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## **PART A**

### **1. INTRODUCTION**

- 1.1 On 17<sup>th</sup> January 1991 an application for planning approval in principle dated 16<sup>th</sup> January 1991 was received in the Planning Committee Secretary's Office in the Department of Local Government and the Environment for the Isle of Man.<sup>1</sup> The applicant was Radcon Village Resorts Limited of 1 Mount Pleasant, Douglas, Isle of Man. The description of the site to be developed was given as Alex Inn, Mount Murray, Santon, Isle of Man. The proposed use of the site was given as "Resort Village. See Buyer's Guide and related Villa Rental Agreement". These two documents were also described in the application as part of "any other information relevant to the application". In response to the question "Description of the proposed development – please state clearly what it is that you want to do" the application form stated "See List Attached".
- 1.2 Later in 1991 the Planning Committee gave approvals to the application in principle and also to applications in respect of detail.
- 1.3 Further applications and approvals followed during the succeeding years, and development of the site proceeded. But questions were raised.
- 1.4 In August 2000 Professor Stephen Crow, an experienced and respected figure in the planning field, was appointed by the Chief Minister and Council of Ministers to conduct an Inquiry into some matters concerning the development at Mount Murray. His precise terms of reference were:<sup>2</sup>  
"To review the planning and development history of the Mount Murray site, and to report on the residential aspects of that development having regard particularly to:  
a) the nature of the title of those who have purchased residential property;  
b) whether all parts of the development have sufficient planning and building regulation approvals;  
c) whether the infrastructure for the development is sufficient and in accordance with planning approvals;  
d) whether all conditions imposed as part of any approval for the site have been fully met."
- 1.5 Professor Crow, whose Inquiry had not been conducted in public, reported to the Chief Minister and Council of Ministers on 30<sup>th</sup> December 2000. He reported that irregularities had occurred. Most of the report was published<sup>3</sup>, but annex 5 was withheld from publication on the basis of confidentiality. The publication of the bulk of Professor Crow's report did not allay concerns. That this report did not allay concerns is illustrated in Tynwald debates.<sup>4</sup> Questions were asked, and debates took place, in Tynwald. The following consequential resolutions were passed:

On the 19<sup>th</sup> February 2002:<sup>5</sup>

- "a) That Tynwald requests the Governor to appoint a Commission comprising three independent persons to investigate and report on the Government's handling of the irregularities occurring at Mount Murray referred to in the Report of Inquiry

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<sup>1</sup> File A page 11

<sup>2</sup> Prof Crow Document P11 Annex B Page 1

<sup>3</sup> Document C6 Crow Report

<sup>4</sup> Document C2 Hansard 19.2.2002 T526 right hand column, T529 left hand column, T530 right hand column and Document C5 Hansard 19.3.2002 T576 right hand column

<sup>5</sup> Document C2 Hansard 19.2.2002 T522 & T532

- into Planning and Development and other matters at Mount Murray and to make any appropriate recommendations in relation thereto;
- b) that the Chairman of the Commission so appointed be authorised to exercise all the powers set out in section 1 (1) of the Inquiries (Evidence) Act 1950 with reference to requiring the attendance of persons to give evidence, the production of documents and the taking of evidence;
  - c) that the Commission be requested to report to His Excellency by 31<sup>st</sup> August 2002; and
  - d) that the report of the Commission be laid before Tynwald on completion.” and

On the 19<sup>th</sup> March 2002:<sup>6</sup>

“... that the commission of inquiry be requested to investigate the allegations of corruption made in Tynwald Court at its sitting in February 2002.”

- 1.6 On 20<sup>th</sup> March 2002 the Chairman accepted the invitation of the Lieutenant Governor, His Excellency Air Marshall Ian Macfadyen CB, OBE, to take up his position with the proposed Commission of Inquiry. The remaining two members of the Commission accepted their appointments on 2<sup>nd</sup> April 2002 and 5<sup>th</sup> April 2002 respectively.
- 1.7 Although the resolution of Tynwald identified 31<sup>st</sup> August 2002 as the due reporting date, it was immediately generally recognised that this date was not realistic, and that the Commission should aim to present its report in time for the start of the new parliamentary year in October 2002.
- 1.8 The initial meeting of the Commission took place on 26<sup>th</sup> April 2002, and it commenced hearing oral evidence on 23<sup>rd</sup> May 2002. This first stage of the hearing of evidence was completed on the 31<sup>st</sup> May. It was directed at establishing the background and nature of allegations, and examining the planning systems and procedures and the political system and procedures. The second stage of hearing oral evidence, the investigation stage, commenced on 1<sup>st</sup> July and was substantially completed by 1<sup>st</sup> August 2002. Although some further oral evidence was taken later in the summer and autumn of 2002, the further hearing of oral evidence by witnesses who in part would be affected and the presentation of this report were significantly delayed by litigation which will be referred to later. The continuing lengthy delay following from this litigation led the Commission to the view that it was in the public interest to minimise the adverse effect of delay by completing the hearing of outstanding evidence from witnesses to the extent not affected by litigation and by publishing the report in two parts, of which the current publication is the first part. The second part will follow on completion of the litigation, but the two parts should, in due course, be read as one whole.
- 1.9 The remainder of this report will give a detailed account and explanation of the Commission’s Part One work, findings, conclusions and recommendations.

End of Section 1

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<sup>6</sup> Document C5 Hansard 19.3.2002 T581 & T584