

## **2. OVERALL PART ONE SUMMARY CONCLUSION**

- 2.1 The Commission has concluded that a determined commercial organisation, acting within the law, persuaded a Minister for Tourism to support and ensure consent for its proposals for a development which comprised hotel, leisure and sports facilities, and housing which was to have approval for permanent residential use. The proposals were not in accordance with the statutory Development Plan. Although part of the land proposed for development was zoned as an area for tourist accommodation in parkland, more than half was designated as an area of high landscape value and scenic significance.<sup>1</sup> The housing development in these designated or zoned areas, and indeed throughout the site, is now virtually entirely used for permanent residences, independently of the hotel and its facilities, notwithstanding an initial general understanding that although the housing proposals were for consent for permanent residential use and for tourism use they would substantially be used for tourism.
- 2.2 It was the Minister for Tourism, acting in undesirably close alliance with the developer, who ensured that the proposal received planning approval. He did this by applying unacceptable pressure to officers in a weak planning office to take the application for approval through the Planning Committee in a way which did not reflect the permanent housing element in the development proposal, notwithstanding that the submitted planning application set out this element clearly enough. The weakness of the planning office was exacerbated by having a minister detached from the development control activities of his department, a Chief Executive who joined in pressures upon the planning officer who had assumed control of the case and assisted him in his activities, and a Chief Architect and Planning Officer who was aware of the true circumstances but who appeared to have little contact with planning activities within his department. The planning officer succeeded in taking the matter through Committee because the members of the Committee were not fully understanding the decisions which they were making, and did not ensure that they were sufficiently well informed properly to comprehend those decisions.
- 2.3 During the obtaining of planning approvals and the construction of the development there were continuous pressures and unique decisions and courses of action, almost always favouring the developer. These events happened generally unnoticed or not understood by the general public or the wider authorities not directly involved.
- 2.4 It was possible for these matters to happen as they did, not simply because of the weaknesses in the individuals involved, but also, and importantly, because of the lack of transparency in government systems which have direct effects upon the general public, because of some defective government systems, and because of the absence of any effective system of ensuring compliance with appropriate conduct and probity through the government departments. It was also substantially aided by a mistaken sense of general satisfaction by officers and politicians in the quality of the government systems they were operating. In reality these systems were materially defective. Regrettably the mistaken sense of satisfaction remains apparent today among politicians active at the time.
- 2.5 The result of the forces applied to the government by the developer through the Minister for Tourism, allied to the inherent weaknesses within government already identified, was that government could not handle the pressures applied to it on this matter and it succumbed, and in this sense was corrupted, leaving effective control of the Department of Tourism and planning office on this matter to the developer. As

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<sup>1</sup> File A page 52

the minister said to the developer on one occasion in a telephone call<sup>2</sup> - he had achieved a situation which "will allow you to do exactly what you want." This telephone call was not the action of a responsible minister.

- 2.6 There is no evidence that the reason for the Minister for Tourism's actions in these events was improperly received monies or consideration so as to amount to corruption in the conventional sense of the term. On the evidence before us we find the reasons likely to be a misjudged sense of political and public interest necessity against a background of serious decline in the tourist industry in the Isle of Man.
- 2.7 The result is that there is now a highly unsatisfactory residential development at Mount Murray because it was permitted for a purpose which the decision makers were unable or unwilling to recognise publicly, and they approved it on a basis of tourism which has not come to pass, and is a basis which is quite unfitted for permanent residential use. The original planning application together with its accompanying documents and pre-application discussion sufficiently indicated that consent for permanent housing was being sought. It would have been possible for permanent residential use to have been achieved through open procedures, but subsequently it appears to have been appreciated that this risked refusal, and a route was taken which was incremental, or covert, in the sense of being generally not openly acknowledged or displayed, though lawful and capable of being identified with basic diligence.
- 2.8 The government took many years to become generally aware of the seriousness and significance of the situation, mainly because of the lack of transparency and the ineffective workings of the machinery of government. At the present time however the government is making strenuous efforts to rectify the defects and deficiencies in the estate but it is a difficult and uphill task. It is also making vigorous efforts to seek to improve the government system generally. We hope that our findings and recommendations will provide significant assistance to the government in this task and help them avoid similar errors in the future.

End of Section 2

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<sup>2</sup> File A page 189