a single legal entity.
- A large majority of respondents (75%) agreed that a single legal entity should replace the existing legal identities which currently exist
- However, 57% of respondents believed that within a single legal entity a Departmental structure should be retained, with responsibility and accountability delegated to Ministers from the single legal entity (Council of Ministers).
- Only 40% of respondents supported the removal of the Departmental system with Government instead operating on the basis of a single organisation.
- Most respondents agreed with existing independent regulatory and commercial bodies (such as the Financial Services Authority and the Isle of Man Post Office) sitting outside the single legal entity.

- However, there was support for retaining certain regulatory and commercial functions currently sitting within Departments, within a single legal entity.
- A significant majority (86%) believe there is merit in developing a single strategic framework and an integrated performance management framework.
- 70% of respondents believed that a single strategic framework should be given statutory force with supporting legislation.
- Only 48% of respondents agreed that a greater number of policy decisions which currently sit within Departments should be agreed collectively by the Council of Ministers.
- 92% of respondents believe there should be more cross cooperation between Departments when developing policy.
- 71% of respondents agreed that common systems under a single legal entity would result in more integrated working and that Central Government should adopt more common systems
- 87% agreed that Government should adopt an integrated approach to financial planning and budget management and 60% agreed that government should be held to account by Tynwald on its performance against its aggregate budget rather than the individual performance of Departments and Boards
- 76% agreed an integrated civil service structure should be in place with a clear point of authority via the Chief Secretary.
- 77% of respondents supported the principle of aligning local government with the Central Government strategic framework.

Conclusions

Having considered the responses the Council of Ministers has concluded that it will continue to develop its proposal for Government to become a single legal entity.

A Single Legal Entity could provide the framework to make the workings of Government more coordinated and flexible, with an emphasis on working across and breaking down internal boundaries. This would bring cultural and behavioural changes within Government by removing inhibitors to joint action by different parts of Government. A key issue recently identified by the 'Have your Say' survey was that work needs to be better coordinated across Departments, Boards and Offices, while employees feel more could be done to promote new or improved ways of working. In particular, only 11% of the workforce who took part in the survey in 2015, responded positively to the question "Departments work well together across the IOM Government."

A Single Legal Entity would enable:

- Greater flexibility and agility in responding to the Island's external environment;
- More 'integrated' and 'joined-up' systems across Government;
- Policy making and service provision based around the needs of the whole citizen as opposed to 'patients'/'service users' being viewed from a Departmental perspective etc.;
- The ability to make and enter into contracts and agreements as a Government entity, rather than individual Departments, etc., at local and international level
- More integrated working across Government;
- The removal of actual or perceived inhibitors to joint action by different parts of the existing Government structure(s).

From a public point of view, it simplifies accountability because 'Government' as whole becomes accountable rather than a particular part of Government, which is the position with the existing structure. From Government's insurance point of view, it avoids any risk of falling between any gaps in coverage.

The procurement process would be simplified because, for example, the whole of Government could be licensed to use software and other applications in a single operation. And, finally, it would remove the vires issue, which often causes difficulties, by enabling the Single Legal Entity to have complete powers, across the piece.

However, having regard to concerns with certain elements of the original proposals, particularly the concept of a single organisation, it is proposed that consideration is given to changes being introduced on an incremental basis, initially within the existing legal framework.

Many of the key features of the single organisation model advocated by Sir John Elvidge can, as indicated in his report (Appendix 4), be introduced, at least in part, within the existing legal structure. This includes developing the single strategic framework, a more collective approach to political decision-making, integrating financial planning and budget management and aligning local government and arm's-length bodies with the single strategic framework.

The incremental approach that is proposed is to further reform the structure of Government within the existing legal structures, whilst simultaneously developing the legislation that will ultimately deliver Government as a Single Legal Entity. This also provides a window of opportunity to consider to what extent and how the other proposals outlined in the Elvidge report can be progressed.

It is therefore proposed in the months leading up to the General Election to pursue the preparatory work necessary to develop legislation for Government to be established as a Single Legal Entity. It is intended that detailed drafting instructions be ready for the next Administration to progress.

At the same time detailed consideration will be given to identify which, if any, of the further incremental reform options should be progressed. This work will be led by the Cabinet Office with full consultation and involvement of Members of Tynwald. Again, it is envisaged that final proposals should be ready for presenting to Tynwald to consider following the General Election.

Recommendations

1. The Cabinet Office should pursue the preparatory work necessary to develop legislation for Government to be established as a Single Legal Entity, which would take the form of drafting instructions, to be ready for the next administration to consult on and progress.
2. Detailed consideration should be given to identifying which, if any, further incremental reform options should be progressed and that this work should be led by the Cabinet Office with full consultation and involvement of Members of Tynwald.

SINGLE LEGAL ENTITY Consultation Findings

The purpose of the consultation was to seek responses to and views on the issues raised in the report before any commitment to advance towards detailed legal or project work to progress the matter. To ensure as wide a response as possible, respondents were given the option of submitting views either electronically (by email or Survey Monkey) or in hard copy.

A total of 114 responses were received, 68 were received via the online survey and 46 by email, form or letter. Of the total number of responses, 50 were from individuals, with the remaining responses coming from Departments, Statutory Boards, Local Authorities, Unions/Staff Associations and external organisations. This can be further broken down as follows:

Departments:	5	(DOI, DEC, DEFA, DHA, DED)
Statutory Boards/Bodies:	5	(IOMPO, IOMFSA, Communications Commission, OFT, MNH)
Local Authorities	7	(Braddan, Peel, Maughold, Marown, Douglas, Malew, Castletown)
Trade Unions:	3	(TUC, NAHT, NASUWT)
Private Organisations	43	(via Chamber of Commerce)
Private Individuals	50	
Total	114	

It should be noted that six individual responses were identical, suggesting that a standardised response to this consultation had been prepared. These respondents were strongly opposed to the principle of a Single Legal Entity, citing concerns that the move was 'undemocratic' and would mean 'placing considerably more power in the hands of the 'Council of Ministers'. References to the Education system suggest that these individuals may be teachers.

Similar concerns were reflected in other responses from private individuals which were largely opposed to the proposals. The consultation was not a referendum on the issue, although some written responses were phrased in terms of 'not giving consent' to the concept.

The consultation was constructed in order to obtain feedback on the range of options the report had explored, with Sections and questions numbered accordingly. Responses varied in length and depth, with written submissions tending to touch upon broader issues.

An analysis of responses shows overall the responses to the consultation have been positive with all of the Chamber of Commerce responses and most organisational responses supporting the principle of a single legal entity and responding positively to many of the other suggestions.

All comments or suggestions received have been considered and captured in the response spreadsheet. A copy of this spreadsheet may be viewed on the consultation website at www.gov.im/consultations.gov

Consultation Process

On 16th June 2015 the consultation document was published on the Isle of Man Government website in accordance with the Isle of Man Government Code of Practice on Consultation. Responses were initially invited to be submitted by Friday 31st July 2015. This was extended for a further four weeks, providing a consultation period of ten weeks.

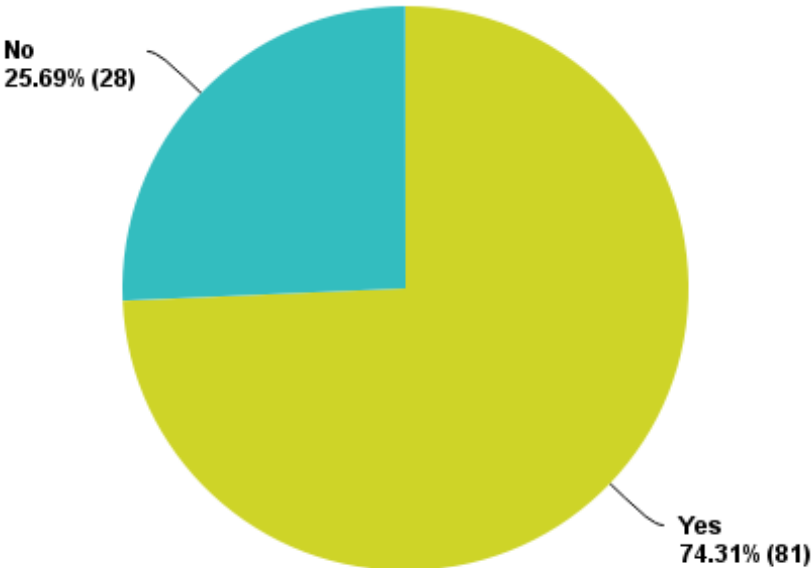
Consultation Results – summary of responses to questions posed

Section 1 – Assessing the case for a Single Legal Entity

This section of the consultation asked respondents to respond to whether they believed there was merit in establishing Government as a Single Legal Entity and whether this should be in addition to or instead of the existing legal entities and Departmental structures.

Question 1 - Do you agree that there is merit in establishing Government as a Single Legal Entity?

Answered: 109 Skipped: 5



Finding:

Nearly three quarters of respondents agree that there is merit in establishing Government as a Single Legal Entity.

Responses from 43 private organisations and businesses were submitted via the Isle of Man Chamber of Commerce, with all supportive of the principle of Government becoming a Single Legal Entity. Of these 78% stated that it should replace the existing legal entities.

Responses from Government Departments were largely supportive and see merit in the proposal for a Single Legal Entity, although responses varied in terms of whether this should be to replace the existing legal structure, as opposed to retaining the existing Departmental structure.

The Statutory Boards all indicated the belief that they should sit outside of any Single Legal Entity in order to maintain independence.

Of the 7 Local Authorities, 5 were supportive of the principle of Single Legal Entity, but in addition to rather than instead of Departmental legal personalities.

The 3 Trade Unions expressed concerns about the proposals, with 2 unsupportive of the concept. The National Association of Schoolmasters Union of Women Teachers (NASUWT) supported the concept, in addition to but not in place of, existing legal and departmental structures. Concerns were expressed about the impact on the ability of the Department of Education and Children to manage schools effectively.

Of the 'no' responses 17 (60.7%) were from individuals most of whom cited similar concerns:

'...it will centralise even more policy making in the hands of the unelected civil servants.'

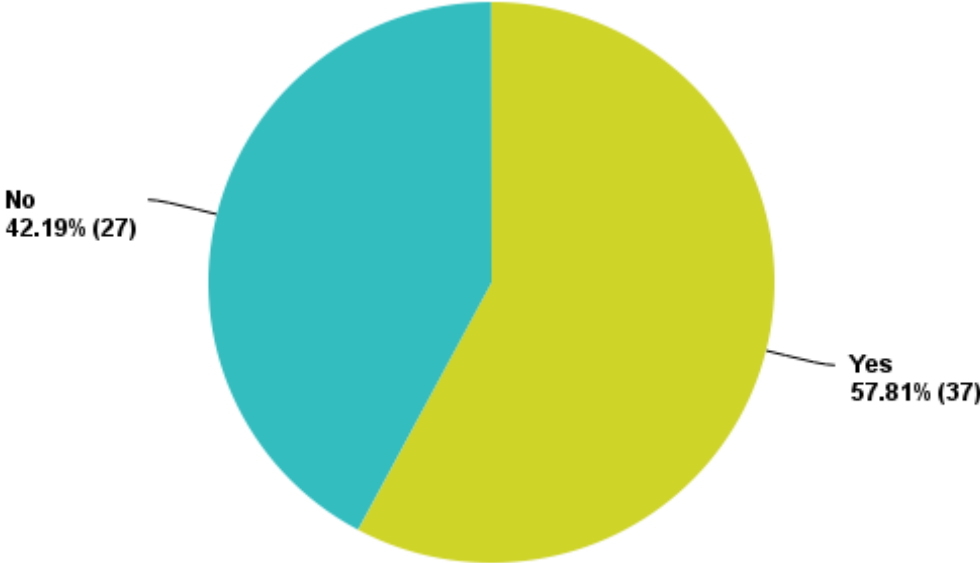
'..a mechanism to make the civil service a more centralised and powerful policy making organisation, within itself, with the greater aim of exerting more control over the Council of Ministers'

'My objection is based on the grounds of the undemocratic nature of the move which would mean placing considerably more power in the hands of the Council of Ministers: a very small number of individuals around the Chief Minister.'

A number of individuals worded their 'no' response in terms of not giving consent and raising concerns about the handling of personal data.

Question 2 - If yes, do you believe this should be in addition to and not instead of the existing Departmental/Board legal structure?

Answered: 72 Skipped: 42



Finding:

Of those that indicated support for the principle of creating a single legal entity, 57.81% said they believe this should be in addition to, and not instead of the existing Departmental/Board legal structure.

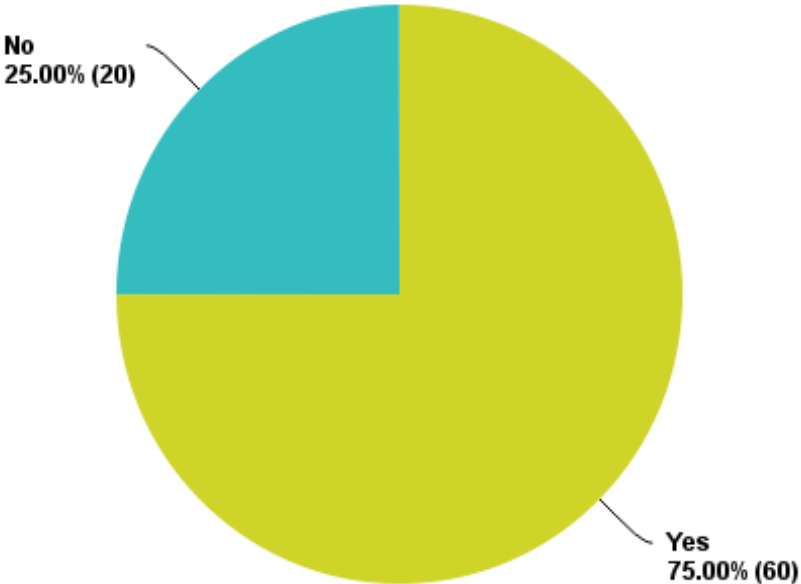
The Department of Infrastructure noted that the 'notable improvement in cross departmental working in recent years has made real improvement to outcomes by allowing more closely aligned activity and funding with reduced bureaucracy'. It suggested that it may be possible for Departmental and portfolio structures to co-exist. The Department of Education and Children made reference to its dual functions as a Government Department and a local education authority, and indicated that many of the other proposals made by Sir John Elvidge, are achievable now and do not require Government to be a Single Legal Entity. By contrast, the Department of Economic Development indicated support for removal of the Department system.

Of the 5 Statutory Boards/Bodies, only Manx National Heritage indicated support for the removal of the Departmental system, with a Single Legal Entity replacing the existing legal entities.

Of the 5 Local Authorities in support of Single Legal Entity, 4 indicated a preference to retain separate Departmental structures.

Question 3 - Do you believe a Single Legal Entity should replace the existing legal identities which currently exist?

Answered: 80 Skipped: 34



Finding:

Of those that responded to this question, 75% indicated that they believe a Single Legal Entity should replace the existing legal identities which currently exist. This suggests that

there is dissatisfaction with the current structure although it does not imply removal of the Department structure.

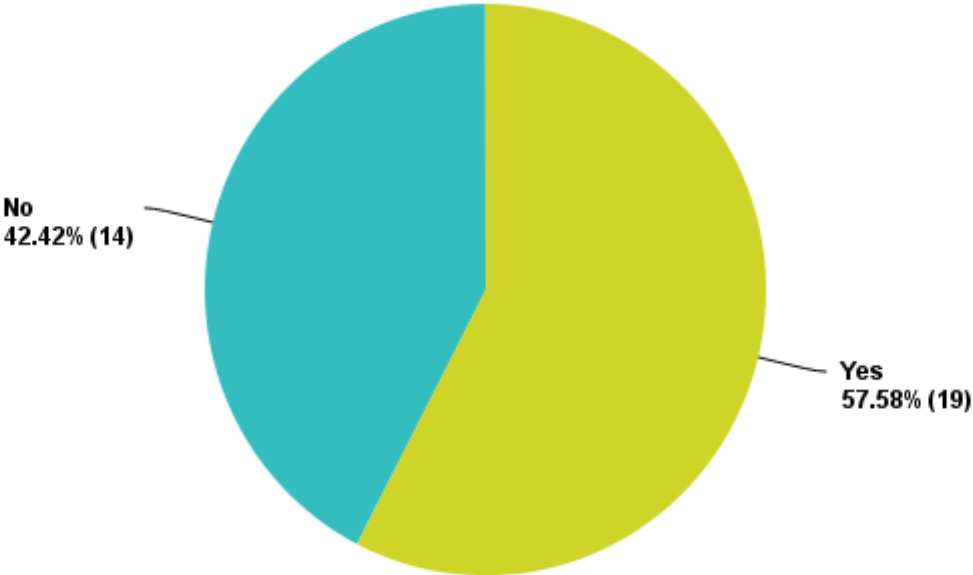
78% of private organisations were in support of the view that a Single Legal Entity should replace the existing legal identities.

2 of the 5 Statutory Boards indicated that they believe a Single Legal Entity should replace existing legal entities, although as with the other Statutory Boards, both indicated that they should be outside of a Single Legal Entity in order to preserve their independence.

As indicated above, of the Local Authorities that supported Single Legal Entity, 5 indicated a preference for retention of Departmental legal personalities.

Question 4 - If yes, would you envisage the retention of a Department structure, with responsibility and accountability delegated to Ministers?

Answered: 33 Skipped: 81



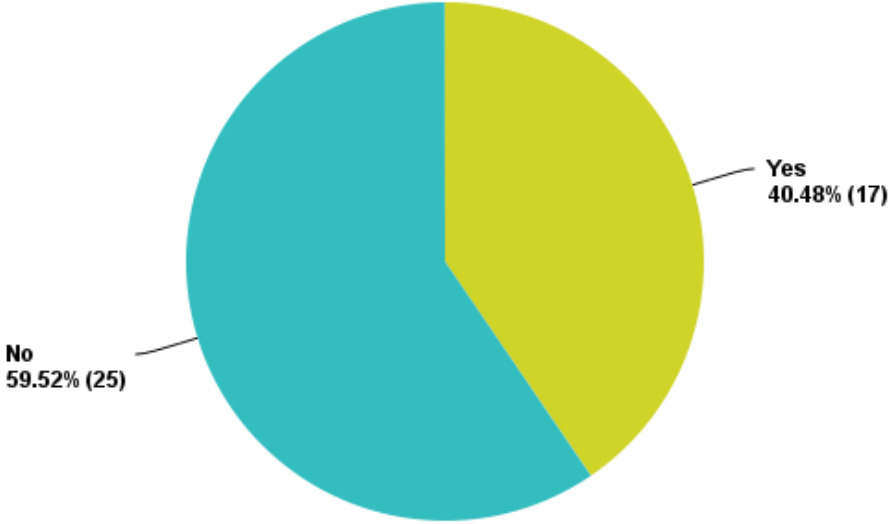
Finding:

It is likely that the low response rate to this particular question was due to respondents believing they had already provided a response in the earlier questions.

Of the 33 that responded to this question, 19 (57.58%) indicated that they envisage the retention of a Department structure, with responsibility and accountability delegated to Ministers.

Question 5 - Alternatively, do you agree with the removal of the Departmental system, and the introduction of a management system based on accountability and responsibility based on portfolios, operating within a single organisation?

Answered: 42 Skipped: 72



Finding:

Of the 42 responses to this question, 59.52% (25) of respondents are not in favour of the removal of the Departmental system and introduction of a management system based on accountability and responsibility based on portfolios, operating within a single organisation.

Comments in support of this approach included:

'It will remove obstacles so that change can be brought in.'

'If we are committing to an SLE, it is all or nothing. It is difficult to envisage how the current legal structure of Departments/Boards could reasonably continue under the creation of an SLE. That is not to say that there might not be a case for providing a legal identity for the Cabinet Office alongside the existing Departmental structure but that is not really an SLE.'

Despite only a minority of respondents answering this question, the responses suggest that whilst there is strong support for the introduction of a Single Legal Entity there is a preference for retaining the Departmental structure.

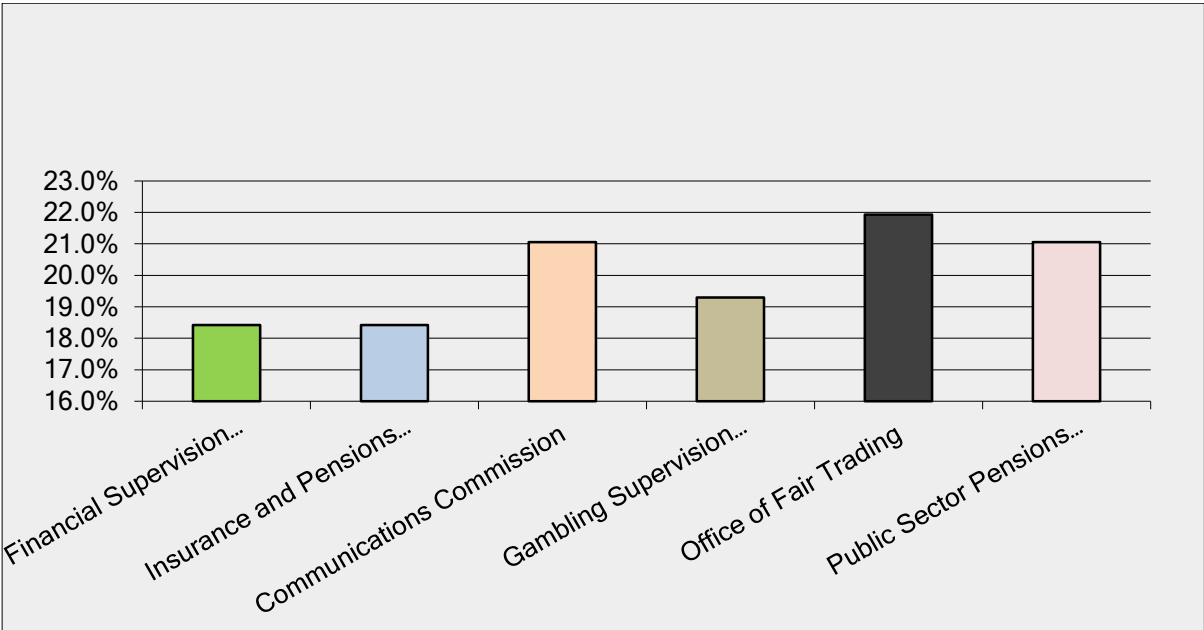
Section 2 - The boundaries of a Single Legal Entity

This section of the consultation asked respondents to specify which 'regulatory' and 'commercial' bodies they believed should be included within the Single Legal Entity

Question 6 - Please specify whether the following "regulatory" bodies, which currently sit outside the Departmental structure, should be included within the Single Legal Entity:

- Financial Supervision Commission
- Insurance and Pensions Authority
- Communications Commission
- Gambling Supervision Commission
- Office of Fair Trading
- Public Sector Pensions Authority

Answered: 30



Finding:

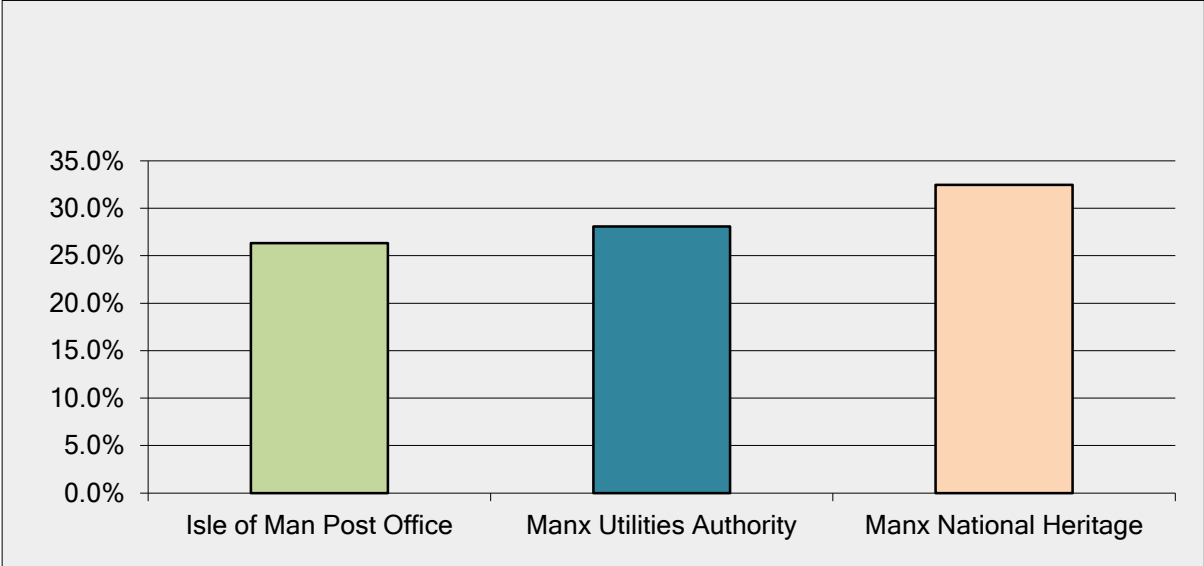
It is clear that the general consensus is that regulatory bodies and functions that currently sit external to the Departmental structure should sit outside of a Single Legal Entity. This was very clearly stated by the regulatory bodies themselves with operational independence and integrity being cited as important. This view was also shared by the Departments who responded and by 82% of the commercial organisations that responded via the Isle of Man Chamber of Commerce.

The argument in favour of retaining 'externalisation' of regulatory bodies is that they should operate at arms-length from Government so that they can be truly independent, particularly where they may be required to regulate the activities of Government itself or to act as an 'arbiter' between Government and members of the public.

Question 7 - Please specify whether the following "commercial" or "semi commercial" bodies, which currently sit outside the Departmental structure, should be included within from the Single Legal Entity:

Isle of Man Post Office
Manx Utilities Authority
Manx National Heritage

Answered: 38



Finding:

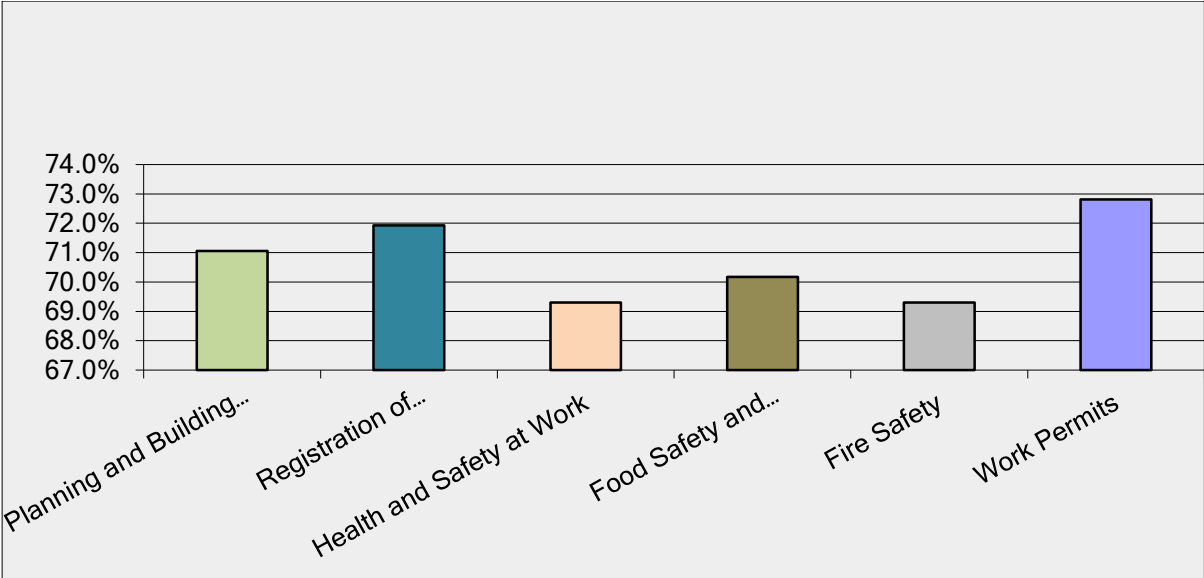
The responses to this question again indicate general consensus that the relevant bodies that are 'semi-commercial' in nature should sit outside of the Single Legal Entity. Isle of Man Post Office stated that it believes there is a strong weight of evidence from around the world which clearly sets out the benchmark standards for the relationship between the state and country's Post Office.

Manx National Heritage believes that all regulatory and commercial bodies, including MNH should sit outside of a Single Legal Entity, and suggested that there may be a need to consider other arms-length or commercial bodies in more detail as they were not specifically mentioned in the consultation, including the Wildlife Park, Culture Vannin and the Arts Council.

Question 8 - Please specify whether those following regulatory functions, which currently sit within the Departmental structure, should be included within the Single Legal Entity:

- Planning and Building Control
- Registration of Nursing/Residential Care Homes
- Health and Safety at Work
- Food Safety and Environmental Health
- Fire Safety
- Work Permits

Answered: 84



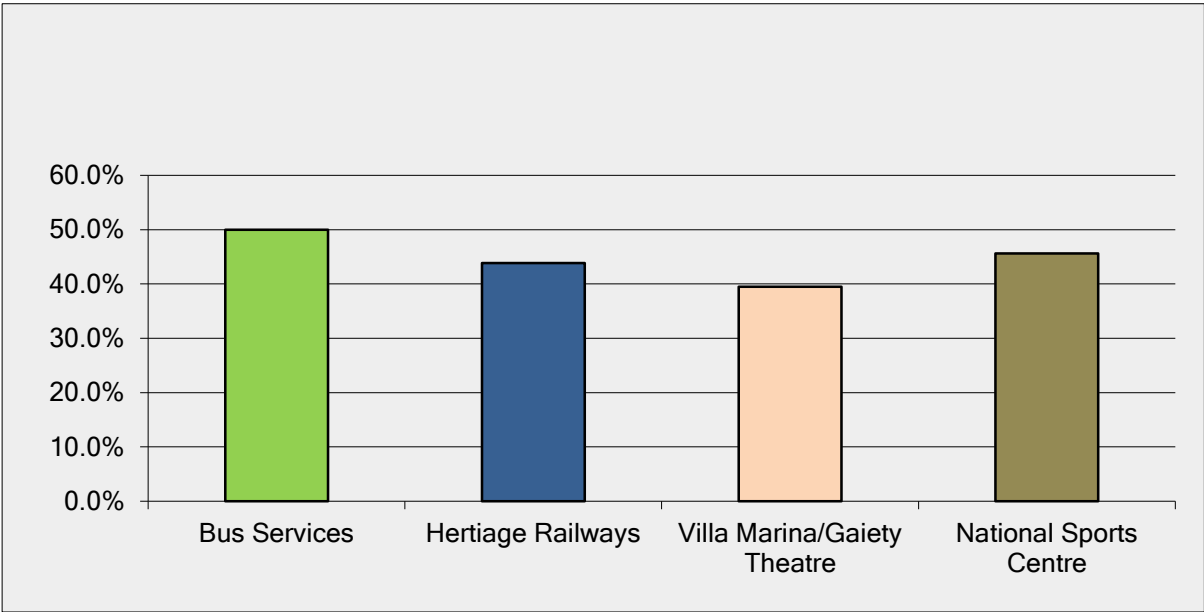
Finding:

There was greater support for retaining certain regulatory functions that currently sit within Departments, within a Single Legal Entity. Arguments in favour of excluding them are similar to those given in respect of Question 6. It was interesting to note that Departments were generally in favour of retaining the above regulatory bodies within a Single Legal Entity, a view supported by 76% of private organisations.

Question 9 - Please specify whether the following “commercial” or “semi commercial” activities, which currently sit within the Departmental structure, should be included within from the Single Legal Entity:

- Bus Services
- Heritage Railways
- Villa Marina/Gaiety Theatre
- National Sports Centre

Answered: 83



Finding:

The question of whether commercial or semi commercial activities should be included or externalised is already part of an ongoing review within Government’s work on the Scope of Government reports. Departments were in support of retaining the above organisations within a Single Legal Entity, a view shared by a small majority of private organisations. However, overall, a small majority believed these services should not be part of the Single Legal Entity.

NAWUWT (The Teachers’ Union), expressed concern that if some commercial bodies were excluded from any Single Legal Entity, this might then lead to their privatisation (e.g. Bus, Rail, Villa Marina and the National Sports Centre).

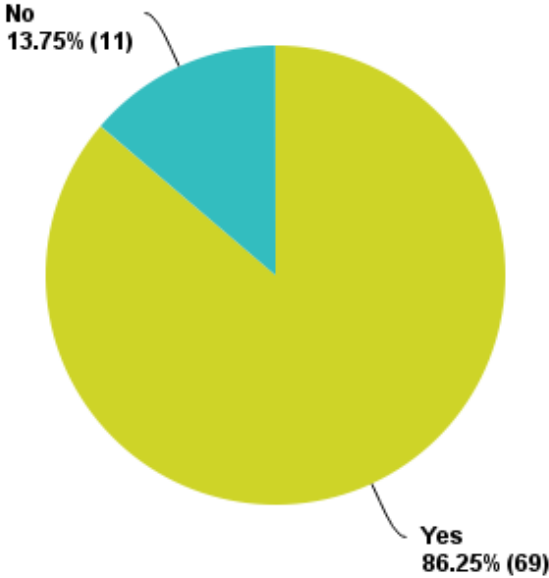
Section 3 - Government as a Single Organisation

This final section of the consultation addressed the suite of potential options relating to Isle of Man Government operating as a Single Organisation, and asked respondents to give their views on whether greater integration of systems and management should be adopted.

3.1 Single Strategic Framework for Government

Question 10 - Do you agree there is merit in developing a single strategic framework focusing on the outcomes Government wishes to achieve rather than inputs or outputs?

Answered: 80 Skipped: 34



Finding:

There was very strong support for the principle of developing a single strategic framework focusing on the outcomes Government wishes to achieve rather than inputs and outputs - 86.25% of those that responded to this question.

Those in support of this approach described the benefits of a more strategically agile organisation. The proposal was supported by 92% of private sector organisations, although the response from Local Authorities was mixed with polarised views about whether local Government should be strategically aligned to the central government framework.

One respondent suggested that this has to be the next logical step as a progression from implementing the main Single Legal Entity proposal and that the Single Legal Entity and single organisation themes have to go in tandem with the proposals in this section, to ensure success.

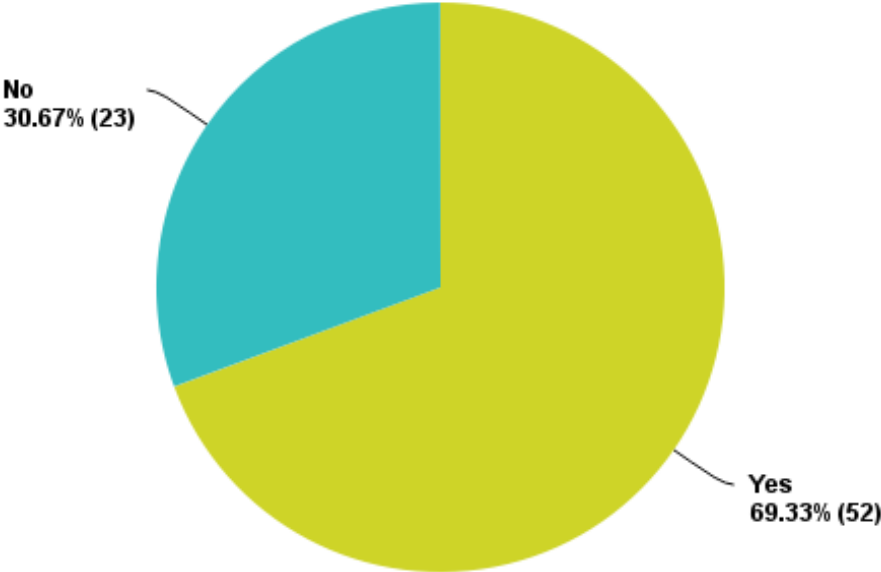
Comments not in favour from other respondents included views that it was not necessary or that the creation of a Single Legal Entity would not provide the cultural shift necessary to

reform government. One contributor supported the idea of Single Legal Entity but does not see it as a silver bullet for joined up government. They stated that common systems will help but strength of leadership with proper accountability of the Departments through policies, procedures and metrics is particularly important.

One respondent suggested that an outcome focussed strategic framework could be achieved without becoming a Single Legal Entity, although it was acknowledged that SLE status would make it easier to impose such systems.

Question 11 - Do you agree that a single strategic framework should be given statutory force with supporting legislation?

Answered: 75 Skipped: 39



Finding:

Of those that responded to this question, 69.33% supported the suggestion that a single strategic framework should be given statutory force with supporting legislation.

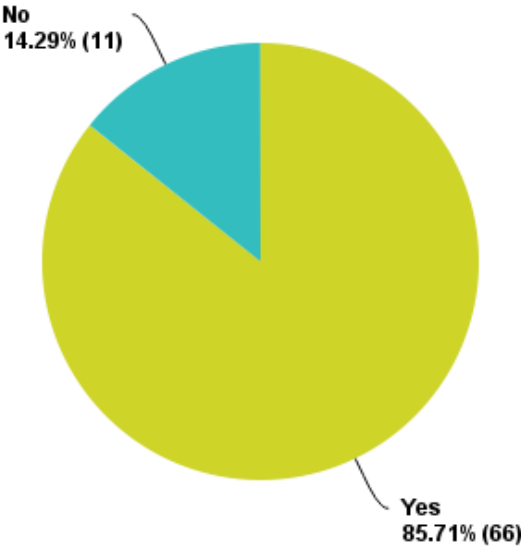
78% of private organisations indicated yes to this question.

The Office of Fair Trading suggested that 'the devil is in the detail', with the nature of the framework itself being critical. It suggested that a 'top down' structure may be disadvantageous, and that the real danger is the strategic framework becoming more operational than genuinely strategic.

3.2 Integrated performance management framework

Question 12- Do you agree that there is merit in introducing an integrated performance management framework?

Answered: 77 Skipped: 37



Finding:

Of those that responded to this question 85.71% agreed that there is merit in introducing an integrated performance management framework. This view was also supported by 87% of the private organisations that responded.

Few specific comments were made in response to this question, but comments included:

'it would seem there is a need for performance management that regularly assesses a person's performance against their role, which in itself should be set against the needs of the organisation. It would likely require significant change from Government to re-orient its staff management and planning processes to achieve this goal.'

'No there is no need'.

3.3 Collective approach to political decision-making

Question 13 - Do you agree that a greater number of policy decisions which currently sit within Departments should be agreed collectively by Council of Ministers?

Answered: 42 Skipped: 72



Finding:

There was a relatively low response to this question overall. This is possibly because respondents had been able to express a view elsewhere in the survey in relation to this specific question. Many of those who indicated they did not support the Single Legal Entity proposal specified that they felt that it would lead to too much power being vested in the Council of Ministers and that this was 'undemocratic'.

Another respondent said that '*effective responsibility for decisions should always be at the lowest possible level to ensure timely decision making. Policy which can be anticipated to affect other areas of Government, or which has significant implications for the Island as a whole, should be determined by the Council of Ministers. Ministers should have the freedom to lead and innovate their Departments in light of guidance and policy determined by the Council of Ministers.*'

Question 14 - Who should be responsible for determining Government policy on the Isle of Man?

Responded: 49 Skipped: 65

Chief Minister	1
Departmental Ministers	2
Council of Ministers	33
Tynwald/Elected MHKs	6
Officers with specialist knowledge	2
Referendum	1
Other	4

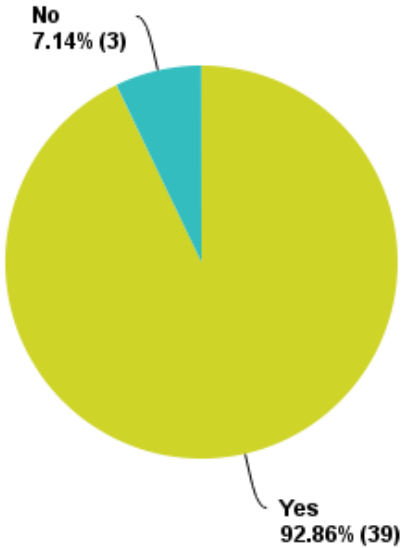
Finding:

This question was skipped by 82% of respondents, and of those that did reply there was a variety of responses.

The majority of respondents believed the Council of Ministers should be responsible for determining Government Policy. However, when considered in conjunction with Question 13 above, it seems respondents support the continuation of the existing balance between Council and Departmental policy making, rather than allowing a greater number of policy decisions resting with Council instead of Departments.

Question 15 - Do you agree that there should be more cross cooperation between Departments and functions of Government when developing policy?

Answered: 42 Skipped: 72



Finding:

Of those that responded to this question, 92.86% supported greater cross cooperation between Departments and functions of government when developing policy. This view was also supported even when the respondent was not in favour of Single Legal Entity.

The Department of Education stated that greater corporative working, and many other of the proposals made by Sir John Elvidge, are achievable now and do not require Government to be a Single Legal Entity.

Some commentators made reference to the quality of communication with government:

'there needs to be better communication across Government as a whole and particularly in certain areas of a blame culture.'

'The quality of interaction which the Commissioners experience with Government is often due to inefficient communication from Departments; this is often exacerbated by an inability for Departments to communicate with each other. Improved communication would permit improvements to the efficiency of the services delivered to the public, whether by central or local government.'

Question16 - If so, do you believe this would be assisted by Government functioning as a Single Legal Entity?

Answered: 38

Finding:

Of those that responded to the question, 9 said that cross cooperation would not be assisted by Government functioning as a Single Legal Entity.

22 indicated that it would be assisted by Government functioning as a Single Legal Entity.

Additional comments included:

'..it has to be better than the silo system currently in operation'

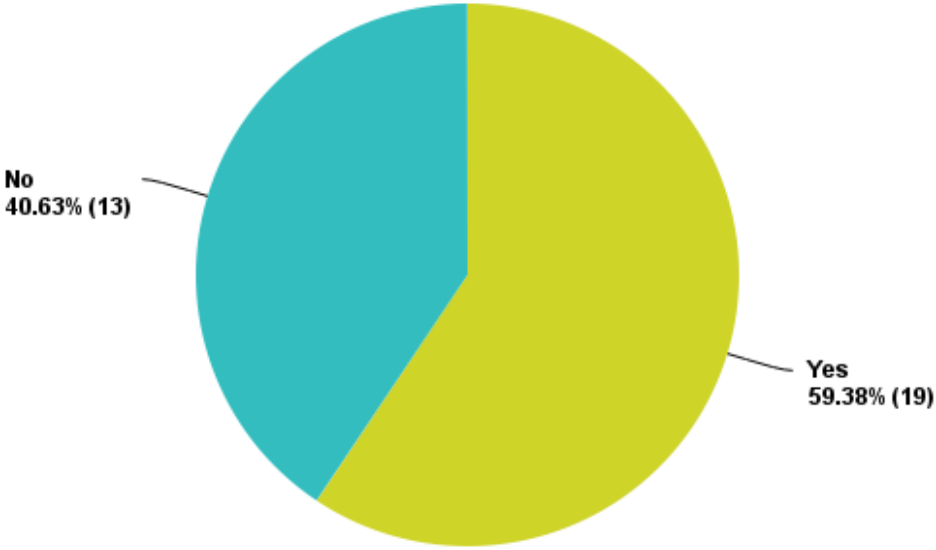
'Yes, if it removes the statutory responsibility of a Dept to look after itself even at the expense of other depts...There should be more shared budgets (e.g. for TT)'

'Yes, but it is not necessarily a "given" that we will have departments in the new structure, it could be local authorities, social enterprise and a limited delivery structure'

'Maybe. It could and should, but much will depend on the constituent parts of the organisation'

Question 17 - Should the section of the Government Code which describes collective responsibility be modified?

Answered: 32 Skipped: 82



Finding:

59.38% of those who responded to this question indicated that the Government Code which describes collective responsibility should be modified.

Comments included:

'No this seems to work well at present.'

'Before answering I would need to see an up to date version of the Code'

'This is achievable now and does not require Government to be a Single Legal Entity'

'In the absence of clear proposals about the makeup of an SLE, it is not possible to answer the question.'

Question 18 - If so, how should the rules on collective responsibility be changed?

Answered: 18 Skipped: 96

Finding:

Comments in response to this question included:

'Government needs to be managed and judged on aggregate performance on delivering outcomes and value for money. Currently we are judged on inputs (e.g. budgets) and anecdotal failure. As a result we are encouraging people to be risk and change averse and to act in a siloed manner. Integrated performance management can drive the culture change that is needed.'

'Should allow for broader diversity of views. Publish CoMin votes. Allow dissenters to speak openly about divergent views'

'accountability needs tightening up - top managers need to follow the same disciplinary system as workers and not be allowed to retire early on fat pensions'

'The Council of Ministers lacks an effective mandate from the public and further empowerment of them or the Chief Minister is undesirable.'

'collective responsibility should be abolished'

'It should be abolished. If not, it should apply to all of Tynwald and not just the Council of Ministers.'

'much stronger policy needs developing "ab initio" and Ministers should be bound by that and not the need to just support what is "flavour of the month"'

'They should be written to encourage cross cooperation'

'Ministers should have two votes - one on collective responsibility and one to represent their constituency.'

'All significant Ministerial decisions about individual arm's length bodies should be taken collectively.'

'Members need to be able to disagree and dispute policies and also to be held to account for decisions. That having been said, there also needs to be a culture which allows risk and rewards success without having a witch-hunt in the event of failure. Government needs to learn from forward thinking private sector organisations'

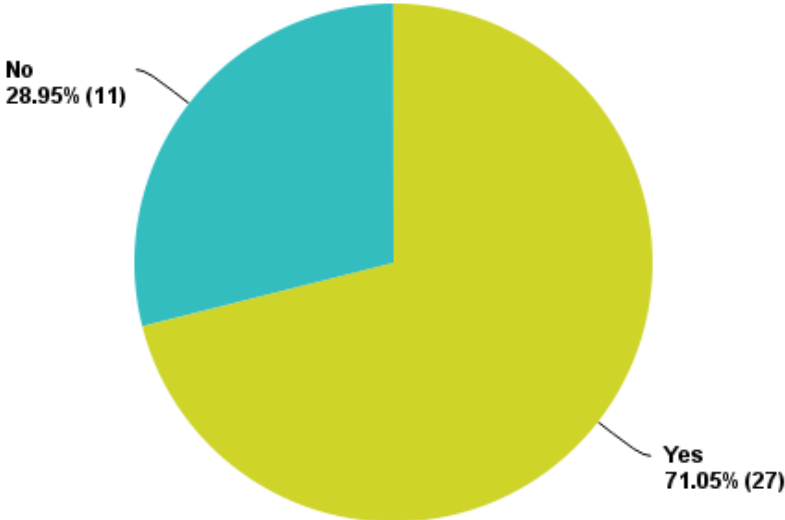
'There should be a statutory responsibility to co-operate. '

'It's utterly wrong to have most of the House of Keys & any of LegCo bound by 'collective responsibility''

3.4 Common systems within central Government

Question 19 - Do you agree that common systems under a Single Legal Entity would result in more integrated working across Government?

Answered: 38 Skipped: 76



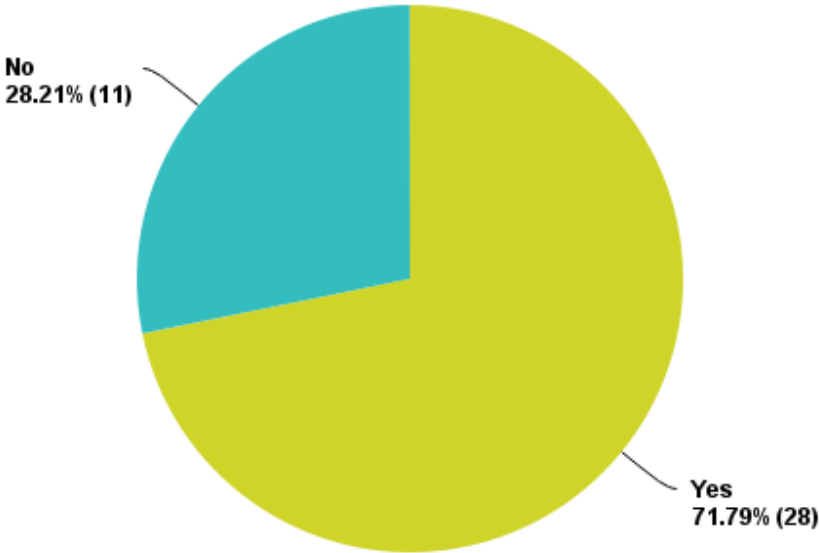
Finding:

71.05% of respondents who replied to this question agreed that common systems under a Single Legal Entity would result in more integrated working across Government.

Those not in favour indicated that a Single Legal Entity was not a prerequisite for introducing common systems but would make it easier to impose them. Concern was expressed about introducing a one size fits all approach to diverse Government services.

Question 20 - Do you agree that central Government should adopt more common systems?

Answered: 39 Skipped: 75



Finding:

71.79% of respondents who answered this question, agreed that central Government should adopt more common systems.

Comments in relation to this question included:

'One size does not necessarily fit all. Performance, HR and Finance systems are sensibly delivered through common systems, but this should not be confused with working practices or terms and conditions. Many services have public or consumer-facing roles. The assumption is that those services outside the Single Legal Entity will be outside for good reasons. In many cases that reasoning will also extend to systems of operation and the analysis of whether a function is in or out should also include judgement about the use of systems.'

'The development of common systems is mostly not dependent on the creation of an SLE. Common systems, where clearly beneficial, can improve efficiency and cost-effectiveness and should be adopted. However, analysis needs to be undertaken to ensure that a clear benefit is derived.'

'Given the diverse nature of Government's present functions and operations, the imposition of more common systems runs the profound risk of 'one size fits all', where the solution fits nobody. Noting Government's focus on IT solutions for example, it may be better to provide for Government Departments to able install cheap and simple IT solutions under an agreed framework. At present there seems to be far too many expensive IT solutions that do not perform to standard, or have only managed to do so after significantly greater investment than anticipated.'

Question 21 - If so, which areas should be subject to common systems?

Answered: 71 Skipped: 43

Finding:

There were several different responses to this question, with respondents offering a range of opinions about which areas should be subject to common systems.

Several respondents said 'as many as possible'. Others suggested areas related to shared services, including finance, HR, procurement, contract management etc.

Other respondents suggested other areas of shared common systems, such as Health, Social Care and Education.

Comments that were not supportive again made reference to 'one size does not fit all'

Another said: '*I have no objection to common working, There is however a risk of the enforcement of policies by a clique lacking any public mandate.*'

3.5 Integrated financial planning and budget management

Question 22 - Do you accept the view that establishing IOM Government as a single entity will not affect how personal data is processed or shared?

Answered: 42 Skipped: 72



Finding:

Of those that responded to this question, over half indicated that they accepted the view that establishing IOM Government as a Single entity would not affect how personal data is processed or shared.

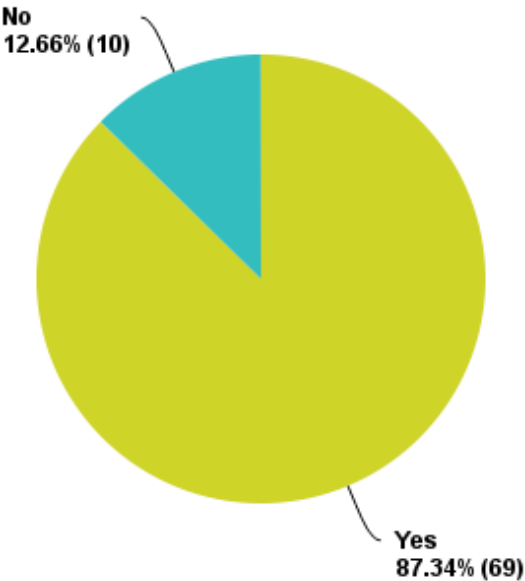
Other comments included:

'No, it would profoundly change how data is processed and shared – particularly through the introduction of 'common systems' as alluded to above. More people having access to the public's data will cause a significant proportion of the public to either not share information, or provide information that is inaccurate or incomplete.'

'It is not possible to have any proposal for a 'Single Legal Entity' under the current Data Protection regime'

Question 23 - Do you agree that Government should adopt an integrated approach to financial planning and budget management?

Answered: 79 Skipped: 35



Finding:

87.34% of respondents to this question agreed that Government should adopt an integrated approach to financial planning and budget management. This was supported by all private organisations who responded to the consultation and by the Departments that responded. It was also largely supported by the Local Authorities and Statutory Boards.

Other comments received included:

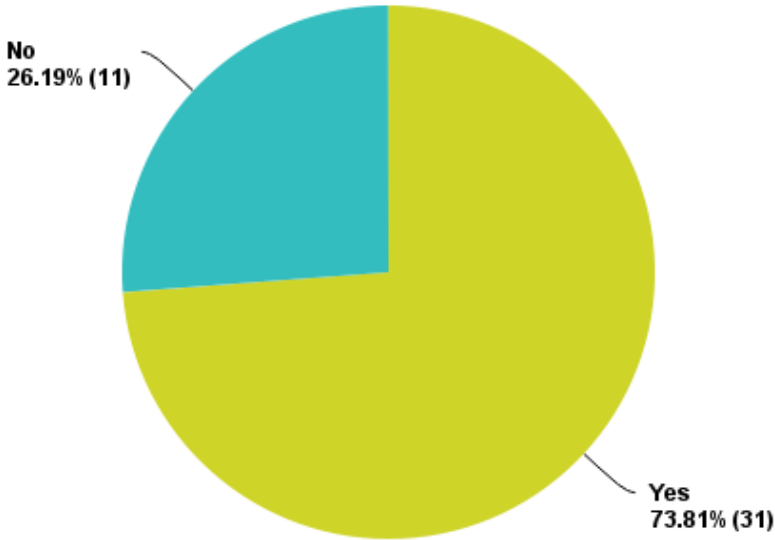
'securing adequate financial resources is a key aspect of maintaining the Commission's ability to operate independently.'

'It would be difficult to reasonably not answer yes to this question'

'I thought that there was an overall integrated approach to financial planning and budget management already'

Question 24 - Do you agree that integrated finance and budgeting would give greater flexibility of resource allocation?

Answered: 42 Skipped: 72

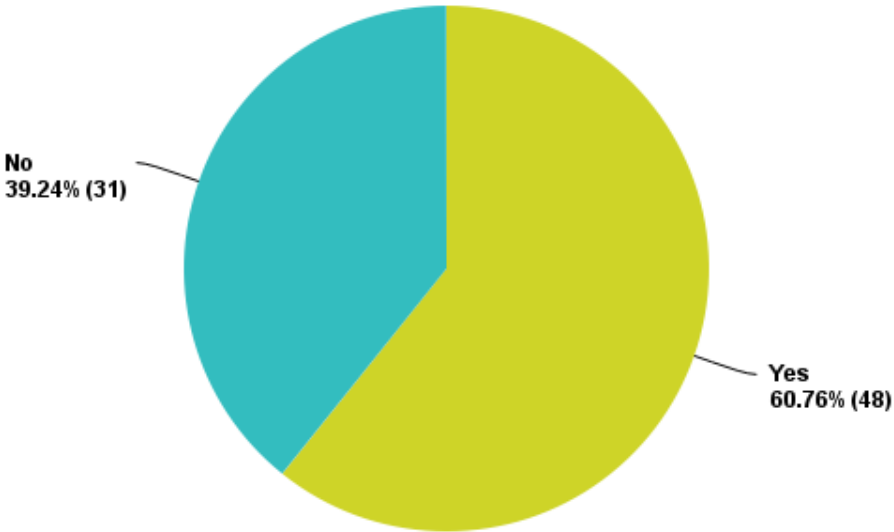


Finding:

73.81% of respondents to this question agreed that integrated finance and budgeting would give greater flexibility of resource allocation. There were few comments in this regard.

Question 25 - Do you agree that Government should be held to account by Tynwald on its performance against its aggregate budget, rather than the individual performance of Departments and Boards?

Answered: 79 Skipped: 35



Finding:

60.76% of respondents to this question agreed that Government should be held to account by Tynwald on its performance against its aggregate budget, rather than individual performance of Departments and Boards.

Comments included:

'any judgement of performance must take in account the range of functions. Because the budget is dominated by Health, Benefits and Education spending these will always influence any aggregate performance. Individual functions must have an incentive to perform and demonstrate public confidence in what they do.'

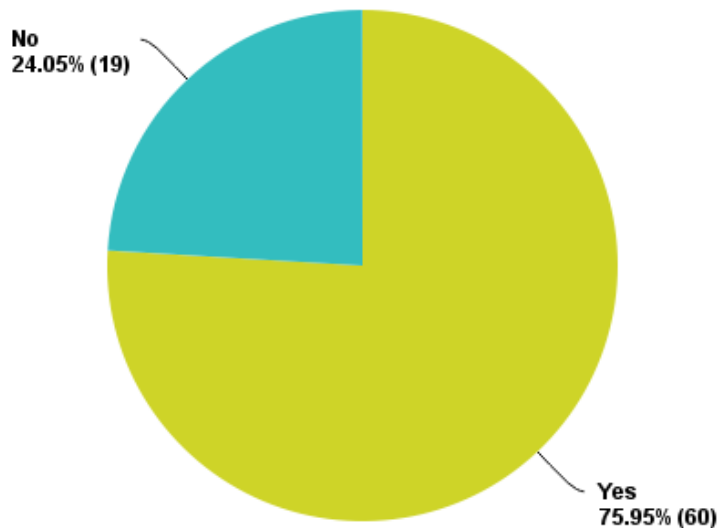
'Government should be held to account on both aggregate and individual Department/agency performance.'

'No, it would allow for poorly performing areas of Government to "hide behind" more efficient areas of Government. Tynwald should know, and be expected to enquire, as to why certain areas of Government have failed to perform.'

3.6 Integrated civil service structure, with a clear single point of authority

Question 26 - Do you agree that an integrated civil service structure with a clear point of authority via the Chief Secretary would be a positive move?

Answered: 79 Skipped: 35



Finding:

75.95% of those that responded to this question agreed that an integrated civil service structure with a clear point of authority via the Chief Secretary would be a positive move.

81% of private organisations supported the concept of an integrated civil service with the Chief Secretary as a clear point of authority and this was largely supported by Departments. Other comments included:

'As I understand it, the Chief Secretary is in overall charge of the Civil Service and a senior member of it.'

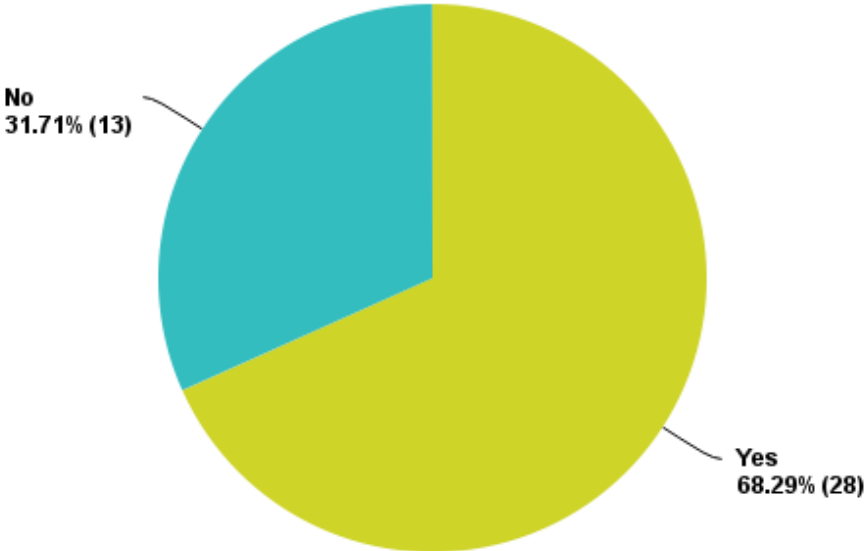
'It would be useful for the Chief Secretary to be better able to ensure Accounting Officers are performing properly, but the changes proposed here would place too much authority in the hands of the Chief Secretary, with accordingly less oversight and accountability from Ministers. It may be suggested that the delegation of powers back to Chief Officers would avoid this issue, I would instead suggest that it would tie these persons hands at best, and at worst allow them to avoid a direction from the Minister by referring it back to the Chief Secretary.'

'This is achievable now without the introduction of a single legal entity and there is an increasing amount of cross-Government working undertaken already.'

'In the case of the Office of Fair Trading (and certain other regulatory bodies), due to their independent remit, there is a need for Officers to report to the Board. Within the wider civil service, the existing model is already largely integrated, with civil servants being 'employees' of the Civil Service Commission and the Chief Secretary maintaining overview of Chief Officers'

Question 27 - Do you agree that a single organisational model would support the delivery of clear corporate leadership and intent?

Answered: 41 Skipped: 73



Finding:

68.29% of those that responded to this question agreed that a single organisational model would support the delivery of clear corporate leadership and intent.

Comments included:

'It is not clear what is meant by the "delivery of clear corporate leadership and intent'

'It is difficult to see how a SLE or other "single organisational model" would in and off [sic] itself provide for clear corporate leadership and intent'.

'Not necessarily. Effective leadership is largely an individual and cultural issue'.

'A single organisational model may support corporate leadership and intent but it must be borne in mind that if introduced, it shouldn't be at the cost of subject expertise. Developing senior civil servants so they have a broader understanding of economic and social issues and the operation of government can be achieved now without the introduction of a single legal entity.'

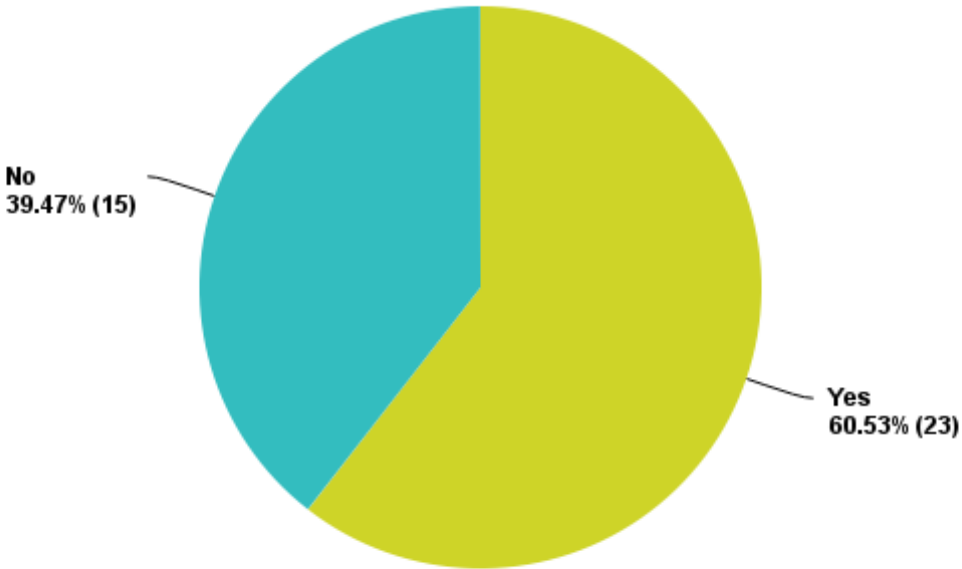
'The Department has a large number of separate employment groups and would hope that moves to an SLE would facilitate the creation of single employment status and the equal treatment of all employees irrespective of their employment status, terms or conditions'.

'the Commission notes that Commission staff are employed directly by the Commission and are not civil servants. This separation is an important aspect of the Commission's ability to retain staff with the required expertise and to operate independently.'

3.7 Basis for aligning arm's length bodies with the single strategic framework

Question 28 - Do you agree arm's length bodies should be aligned with the single strategic framework?

Answered: 38 Skipped: 76



Finding:

60.53% of respondents to this question agreed that arm’s length bodies should be aligned with the single strategic framework. However, some the arm’s length disagreed with this viewpoint. Some of the comments received included:

'the Commission again stresses the importance of maintaining the independence of regulatory bodies, such as the Commission, from undue political influence. This independence enables effective regulation and maintains the trust of regulated entities and the public. It would also be difficult to separate the Commission’s regulatory functions, such as licensing, from its enforcement function such as compliance.'

'Bodies should be aligned provided that the framework within which it sits provides strategic direction at sufficiently high level that the arm’s length body retains flexibility to fulfil its statutory functions without impediment.'

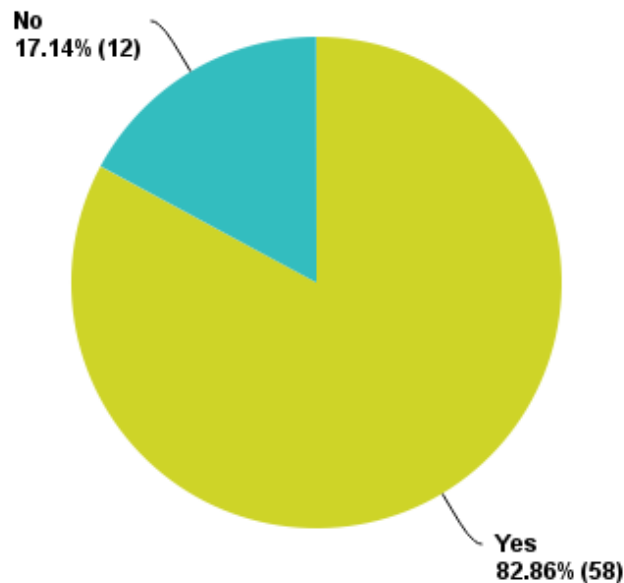
'No. It raises questions about the independence and impartiality of such arm’s length bodies if they are incorporated within a single strategic framework.'

'this subject is too intricate to expect a simple yes or no and there was no definition of what constitutes an arm’s length body, neither were they identified.'

'No. It raises questions about the independence and impartiality of such arm’s length bodies if they are incorporated within a single strategic framework.'

Question 29 - Do you support separation of regulatory and enforcement functions?

Answered: 70 Skipped: 44



Finding:

82.86% of those that responded to this question supported the separation of regulatory and enforcement functions. Comments included:

'Whilst noting the importance of recognising the differences between regulatory and enforcement functions, the Department would support the separation of these functions in terms of enforcement decisions and actions, but on the proviso that policy and legislative direction remains under the control of those directing the Government such that regulation and enforcement support the overall purpose of Government, subject of course to legal obligations.'

'Only if the enforcement functions would be expected to apply to the body making the regulations. For example, this was the rationale behind the creation of the Road Traffic Licencing Committee as it provided an independent body to undertake enforcement functions against the DoI (who regulate public transport) in the context of that Department running the buses. Otherwise it would seem sensible for these functions to have a link, perhaps at arms-length at worst, to ensure that the work of one body is clearly communicated to the other (e.g. DHA and the Police).'

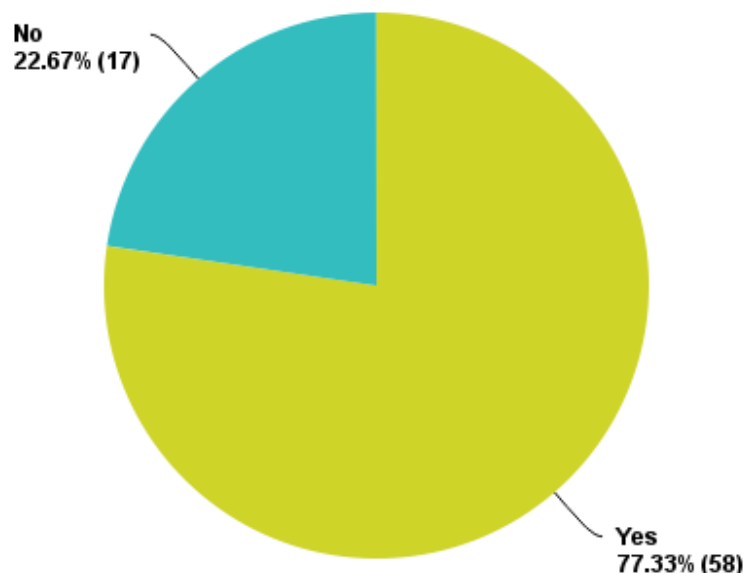
'This question would benefit from further clarification'

'MNH would suggest that further work be done to review all similar arms-length bodies and their relationship with the proposed SLE together.'

3.8 Basis for aligning local Government with the strategic framework

Question 30- Do you support the principle of aligning local Government with the central Government strategic framework?

Answered: 75 Skipped: 39



Finding:

Of those that responded to this question, 77.33% of respondents indicated support for the principle of aligning local Government with the central Government strategic framework. This view point was supported by 77% of private organisations.

Interestingly there were different viewpoints expressed by the local authorities themselves, with two supporting this proposal.

Some additional comments are outlined below:

'The Department supports the strategic alignment of central and local government but wishes to stress the importance of local control of local issues and to respect the ability of local people to determine the nature of local services. The strategic alignment should therefore be restricted to strategic national issues and be subject to proper consultation with those representing local communities.'

'In a similar manner to how arm's length bodies may be included, the strategic framework, within which local Government works must be sufficiently high level to allow a local authority to deal with its own local and statutory issues.'

'No. To do so would undermine the whole point of electing local government bodies.'

'No. Local government in the Isle of Man should be a separate democratic entity to central Government; local authorities should not be required to follow a strategic framework into which they have had no input.'

Other/General comments

The consultation generated a number of responses that provided general comments or observations. Some of these were lengthy, and varied significantly in nature but where possible, these are grouped by theme below.

Single Legal Entity as a principle

'I think the proposal has to go deeper than original reports quoted in Sir John's work – in that it was recommended that the IOM Government should progress to a single legal entity status – but only for external affairs. I strongly oppose that view. For this proposal to work and resolve internal problems identified in Sir John's report and deal with the "silo culture" then the SLE initiative has to be wide and far reaching in its effects – external and internal – the complete thing....for it to be successful and address the issues then we have to also fully embrace "the single organisation concept" as well.'

'The Isle of Man is not a big place. All levels of administration should be aligned together towards a common goal for the benefit of the Island and its people.'

'Members of the public here in the Isle of Man shouldn't need to have to understand the difference between central and local government – in my opinion it's crucial to join up as much as possible – to make any government contact point a one-stop-shop.'

'There are too many local government organisations on the Island currently, this needs to be harmonised, and then to be targeted and accountable for aspects of service delivery.'

'The proposal for the Single Legal Entity will....centralise even more policy making in the hands of the unelected civil servants.'

'We hear a lot about breaking down the "silo mentality" but where is the evidence that a single entity will make civil servants work more closely together when that is needed?'

'What is really being proposed is a mechanism to make the civil service a more centralised and powerful policy making organisation, within itself, with the greater aim of exerting more control over the Council of Ministers.'

'All organisations above a certain size, whether within the public or private sphere, suffer from failures in communication; differing priorities; and silos. The proposed formation of an SLE to solve these issues is a distraction from the real solutions of better communications; effective planning; and improved management.'

'I am surprised that CoMIN is considering this measure based as it is on a weak Report. It is usual for IOM to adopt such significant measures only after being prove in other jurisdictions e.g. Freedom of Information. It is too early to rely on experience in Scotland. I prefer IOM to keep a watching brief and only proceed if such a system has proved successful elsewhere.'

Impact of Single Legal Entity on data protection principles

A number of concerns were raised with regard to the impact of a Single Legal Entity on the management of personal data, and this was cited by several respondents as reason for not adopting the Single Legal Entity status, notwithstanding the assurances that were provided by the Information Commissioner within the Elvidge Report.