OUR ISLAND:
A SPECIAL PLACE TO LIVE AND WORK

Department of Economic Development Review
July 2017
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Foreword

I am pleased to announce the conclusion of the strategic review of the Department.

The Department of Economic Development was formed in 2010 and brought together a range of functions from across different parts of Government. It consolidated Treasury’s financial services team with the Department of Trade and Industry and the Aircraft, Ship and Companies Registries.

In 2013 further functions were transferred from the Department of Community, Culture & Leisure including the Villa Marina Gaiety Complex and, in 2016, Central Registries joined.

Throughout this period the economy has continued to grow, in no small part due to the work of the Department and its dedicated and professional people in support of economic development across a wide range of areas.

2017 presents a different economic landscape to that in 2010.

The need for focused, economic growth is paramount in Government’s thinking as represented in the Programme for Government, which unanimously won support for its ambition to deliver “An Island of Enterprise and Opportunity”.

Over the last six months the Department has sought input from a wide range of stakeholders including staff, business leaders, associations and Ministers and Members to better understand how the Department is placed to serve the needs of our economy going forward.

The department also commissioned an external benchmarking review, undertaken by PWC, to look at how 9 other jurisdictional models support economic development.

Collectively these sources of feedback, expressed requirements and expectations and external knowledge all point to a consistent direction and organisational model for the Department to move towards.

At this stage the core direction is clear, and the Department will now commence the detailed organisational development and transitional planning to achieve the required changes.

The role the Department plays in supporting economic development is of strategic importance for the Island’s future growth and prosperity, now more than ever. We intend to build on the solid foundations in place already, which have supported our economic growth since the formation of the Department seven years ago.

Our economy is dynamic and wide ranging, with a broad diversity that is the envy of many of our competitor jurisdictions. Our unbroken economic growth over 33 years is unparalleled and we are again at unemployment rates of less than 1% across the majority of our main sectors with job vacancies at record levels.

There is real pace and optimism in many key sectors of our economy. This must be fortified by ensuring that there is access to skills and labour and we must be able to promote the many advantages of living and working in the Isle of Man to a global audience.
Complacency has no place in our approach to the future and we recognise that the challenges we face across some of our sectors are significant. We are competing on a global scale to win businesses and talent and we must turn the disruption from new technologies to our advantage, embracing the digital strategy and ensuring that our business models are agile and responsive to change.

Understanding, defending and supporting these changes requires clarity of focus, clear strategic planning and a focused delivery model that works hand in hand with industry and across the whole of Government to ensure that every day we are “creating the environment to enable our economy to flourish”.

The Programme for Government has at its core a macro objective to ensure our Island is “An Island of Enterprise and Opportunity”. To support this there are some fundamental changes that the Departmental review has confirmed are necessary for us to make in order to play a leading role in delivering the Government’s ambition.

Between now and October we will work with our people, other Departments and industry representatives to detail and agree the implementation steps to a re-focused, re-organised and renamed Department – the Department for Enterprise. This is signalling a clear change of emphasis and a full alignment with the Government’s aspirations, also shared by many of the stakeholders we consulted.

This Department will be smaller than it is currently and will be more focused. It will utilise private sector input more extensively and invite active engagement through advisory boards and secondments. Over time it will develop a partnering role with the private sector based on joint funding of specific initiatives.

I would like to thank all of our people for their input to this process as well as their patience and commitment as we have conducted this review. I recognise that change is unsettling and for some there will now be a further period of uncertainty as the detail is further defined and clarified over the coming months. Our aim is to take our staff and all other stakeholders with us on this journey by continuing and we will do this through ongoing engagement and dialogue, based on the values of respect, trust and transparency.

Over the last six months Mark Lewin has led this strategic review and in parallel has led the Department on a day-to-day basis. I am pleased to confirm Mark will continue to shape and deliver the changes proposed over the next few months and in support of this I am also pleased to announce Carl Hawker will extend his responsibilities in the Cabinet Office to support our economic policy work and help us on our journey as Executive Director for Strategy & Policy for the Department. Carl will also become the Department’s Deputy Chief Executive.

I firmly believe the core recommendations outlined in this report will allow us to drive forward our commitment to build a more focused and integrated department that is demonstrably delivering on our ambition to be “an Island of Enterprise and Opportunity” where our people and industry work together to ensure our Island remains a special place to live and work.

Laurence Skelly MHK
Minister for Department of Economic Development
Executive Summary

During the first part of 2017 the Department commissioned a high level strategic review to look at the future needs in support of Government’s ambition for economic growth. The review took into account a significant level of external and internal input and has now concluded with six specific recommendations and three aims.

Six Recommendations

1. The Department should remain in place as an essential enabler of our economic ambitions – there are many great foundations in place and committed staff in support of economic development;

2. A new Economic Strategy & Policy function should be developed to focus on understanding, planning and “creating the environment to enable our economy to flourish”;

3. Four new Business Development Agencies should be developed- Finance, Digital, Business and Visit. They will work shoulder-to-shoulder with specific industries, entrepreneurs and innovators in understanding and creating the right climate and conditions for success and growth, thereby ensuring that “the Isle of Man is the place where you can”;

4. The four principal Registries for Companies, Central, Ship & Aircraft should remain as the third critical pillar of the Department;

5. To enable the Department to have a clear focus, a number of existing functions will move elsewhere in Government where additional public value can be created;

6. In recognition of this refocus, the Department will be renamed the Department for Enterprise signaling a clear emphasis on supporting enterprise in line with the Programme for Government’s national ambition to be “An Island of Enterprise and Opportunity”.

Three Aims

1. Increase our capability for Economic Strategy & Policy;

2. Better leverage private sector expertise through agencies;

3. Refocus into a new Department for Enterprise.

The impact of these changes will reduce the Department’s size by around 25%, move it towards a net neutral position in financial terms and within a clear cost envelope enabling it to focus on supporting the national ambition for economic prosperity.

The next stage of detail will now be prepared over the summer with an expected phased roll-out of the new structure and focus commencing October 2017. Over time, these changes will lead to a number of staff moving from the Department and a number of roles changing in emphasis.

The goal is to increase the focus on economic growth – especially in key areas such as financial services, digital services and tourism rather than reduce capability. The adoption of an Agency based business model for the Department’s Business Development pillar, already operating successfully in other jurisdictions, will increase our focus, resource and capability – not by growing the public service but by the public and private sectors working hand in hand in clear partnership. It is not envisaged that any compulsory redundancies will be needed. However, a number of senior contract positions will change as they naturally come to an end and the Department will need to operate within its allocated budget.
**Aim One** - Increase capability for Economic Strategy & Policy

- New function
- Policy & Legislation
- Research & Economics & Programme Office
- Consolidating Finance, Marketing & Corporate Services
- Economic Advisory Board / Think Tank

**Strategy & Policy Function**

**Business Development Function**

- 4 x Executive Agencies
- Non-executive Chair, Executive Lead
- Advisory Board
- Staff remain public sector employees – Agency is to guide and direct
- Political oversight continues

**Aim Two** - Leverage private sector expertise through agencies

- Department re-launch October 2017
- Villa Gaiety to DEC
- Training Services to DEC
- Employment Services to Treasury
- Energy Policy to DEFA
- Mining & Minerals to DOI

**Registries**

- Registries remain as third pillar
- Service driven global leadership
- Direct liaison with industry maintained
- Direct income supports investment for economic development

**Refocused Department for Enterprise**

- Our Island: a special place to live and work
- “Creating the environment to enable our economy to flourish”
- “Making the Isle of Man the place where you can”

- “Department of Economic Development Review
July 2017”
Six Recommendations to be progressed

Recommendation 1 - That the Department should remain as an essential enabler of our economic ambitions – in a large part its functions and staff have delivered real successes and is an essential coordination point on our future economic potential. Now supporting the aspiration for an Island of Enterprise and Opportunity and charged with developing and supporting the delivery of a clear and concise economic plan, the Department needs to change significantly from its current structure, focus and vision;

Recommendation 2 - That the Department should develop a strong Strategy and Policy function, led by a senior director, to understand, propose and oversee economic development opportunities working with a cross sector advisory board. This function should lead on broad research, horizon scanning, competitor and market analysis and economic insights. It will also consolidate a number of current back office functions, Finance, Marketing & Corporate Services, and it will carry the responsibilities of a Deputy Chief Executive with Carl Hawker undertaking this responsibility;

Recommendation 3 - That its Business Development functions should move towards an Agency-based business model to work jointly with the private sector on a clearly defined and prioritised segmentation model. The four Agencies - Finance, Digital, Business and Visit - will focus on promotion and facilitating product development, with a much stronger emphasis on ensuring a range of support mechanisms together with clear pathways are in place for on-Island businesses to grow. By segmenting the economy into four main segments it will help provide a clearer focus and working with individual sectors and specific service providers within those sectors will be encouraged to promote the Island’s opportunities and consequently support economic growth supported by political delegations;

Recommendation 4 - That the four Registries (Company, Central, Ship & Aircraft) should remain as the third pillar of the Department, focused on service-driven global leadership in each segment and delivering both a strong liaison point with existing industry, as well as seeking out future registry opportunities;

Recommendation 5 - That the Department becomes the Department for Enterprise, recognising the need for change and defining a move to support economic growth that is delivered in the private sector rather than developing it directly. This will enable us to align with the Island of Enterprise and Opportunity ambition in the Programme for Government, deliver on the outcomes defined in the programme and achieve the performance targets;

Recommendation 6 - That a number of functions within the Department that are better placed to sit elsewhere within Government are moved to these areas – this includes the Villa Marina Gaiety Theatre Complex, Training Services, Employment Services, Energy Policy, and Mining & Mineral services. This will also allow the residual Department to be much more focused, the strategic narrative of its purpose and achievements be better understood by all stakeholders and will add value to the transitioning units through more appropriate alignment with another Department.
Three Aims

Aim One - Increase capability for Economic Strategy & Policy

The new administration has clearly laid out its ambitions for economic growth in the Programme for Government and the Department will remain in place as a vital enabler for achieving these ambitions. Going forward there needs to be more emphasis on strategic planning in support of our economic ambitions, including constant reference to Vision2020 and beyond and continued appraisal of the foundations which support growth and ensure our Island is a special place to live and work.

A new function will be created to focus on economic strategy and policy complemented by a high-level external economic advisory board / “Think Tank” which will be an important source of business intelligence assisting this function in “creating the environment to enable our economy to flourish”.

Aim Two - Leverage private sector expertise through agencies

With over 30 separate sectors across our economy there needs to be a stronger call on private sector expertise to understand each proposition, to promote it on and off Island and to propose policy changes that will enable economic growth. This approach is in keeping with other jurisdictions and, in addition to bringing leading-edge expertise to the table, it allows secondments and additional funding sources to support economic growth based on clear business cases.

Four principal agencies will proactively enable and facilitate the right environment to allow the specific sub-sectors to flourish and each will be responsible for developing prioritised industry strategies and establishing a strong relationship management approach for large and growing companies. They will understand the pathways for growth and highlight any barriers preventing organic growth from our existing businesses. They will also build a stronger relocation and business concierge capacity for targeted businesses and entrepreneurs.

The four agencies - Finance, Digital, Business and Visit will focus on making the “Isle of Man the place where we can” for their own specific sectors and, where opportunities arise to use agencies for devolved development these will be actively considered.

Aim Three - Refocus the Department into a new Department for Enterprise

The third aim is simply to ensure that everything the Department undertakes is in direct support of the overall goal of supporting economic growth. The four registries will remain a third pillar of the new Department and by increasing emphasis in these areas – Economic Strategy, Business Development the Registries, the Department will need to refocus by removing functions which gain better value elsewhere.

These changes will deliver a more focused Department that has a clearer purpose for the benefit of businesses and for the Department’s people. The Department for Enterprise will signal a refocus and a relaunch and clearly enable and support our Island’s economic potential.

The changes proposed will enable us to focus our efforts in the economic value generating areas and will allow the other public service delivery areas to receive the appropriate support from a better aligned home.

Mark Lewin, Interim Chief Executive
July 2017
Review Approach

From 1st January to 30th April 2017, the interim Chief Executive conducted a series of discussions and research looking at the perception of the Department - what was working well and what could be improved.

The economy is in a different place in 2017 to that when the Department was created in 2010, and our challenges and opportunities for the next five years will not always be the same as the last.

The discussions included:
- 20 political discussions across Ministers and Members, inside and outside the Department;
- 100 Industry discussions with businesses, individuals and associations across our economy;
- 69 staff participating from within the Department through direct face to face groups of 9-10;
- 76 staff undertaking an anonymous survey;
- PwC being appointed following an open tender and delivering a review on agency models, which evaluated and assessed ten jurisdictions approach towards economic development.

These discussions provided some clear themes regarding stakeholders’ expectations of an economic development function and areas that could be improved upon.

The natural inclination when undertaking any form of review is look for opportunities for improvement and change, and much of the outcome from the review looks to the future and looks to change. In doing so we must not lose sight of all the solid foundations that are in place that have supported our economic growth and the significant contribution made by staff at all levels in the Department to support its aims over the last seven years. Some of the clear strengths that came forward from the review included:

People
- Great “can do” attitude from staff;
- Open to ideas and help create enthusiasm;
- Dedication to public service;
- Really making a difference to many businesses and individuals through support and advice;
- Passion for results;
- Great ethos for customer service and high standards;
- Delivering real economic outcomes.

Economy
- Entering 34th Year of unbroken economic growth;
- Department listening to sectors, issues and ideas;
- Economy 2014 and Vision 2020 were great pieces of work;
- Strong cooperation in specific parts with industry;
- Businesses able to access advice and support.

Department
- World class registries and standards;
- Small teams helping to deliver amazing things such as TT and Villa Marina / Gaiety;
- Business Development really helping attract businesses;
- Financial Assistance making a difference to many businesses;
- Visitor economy showing growth;
- Jobs growth continuing;
- Advice & Mentoring to start ups and small businesses really valued;
- Apprenticeship programme significantly valued;
- Long term unemployment and youth unemployment slashed;
Turning to some of the comments and suggestions for change they broadly comprised the following points:

**Political Expectations**

- Enable the construction of relevant Think Tank type access to captains of industry;
- Look at Innovation in our economy (and researching what others are doing);
- Be a clear focal point for Industry Liaison to respond quickly to issues and opportunities;
- Have a range of well-defined Options for economic growth coming forward; and
- Concentrate clearly on our opportunities and ambition for Economic Development, not being distracted on other pursuits.

**Industry Expectations**

- Focus on and provide solutions to Barriers to Growth that inhibit our current businesses and industries as well as new entrants;
- Act as a vehicle for Support for industry and businesses on research and new opportunities, markets and products, working together, on some aspects such as direct marketing opportunities (e.g. focused trade visits);
- Promote the Island – bringing broader attention to the Island for targeted business opportunities as well as targeted people to relocate; recognising that accessing skills is now one of our major barriers and consequently that there needs to be more emphasis on attracting people to the Island;
- Act as a single co-ordination point both on issues and ideas to avoid businesses having to navigate across complex Government and, in turn, help drive successful conclusions;
- Develop Active Solutions, to today’s problems and tomorrow’s opportunities in partnership with industry.

**Staff Expectations**

- Have a clearer long term Strategic Plan for the Department that everyone can understand, identify how they will contribute to its success and buy into the commitments made and the performance indicators;
- Better working across Government in support of common aspirations for Economic Growth. The need to create and maintain organisational links with other departments, working together “as one team” to make it easy for customers and partners to do business with us;
- Be appropriately structured, with a sense that today there are “too many chiefs and not enough Indians” (the role of Chief Executive today has 13 direct reports at a senior level);
- Deliver far better communications both internally and externally on both the ultimate aims of the Department as well as the outcomes being delivered. In doing so, turn the Department’s perception around through transparency and achievement, recognising and celebrating many of the great things that are actually delivered each and every day by committed public servants.
**PWC Research**

In addition to these assessments, PWC successfully won a tender to look at 10 jurisdictions and their approach to Economic Development and broadly concluded:

- All comparable jurisdictions have a **clear focus on economic development** as a major plank of their government and parliamentary ambitions;

- The majority of other jurisdictions operate some form of **agency models** for economic development – focused on their relevant industry priorities;

- These models range in form and function but generally comprise an industry respected rotating non-executive **Chair**, industry appointed **Executive Lead** and a non-remunerated **Board** (of advisors or Directors) who will be drawn from across Industry;

- They oversee a blend of **research**, of central **technical knowledge** and **promotion** of the industry;

- The agency model allows for a move towards **joint funding** rather than simply relying on public funds, although this ranges in scale and approach depends on the maturity of the agency and often has been started fully funded from the public sector;

- With such joint funding, the **scale** of these agencies is often far greater than the Isle of Man’s existing capability;

- Importantly many of them publish annual reports and accounts and have more **transparency** in promoting their achievements than would often be the case in public service.

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**What does ‘good’ look like**

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*Source - PWC*
Strategy & Policy Function

Recommendation 2 - That the Department should develop a strong Strategy and Policy function, led by a senior director, to understand, propose and oversee economic development opportunities working with a cross sector advisory board. This function should lead on broad research, horizon scanning, competitor and market analysis and economic insights. It will also consolidate a number of current back office functions, Finance, Marketing & Corporate Services, and it will carry the responsibilities of a Deputy Chief Executive with Carl Hawker undertaking this responsibility;

The review found that there is a need for more emphasis on strategic planning both at a sector based level looking at Vision2020 and beyond and at a macro economic level taking into account cross Government initiatives.

Carl Hawker will take up the position of Executive Director for Strategy & Policy for the Department, becoming the Deputy Chief Executive. Carl is, in addition, the Acting Executive Director for Policy and Strategy within the Cabinet Office and leads our economic policy planning.

Carl will retain responsibility for economic affairs within the Cabinet Office and will continue to work with the Minister for Policy & Reform on many of the policy implications stemming from the Programme for Government. Carl’s appointment and his responsibility for the creation of the economic strategy and policy function will help ensure our long term strategic planning and social and economic policies are fully aligned.

Many of the foundations that support the economic prosperity of our Island, and make it a special place to live and work, sit outside the remit of the Department – from tax strategy to transport links, from immigration controls to housing, education and health. Subtle changes to any or all of them can make or break our ability to attract business and talent to our Island.

Carl will ensure that our approach to strategy and policy is informed by, and aligned with ongoing changes taking place across Government, as well as externally. He will have responsibility for all of our economic planning models, looking at the foundations supporting growth, partnering with industry and academia on research and ideas, and being transparent on progress on macro initiatives and developments.

The role will also assume responsibility for the Finance, Marketing and Corporate Services functions in the Department.

This function will focus on “creating the environment to enable our economy to flourish” in line with the Programme for Government and will work extensively across the rest of Government on our major changes to policy and projects that have an impact on our economic ambitions.

In support of the need to maintain clear economic policies and incorporate strategic thinking from across our sectors, we will create an Economic Advisory Board to act as a “Think Tank”, charged with providing top level strategic advice from the private sector into the Department and Council of Ministers through the National Strategy Group.
Development Agencies

Recommendation 3 - That its Business Development functions should move towards an Agency-based business model to work jointly with the private sector on a clearly defined and prioritised segmentation model. The four Agencies - Finance, Digital, Business and Visit - will focus on promotion and facilitating product development, with a much stronger emphasis on ensuring support is in place for on-island businesses to grow. Industry sectors, and specific service providers within those sectors, will be encouraged to promote the Island’s opportunities and consequently support economic growth;

There was a point in time when the Department used an “Agency” approach to service industry liaison, promotion and product development, most notably in the cases of Isle of Man Finance and the Board of Tourism.

However in recent years these functions were absorbed into Government, and today just over 30 staff and contractors provide services in support of around 30 separate sectors of our economy.

There is a compelling argument to return to an Agency-based business model - complexity across these sectors is vast and the people closest to the challenges and the ideas for growth are here on our Island, in our business sectors.

The review concluded that there is real value in looking to implement an executive agency model that seeks to more formally harness these skills and knowledge through a clear governance structure that brings the necessary stakeholders together.

The four key sector splits proposed are:

1.) Finance – Financial and Professional services which account for over a quarter of our private sector workforce today;

2.) Digital – accounting for our fastest growing sectors and providing exciting opportunities for new business models in the digital economy;

3.) Business – accounting for our traditional industries including manufacturing, engineering, retail and construction as well as our business support services that directly help entrepreneurship, incubation and business relocation to our Island;

4.) Visit – recognising the significant value of our visitor economy and the value visitors play in attracting investment into our Island and through quality products ensuring the Island is an attractive place to live and work, with an unparalleled quality of life.

The Agency-based business model will take time to formulate and we need to learn lessons from the past, as well as learn from the best in order for today’s model to be sustainable. Today’s proposition illustrates the general direction and we will work on a much more detailed business case, as part of the next phase in the Department’s transformation.

Our staff will still continue to be public servants and it’s important that they are able to continue to have career opportunities across the whole of Government. Increasingly though, the strategy for the sectors will be owned and led by the agencies, with significant input from across all of the relevant business areas.

This is not about outsourcing our services, but strengthening the advisory bodies that can identify, develop and deliver the environments within which their own sectors can flourish. The agencies’ first step will be to establish clear terms of reference and non-executive chairs will be appointed who will lead on the formation of boards comprising relevant experts and business leaders.
Working together with an **Executive Lead** they will each have responsibility for:

1. **Product** – become the central focal point for the sectors’ broad proposition, technical direction, strategy and vision input to Government;

2. **Promotion** – become the natural entity responsible for directing the promotion of the sector, on and off the Island, by having a clear purpose and identity;

3. **Proposals** – assess, develop and propose ideas and initiatives to help the sector sustain and grow its proposition for the benefit of the broader economy;

4. **Policy input** – the proposals the agencies develop will need to be considered for policy alignment, supported by appropriate legislation and regulation, where necessary. This will remain a Government function to be overseen by the Strategy & Policy division of the new Department and liaise with other Government functions, as necessary, to deliver policy outcomes.

The four agencies have working titles, which will be reviewed for suitability with industry representatives at the next stage in the transition:

- **Finance** Isle of Man;
- **Digital** Isle of Man;
- **Business** Isle of Man;
- **Visit** Isle of Man;

Initially the agencies will have access to funding from the Department’s existing budgets but, in line with the approach taken by other jurisdictions, the Department will look to attract additional funding from industry, based on tangible successes.

The Agencies will also be able to develop clear business cases where additional funding may deliver real economic outcomes and they will also seek to bring in people from across the relevant areas on fixed periods to work on research, strategy and proposition development.

Through a combination of existing resources supplemented by additional secondments and additional funding, additional capacity and capability can be brought to bear in developing our sector propositions for growth. An independent non-executive chair will support this.

The agencies will be able to provide a simplified relationship structure making it clear where businesses and entrepreneurs can connect with Government and access advice and support, or input ideas and proposals for growth.

Political oversight and input is vitally important and the four agencies will allow for political representation.

They will provide a vehicle to allow direct access to political sponsorship for development of the sectors and the cross Government environment to allow our businesses to flourish.
Finance Isle of Man

"to focus and guide the strategic direction of our significant and vitally important international financial and professional services sectors"

The most important sector of our economy in recent times has historically been our financial and professional services industries. Our envied track record of 33 years of unbroken economic growth has been based on solid foundations in these areas and in having a world class international business centre capability.

This sector accounts for over 10,000 full time roles – constituting over a quarter of our private sector workforce. It is broad ranging and includes:

- **Banking** – retail and international
- **Insurance** – life, captive and general
- **Fiduciary** – corporate and trust providers
- **Funds & Wealth Management** – investment and administration
- **Pensions** – domestic and international
- **Professional Services** – legal, accountancy and advisory

Collectively, these areas of business have faced significant change and challenge and, in the main, they have adapted well to market requirements and changes in legislation and policy.

Much of the Department’s activities has been focused on changes driven from outside our Island such as Banking reform, Insurance General Principles, Beneficial Ownership, Financial Crime, and MoneyVal and we have provided support to this sector to make the necessary adaptations.

Each business area has its own professional body representing it and the Department has worked successfully with each representative body, in parallel with the overarching financial services strategic partnership group comprising the Heads of the associations and other stakeholders.

This is the embryo for a full partnership framework, once we have created an organisational structure that is aligned more closely with the needs of the individual sector and the overall financial services economy.

The Island is well regarded internationally for its compliance and adoption of new standards and is well placed to continue to service a growing global demand for high quality, transparent, international financial and professional services.

Hence, looking to the future, these sectors would benefit from more strategically targeted assistance to identify and evaluate emerging product and market opportunities.

The creation of an executive agency for the Financial and Professional Services sector, overseeing the development of the proposition and supporting these ambitions for growth, is a key step forward.

The detail for the new agency will now be further defined with key stakeholders from across industry, including the appointment of a non-executive chair and an Executive Lead as the first priorities.
The Department’s ambition is to gradually supplement and grow the Finance Agency’s resources through a combination of additional recruits directly and through industry sector secondments for key development opportunities.

Using industry expertise to come into the agency on a secondment basis is successfully used in other jurisdictions as a key way of bringing together up-to-date skills, of accessing specialist technical capability and of proving new insights into issues and opportunities from a breadth of perspectives.

This model moves away from long term commitments and allows for “task and finish” projects to be delivered.

The agency will be transparent in how the sectors are performing, how the promotion is succeeding and how the proposals for new ideas are progressing on a regular basis.

Within this agency-based scenario, the existing professional bodies will continue to play a major part in forming and promoting specific strategies with the advisory board and with relevant stakeholders from Government to oversee performance and delivery of growth strategies and financial services economic policies.

It will also act as a strategic advice point to assist in guiding Government through major policy decisions that affect not just financial and professional services, but our international reputation and commitments more generally.
“to focus on our critically important digital sectors and emerging opportunities and harness the opportunities we have for a digital economy”

The fastest growing single sector by far over recent years has been e-Gaming which continues to experience significant double-digit percentage growth in employment terms.

The overall sector accounts for over 2,000 jobs in its own right but, critically, is envisaged to continue to be our fastest growing sector. It includes:

- E-Gaming
- E-Business
- ICT & Software development
- Telecoms & Space
- Cyber Security
- Digital Media
- Creative Industries
- FinTech
- MedTech & BioTech & BioMed
- Data Hosting, Analytics & Data Mining
- Exponential Technologies
- Automation, Artificial Intelligence & Emerging technologies

The Island is held in high regard globally for its stability, integrity and business-friendly environment, combined with high regulatory standards that are rigorously applied.

This attractive political, social and economic landscape has prompted a real growth in ancillary digital sectors such as development, testing, telecoms, datacentres and professional services supporting digital services.

Collectively these support services contribute directly to the Island’s economic success and they are also an indirect critical component in ensuring the success of all of our other sectors.

Globally the digital economy is disrupting traditional business models and whole sectors are facing dramatic changes to their business models. Having a diverse range of ICT developers, infrastructure and service providers located here on the Island is beneficial to all other industry sectors in terms of knowledge acquisition and transfer, localising the supply chain and thereby ensuring that technology based expenditure stays on the Island.

We are also a fantastic jurisdiction for trialing and proving new technologies and new models and the Department already works with individual sector bodies such as the Manx E-Gaming Association (“MEGA”), the e-Gaming Strategic Advisory Board, the Manx ICT Association (“MICTA”), and Isle of Media Limited – a new media cluster.

In addition to championing innovation, we recognise the importance of strengthening the links between academia, research and ICT capabilities in our school leavers, university graduates and those returning to the workplace. The Digital Agency will strive to make the Island a Centre of Digital Excellence, in partnership with the industry sector, its representatives and our educational establishments.
We relish the challenge to ensure that the Island continuously offers the best environment in which locally based digital businesses can thrive. To that end, we have been steadily building an infrastructure conducive to attracting digital businesses operating within a globally vibrant arena.

We see a real opportunity, as part of a broader digital economy strategy, to harness these global opportunities where the Island only needs to attract a fraction of the global growth, based on its significant track record and digital foundations.

Looking to the future, the Digital Agency, once established, will bring together key stakeholders from across the relevant subsectors led by a non-executive chair and a permanent executive lead. Together, they will oversee the development of the overarching digital economy strategy and ensure the right conditions for growth are understood and well presented.

They will also help shape our targeted proposals to bring skills to our Island as undoubtedly this is currently the biggest single challenge these sectors face, and will act as a strong voice for the future needs of our workforce to allow the Island to plan for future skills, and to develop as much local talent as possible.

The Department’s ambition is to gradually supplement and grow the Digital Agency’s resources through a combination of additional recruits directly and through industry sector secondments for key development opportunities.

Within this Agency-based scenario, the existing professional bodies will continue to play a major part in forming and promoting specific strategies with the advisory board and with relevant stakeholders from Government to oversee our digital economy strategies that will lead to increased growth and success.
Business Isle of Man

“focusing on our traditional and niche sectors, our broad business support services and our locate.im proposition to increasingly attract businesses and workers to our Island.”

Aside from Financial and Professional Services, our Digital economy, and our Tourism and Leisure sectors, the Island boasts a rich and diverse range of business sectors and economic activities. Taken as a market segment, they account for the majority of employment opportunities with some 20,000 jobs.

These companies range in size from sole trader operations, through many hundreds of SMEs and also include a number of large organisations. The span of this generic business market segment covers:

- Manufacturing;
- Engineering;
- Retail;
- Construction;
- Medical & Healthcare.

Historically, businesses in these areas have been able to access much of the financial support the Department provides through grant assistance, apprenticeship funding and mentoring services for start-up businesses.

The proposed Business Isle of Man Agency will be responsible for overseeing these schemes and developing the broad range of business support services for all of our business sectors.

Many of these business areas have their own representative bodies and the Agency will work with each representative group but will also facilitate a collaborative approach across the different business areas where it is strategically and operationally beneficial, especially in terms of growth opportunities.

It will also provide an easily accessible, relationship management point for significant businesses needing support or are looking to grow and support businesses as they navigate through these pathways.
Business Isle of Man Agency will also support and develop out our locate.im proposition from a website and marketing campaign into a full relocation support service for businesses and individuals.

A critical finding of the review was the need to make the whole process of relocation a smooth experience for targeted businesses and individuals who are attracted by our Island values and our quality of life and, in return, will contribute to its economic and cultural growth. There are private sector companies who can help the relocation and integration, however there is a need earlier on in the process to help identify and convert those leads and to also simplify the whole experience of dealing with Government.

Allied to relocation support, the agency will also be responsible for the oversight of the Department’s financial support packages including the Financial Assistance Scheme, the Micro Business Grant Scheme and the Enterprise Development Scheme. This is an “arms-length” fund established in 2016 to provide a wide range of equity and debt structures for growing and relocating businesses.

Once established, the Business Isle of Man Agency will be transparent through regular reporting on its progress and the pipeline development.
Visit Isle of Man

“focusing on our national tourism and destination management sector to show the world that the Island is a special place to live and work – and to visit.”

The Isle of Man has a distinguished history in tourism but it has also weathered a number of changing trends in how people holiday.

Following a period in the doldrums in the last century, significant efforts have been made over the last 15 to 20 years to become a tourist destination appealing to a wide range of visitors’ tastes.

These are summed up well in the Department’s 2016 Destination Management Plan, which provided both a showcase and a roadmap, highlighting the eclectic nature of experiences awaiting visitors and promoting more recent trends and niche attractions such the world’s first biosphere designated jurisdiction and luxury “glamping”.

The visitor economy is extremely important in its own right contributing some £100m to GDP each year, but is also vitality important in supporting a wide breadth of accommodation that the Island needs for its business sector and leisure activities for residents, all helping to make the Island a special place to live and work. What’s good for the tourist and family visitor is also good for our own residents.

Our Tourism and Leisure businesses provide over 5,000 jobs in our economy across a broad range of services and the need to constantly develop our product and promote it to complex and broad, yet targeted and niche markets is ever present.

Every other British Island is an immediate competitor, alongside Scotland, Wales and Ireland. We also directly compete with the European mainland and islands and it is therefore no surprise that service providers have had real challenges with a steady decline in visitor numbers over many decades.

In addition to a global recession, many of our competitors upped their game. Through the efforts of the tourist sector, inward investment in niche markets and the support of the Department, the trend is starting to reverse, with total annual visitor numbers reaching 292,328 by the end of 2016.

The TT is still the single largest visitor attraction but we are starting to make inroads in other areas such as the cruise market, which is providing one of the best opportunities for growth in the industry.

The 2017 cruise season celebrated its 50,000th cruise ship visitor to the Island in June 2017 and it is on track to be a record year for the Island’s cruise business with both cruise ship and passenger numbers up by 75% on last year.

By creating a dedicated agency focused on our tourism and leisure sector we can build synergy across a wide range of stakeholders and strategically oversee the ongoing development of our proposition, with targeted and coordinated promotion of our Island as a special place to visit.
This will bring together representatives from a range of tourist and leisure service providers including:

- Serviced Accommodation;
- Non-Serviced Accommodation;
- Hospitality and Leisure;
- Event Management;
- Specialty Retail;
- Heritage;
- Transport and tour operators.

The Visit Isle of Man Agency will actively work with the Chamber of Commerce’s Visitor Economy Committee, their Transport Committee, heritage providers including Manx National Heritage and Isle of Man Railways, and with representatives from host towns in the North, South, East and West of the Island, providing stakeholder-based input into policy development in support of this vital sector.

The first priority will be to establish the remit of the Agency, secure the appointment of a non-executive chair and executive lead and to recruit members to sit on the Visit Isle of Man Agency Advisory Board.

As with the other agencies, the ambition is to supplement and grow the Agency’s ability to apply a strategic approach to product development and promotion. This will be achieved through a combination of existing staff, additional recruitments and through secondments for key research and development opportunities.

Visit Isle of Man will work closely with the Department’s motorsport team who oversee the world famous TT, the ultimate road racing experience which will remain a key component of the Department’s remit as outlined later.
TT Promotion to remain a key responsibility for the Department

In line with the previous Council of Ministers policy on the TT, the Department is the lead agency responsible for promoting, organising and delivering the TT and Festival of Motorcycling through its small team and an extensive array of cross Government stakeholders, plus a large number of volunteers.

The TT has seen strong growth in brand, reputation and economic value to the Island in the last ten years and following the decision not to proceed with the appointment of an outsourcing contact in 2016, the review has concluded there is significant opportunity to continue to deliver further economic growth going forward with the Department remaining the promoter of both the TT and the Classic TT.

The events are only successful due to the significant contribution by other Government Departments and, consequently, the review has concluded that responsibility for all infrastructure activities around the course and event should transfer to the Department of Infrastructure on a more formal basis. In addition, it is proposed that the Department of Home Affairs takes the lead on all emergency planning and safety responsibilities.

This will leave the Department responsible for the overall coordination, commercial promotion and contractual positions with all stakeholders including, importantly, the riders, teams, sponsors, partners and volunteer organisations that make the event the ultimate road racing experience in the world.

There is a significant amount of enthusiasm from a wide range of stakeholders to develop the events further including the whole festival experience for fans and residents alike, and the TT is the biggest single commitment the Department has in financial terms and the prospects for future financial and economic growth from the events are significant.

It is now an appropriate time with a long term commitment in place to further develop the TT, for the Department to reappoint the permanent role of Director of Motorsport, reporting directly into the Chief Executive to take overall strategic responsibility for the promotion and development of both the TT and the Classic TT going forward.

The TT is the ultimate road racing experience and it will continue to take our message that the Island is a special place to live, work and visit, to a global audience.
Company, Central, Aircraft and Ship Registries to be the third pillar

Given the ultimate intent to embrace agency models, the review naturally considered whether the four registries – Ship, Air, Company and Central (births, deaths, marriage, land and deeds) should be moved to an agency model or indeed would generate increased value elsewhere in Government.

Given the registries’ close cooperation with industry on issues and ideas, and in turn supporting policy development, the review has concluded that they will derive most value from remaining close to the broader Strategy & Policy function to be created, and the agency focused Business Development functions within the refocused Department.

Under the Department’s oversight the Ship Registry has grown from strength to strength and has now become the twelfth largest registry in the world based on its exceptional service and standards.

Our Aircraft Registry has just celebrated its tenth year growing to become the sixth largest registry in the world and was voted Best Global Aviation Registry in World Commerce Review Magazine’s 2017 awards.

Our Companies Registry helps over 30,000 corporate entities to fulfil their obligations and it has recently delivered on the Island’s obligation to deliver the Beneficial Ownership Register by July 2017.

Our Central Registries including Land, Birth, Death, Marriage and the Public Records Office, play an important role in our broader ambition to be a special place to live and work with a strong record of integrity for critical public records.

All four registries are going through significant change in their own right, much of which is driven by investment in technology as part of the digital strategy to deliver further service transformation and deliver efficiencies - the Ship Registry’s Mavis system is world leading and highly advanced allowing 24x7 online access across the globe, the Aircraft Registry’s Ardis system has a growing range of online services in support of exceptional customer service and the Land Registry is on a significant journey of digitisation and modernisation.
Refocusing the Department

If we look back to the Department’s formation in 2010, the period of consolidation for the organisation was very short due to the addition of functions and staff in 2013 and 2016.

Now, while the prospect of change also brings further uncertainty, in some parts of the Department, uncertainty has been a feature for a far longer period. This is why it was so important to consult with staff through this Review process, and we will continue to encourage a two-way dialogue. As part of the first phase of the Review, we listened to our people’s views on how a future Department should be shaped to meet the needs of all stakeholders.

Their feedback has influenced the Review’s recommendations and propositions.

The announcement of the conclusion of the 2017 Review is an important step forward in signposting the direction in which we want to move, providing a preliminary view of the proposed restructuring and the rationale for making the changes.

The review has concluded that the Department provides a critical focus on supporting the Island’s economic ambitions and we now need to build on the successes of the past and ensure that we retain and enhance vital capability.

The Department can only move forward confidently due to the sterling work of all Departmental staff who have collectively played a valuable role in ensuring that in the seven years since the Department’s formation, it has upheld the previous legacy and maintained the momentum of economic growth, year-on-year.

With this pattern of growth in mind, it is important to emphasize to our staff, and all other stakeholders, that the changes proposed are not intended to reduce the scale of business support or economic development.

On the contrary, the ambition is to grow significantly the scale of focus on the strategic direction of the sectors and the economy more generally by bringing together advisory boards for each executive agency, and one in general for economic development.

This will strengthen and deliver strong economic policy and strategic capability and refocus the Department in support of the overall ambition for “An Island of Enterprise and Opportunity”.

Our brief is to assist in “creating the environment to enable our economy to flourish” and ensuring “the Isle of Man is a special place to live and work”.

To achieve this we do not need to grow the public sector but, instead, recognise and utilise the rich seam of business and economic expertise and also fresh energy and new ideas that exist outside of the Department and Government.
The changes proposed are not an attempt to outsource our people.

Indeed, with the exception of the senior leadership previously highlighted, all of the existing staff will remain employed by the public sector and our staff will benefit from the planned cross-fertilisation of knowledge and skills.

By bringing in accomplished secondees from a range of industries into the agencies and securing additional funding from other sources, operational capability and expertise will grow.

The overall aim is for the agencies to have the required know-how to develop clear and compelling business cases where additional funding or support is required.

The next 3 months are critical in formulating a detailed implementation plan and this will be deployed in a phased, managed way, accompanied by a published timetable and timely communication.

Refocusing the Department as the “Department for Enterprise” is significant in this proposed transformation process. The name change in itself represents much more than just that – it signals a strong change to enabling and facilitating rather than actively driving economic development.

It signals a strong change to support enterprise in its broader form across all of our economic foundations.

This refocusing of our energy and actions means that there will be a range of value adding public service activities that will be better placed elsewhere in government departments that are more aligned with their value propositions.

All of our current functional activities serve a valuable purpose for the Island’s population and the departmental reassignment does not detract from that value.

On the contrary, these proposals are to deliver additional value from a more rational consolidation of services and better support the people who work in these areas with a closer link into a broader Department where their function is better placed.

The benefits of the relocation for staff and the public will be realised if the changes are managed effectively, staff are cared for and involved and there is no break in continuity of service to our customers. We will do our utmost to ensure that this is the case.

Services to transfer:

- **Villa Marina Gaiety Theatre** - DEC
- **Training Services** - DEC
- **Employment Services** - Treasury
- **Energy Policy & Operations** - DEFA
- **Mining & Mineral Operations** - DOI
Villa Marina Gaiety Theatre move to Department of Education and Children

The Villa Marina Gaiety Theatre Complex is a national asset of strategic importance and plays an important role in our Island life with the vast majority of its activities focused on the domestic market. Our permanent and casual staff work long and unsociable hours in support of delivering a great entertainment experience. However, it has limited synergy with the core purpose of the new Department for Enterprise.

The Department assessed the market for opportunities in 2016 for the private sector to take on a stronger role and this exercise was concluded with no firm proposals provided.

The Department has subsequently signaled an immediate need for the venues to remain under the control and management of the Government to ensure some stability for staff and to improve the organisations’ management and control mechanisms.

The review has concluded that the complex has a better alignment with areas elsewhere in Government and in particular some of the strategic and operational functions and aims of the Arts Council, Sports Development and increasingly some of the school facilities which operate event, show and cinema activities.

A new management structure is currently being implemented following a number of years of management vacancies and a new management systems control environment including a refreshed till system has been implemented.

Under these Review proposals, 26 FTE and 200 Casual contract staff will move to the Department of Education and Children later this year.

Minister Laurence Skelly said “I am extremely proud of the work that the staff of the Villa Marina and Gaiety Theatre delivered under our tenure and this has been even more profound against a backdrop of real challenges – both in staffing and in dealing with political issues. In recent months we’ve invested in the foundations for success and I would like to thank each and every one of our people.”

Minister Graham Cregeen said “The Department has an increased mandate for culture and arts and already has a significant amount of experience and operations for running and hosting events and for supporting the arts and leisure proposition. I look forward to working with the team at the Villa Marina and Gaiety Theatre to take our national asset forward on to even greater things.”

The target for transition of the service is October 2017.
Training Services move to Department of Education and Children

Today, five staff provide a wide range of support services – both financial and advice based to encourage adults to get the most out of their career through Careers Advice and Vocational Training support opportunities.

They also administer the Department’s Apprenticeship schemes and have access to grant funding for employers and individuals for development.

The number of apprenticeship programmes has continued to rise each year with a further three added in 2016 leading to thirteen separate schemes now available. Over 400 individuals benefit each year from undertaking an apprenticeship.

The Department of Education and Children already has a mandate for adult education and training and the Department’s training services team already work closely with the Department of Education and Children and the University College Isle of Man.

The review has concluded there is clear value from this function being more aligned with the broader adult education mandate, together with the value accrued from consolidating all training services into DEC.

This will lead to the move of the five staff together with grant funding later this year to give a single coordinated point of advice and support for all adult training services.

Minister Skelly said “The services provide by the training services team are hugely important and have supported thousands of young people over the years. We must invest in our people and our workforce of the future will see an increasing need for lifelong learning. I know there are benefits to Government and to those supported by the services from bringing together all adult education and careers advice and I would like to thank all of our people for their support and commitment under my tenure.”

Minister Cregeen said “The Department already provides training to thousands of individuals each year and has worked very closely with the Training services team for the last few years. I would like to welcome the small but dedicated team to the Department and know that through bringing the advisory services and the funding together in one place we will see further improvements in our ability to respond to what continues to be a changing landscape for lifelong learning.”

The target for transition of the service is October 2017.
Employment Services move to Treasury’s Social Security Division

The employment services team within the Department comprises 13 staff dedicated to assisting individuals to find suitable employment and their services are primarily focused around the Job Centre in Douglas.

The team has delivered some significant successes with unemployment down to 1%, youth unemployment reduced by over 70% in the last few years and long term unemployment halved.

Increasingly in this environment of low unemployment, there is a need to consider a much wider range of individuals who benefit from support in getting back to work or into more work from a range of different backgrounds and existing welfare schemes rather than just the low levels of registered unemployed.

From a candidate perspective the process of obtaining welfare and then interacting with the job centre can, at times, be disjointed and there are benefits from bringing the end-to-end process closer together. In recognition of this, a major change programme is already underway as part of the digital strategy to provide a combined job seekers allowance system that will track and simplify a customer’s journey and experience.

Treasury will benefit directly if there is an increase in national income and reduced welfare payments. By merging these services into Social Security, Treasury will be able to be more flexible with the support available as the market changes.

Consequently it is proposed that the Employment Services team transfers to Treasury’s Social Security division later this year to deliver further value from organisational consolidation and simplification.

For clarity, responsibility for employment law, work permit regime and minimum wage policy will remain in the existing Department as part of the Strategy & Policy function.

Tim Crookall MLC with responsibilities for employment services said “The team should be applauded for the focused effort and diligence they have brought to support people finding the right job opportunities to flourish. The logical next stage of the job seekers journey is to bring together other parts of the process and I’m sure the proposed move to Treasury will be of benefit to their customers as well as our staff.”

Ralph Peake MHK with responsibility for Social Security said “The team has produced really strong results in helping people get into jobs, and we know there is a significant amount of people who want to get into work or want to get into more work and away from other welfare support. By bringing the team together with Social Security we hope to streamline the process for a range of benefit recipients and help even more people get into work.”

The target for transition of the service is October 2017.
Energy policy and operations move to DEFA.

The Department of Economic Development currently has responsibility for the Island’s energy policy, which includes onshore and offshore policy and the associated legislation that surrounds this.

In line with the Programme for Government, the Department is currently pursuing a licensing invitation for offshore Hydro Carbon exploration and has granted an optional agreement to lease to Dong Energy for Offshore Wind investigation.

These initiatives are long range and measured in years rather than the short and medium term outlook associated with all other parts of the Department’s outlook and forecasting.

This is also true of the Emissions Reduction Strategy and Climate Change Commitments which is the responsibility of the Department for the Environment, Food and Agriculture. They have responsibility for these policies, protecting our long-term habitat and preserving our recent accolade as the world’s first UNESCO Biosphere covering the whole of our magnificent Island.

The Review has concluded that there is value in moving responsibility for energy policy and the associated long term initiatives to DEFA. This will ensure that we balance our long term economic opportunities with the ability to preserve and improve the quality of life for our Island’s people through focusing on driving down the cost and emissions in the long term as well as preserving our natural environment.

Minister Skelly said “Energy policy is a critical long term policy for our economic and social well being but it cannot operate in isolation from our other long term ambitions. Having initiated a number of investigatory projects to assess our potential future value, now is the right time to allow these to be considered in the whole context of our environmental strategies and I’d like to thank the small team that has taken us this far and wish them well for the future.”

Minister Boot said “We already have long term environmental strategies in place and commitments that we must deliver on for this and future generations. I welcome the opportunity to further align our energy policy with these broader policies and to look at how we balance the economic potential, the potential to reduce the cost of energy now and in the future, and how we ensure our Island remains a special place to live and work for many years to come.”

The target for transition of the service is October 2017.
Mining and Mineral Policy and Operations to transfer to DOI

The ownership of minerals in the Isle of Man is vested in the Department of Economic Development under the Minerals Act 1986. The Department permits operators/developers to extract minerals via mining leases, mining licences and mining permissions and the Minerals Act 1986 broadly sets out the circumstances and procedures by which these Agreements are granted.

The Department of Economic Development has a duty to ensure that finite mineral resources are exploited as necessary and in a sustainable and controlled manner, and is currently responsible for collecting around £250k per annum of royalties from mineral operations and overseeing the licensing regime for mining and extraction around this.

The Department of Infrastructure already has significant capability in this area, by virtue of its current roles in the commercial management of the Government’s property portfolio, in its responsibility for the management of the Island’s territorial seas and associated licensing for commercial use and in its management of mining operations.

There is limited synergy if the Department of Economic Development were to retain responsibility for these operations, which only alter on a long term basis.

Conversely there is value from streamlining the processes relating to mineral operations within one Department.

The Department of Infrastructure intends to operate the minerals licensing regime on the same basis as it currently manages the licencing of operations within the territorial seas to ensure proper separation of any licensing and operational processes.

The Review has concluded there is value in moving responsibility for mining operations and policy across to the Department of Infrastructure.

Minister Skelly said: “Our finite mineral resources are one of our few natural assets we can exploit but needs to be done in a sensitive manner with an eye on long term sustainability. Transferring responsibility to the Department of Infrastructure is a natural step to allow the Department to refocus and will deliver broader value to the public purse.”

Minister Harmer said: “I welcome the move of responsibility for mining policy and mineral operations across to the Department of Infrastructure. With long experience of managing minerals, of working with the aggregates industry and of securing commercial value from taxpayer owned assets the Department is well placed to ensure the long term sustainability and viability of operations.”

The target for transition of the service is October 2017.
Department for Enterprise – Re-launch

The Department of Economic Development is today announcing an intention to re-launch as the Department for Enterprise later in 2017.

The recent consultation process generated some significant stakeholder comments directed at the current name for the Department, its lack of resonance and perceived ambiguity of purpose.

Today the Department’s vision is “to be the best small international business centre in the world”. This can suggest an active role in transactional activity and wealth creation rather than acting as an enabler and ignores much of what the Department does on a daily basis as well as more broadly for our economy.

The proposed name change to the Department for Enterprise recognises the critical importance of retaining a major Government Department that is focused on supporting our ambitions for growth within the Programme for Government and to support our vision for “An Island of Enterprise and Opportunity”.

The subtle change of the word “of” to “for” signals the clear emphasis on “creating the environment to enable our economy to flourish” and “Enterprise” reflects the need to work with businesses, industry, entrepreneurs and across Government to identify, develop and support new ideas that support our economic ambitions.

Minister Skelly said: “Although simply changing the name to the Department for Enterprise might to some look like a minor step, it is hugely symbolic in signaling a re-launch of the Department – one which has clarity of purpose in line with the new Administration’s public ambitions for An Island of Enterprise and Opportunity. It provides an important hook for our people who are critical to any of our ambitions to understand what the priorities for the Department are and how ultimately the valuable work they undertake supports these aims.”

The Department will bring forward the change as part of broader set of six recommendations:

1. The Department should remain in place as an essential enabler of our economic ambitions;
2. A new Economic Strategy & Policy function should be developed;
3. Four new Business Development Agencies should be developed;
4. The four principal Registries for Companies, Central, Ship & Aircraft should remain;
5. A number of existing functions will get value from being relocated and realigned within other Government Departments;
6. The Department will be renamed the Department for Enterprise, signaling a clear emphasis on supporting enterprise in line with the Programme for Government’s national ambition to be “An Island of Enterprise and Opportunity”.

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Conclusions and next steps

There is a significant amount of change under these proposals and we will continually need to manage impact and risk in order to deliver effectively.

**Strategy & Policy**

The consolidation of Corporate Services, Marketing and Finance functions and the creation of policy, analysis and economic assessment capability in support of the ideas and opportunities will be an important step as we create a new Strategy & Policy function.

The function will also progress with the creation of a cross sector advisory board including industry, academia and economists to consider economic opportunities, identify barriers to growth at a national level and advise the Department and the National Strategy Group of Council of Ministers.

**Business Development**

The detail needed working together with industry to progress the creation of the four business development agencies will take time to further develop with working titles being:

- **Finance** Isle of Man;
- **Digital** Isle of Man;
- **Business** Isle of Man;
- **Visit** Isle of Man.

Each of these agencies will focus on technical knowledge, proposition and promotion and will require further consideration, options assessment and ultimately the appointment of non-executive chair, executive lead and the board of advisors.

In addition, industry specific development proposals that exist or emerge will be embraced and will influence the membership of the advisory board with examples including:

- **Finance** – the sector specific industry bodies such as the Bankers’ Association, Wealth & Fund Services Association, Manx Insurance Association;
- **Digital** – MEGA, MICTA and Isle of Media;
- **Business** – Aerospace cluster, Construction Forum, Chamber of Commerce;
- **Visit** – Visitor Economy Steering Group, Chamber of Commerce Tourism Committee.
Organisational Refocus

The move of a number of functions elsewhere will require further planning and discussion with our people and with the recipient departments to ensure that the value in such moves is understood and any issues are addressed / mitigated:

- Villa Marina Gaiety Theatre to DEC
- Training Services to DEC;
- Employment Services to Treasury;
- Energy Policy to DEFA;
- Mining and Mineral Operations to DOI;

Department Re-launch

There is a significant amount of change proposed for the Department, which now requires detailed planning and delivery.

The new Department for Enterprise will launch in October 2017, with all of the transformation and establishment of the agencies anticipated to be complete by January 2018.

Political oversight will remain in force in the new model – an important part of the proposals being to allow a clearer focus strategically and politically on the drivers of economic growth.

Consequently, delegations that are in place will continue with liaison and oversight as follows:

Finance Isle of Man – Martyn Perkins MHK
Digital Isle of Man – Daphne Caine MHK
Business Isle of Man – Lawrie Hooper MHK
Visit Isle of Man – Rob Callister MHK

In addition to the above, Tim Crookall MLC will continue to provide a supporting role.

The new Department for Enterprise signals more than just a name change – it signals a refocus around the Department’s vision, mission and values.

In the future, the Department for Enterprise will focus on “creating the environment to enable our economy to flourish” led by a new Strategy & Policy function and on “making the Isle of Man the place where you can” led by the Agencies and Registries functions, all working together to ensure “our Island is a special place to live and work”

Mark Lewin
Interim Chief Executive
July 2017
Six Recommendations

1. The Department should remain in place as an essential enabler of our economic ambitions;

2. A new Economic Strategy & Policy function should be developed to focus on “creating the environment to enable our economy to flourish”;

3. Four new Business Development Agencies – Finance, Digital, Business and Visit should be developed, ensuring that “the Isle of Man is the place where you can”;

4. The four principal Registries for Companies, Central, Ship & Aircraft should remain as the third critical pillar of the Department;

5. To enable the Department to have a clear focus, a number of existing functions will move elsewhere in Government where additional public value can be created;

6. Re-launch and rename the Department for Enterprise signaling a clear emphasis on supporting enterprise in line with the Programme for Government’s national ambition to be “An Island of Enterprise and Opportunity”;

Three Aims

1. Increase our capability for Economic Strategy & Policy;

2. Better leverage private sector expertise through agencies;

3. Refocus the Department for Enterprise in support of our ambition for “An Island of Enterprise and Opportunity”.