

A well deserved 6% pay rise for Isle of Man Government Ministers?



In 1863, former USA President Abraham Lincoln proclaimed, "Government of the people, by the people, for the people". Do we truly have government for the people in the IOM?

It was recently announced that Members of the House of Keys and the Legislative Council, the Isle of Man's Parliament (Tynwald), will receive a **6% pay rise** in 2023.

This will increase the pay of a Member of the House of Keys (MHK) by a handsome £4,296.00 to £75,906.00 per year.

The IOM Chief Minister, Mr Alfred Cannan, recently issued a Mid-Term Statement. This is a Statement purporting to highlight the Island's progress over the last 2 years, since the General Election of 2021.

Unfortunately, the inward-looking focus of such Statement was on changes to the leadership team of the Civil Service, with congratulations and bouquets handed out to the new CEO (IOM Gov), Chief Officer (Cabinet Office), Chief Officer (DEFA), Chief Officer (DHSC) and laughable fanfare for the establishment of a so-called Operational Performance Board.

The Statement continued by talking about expanding opportunities, a positive economic outlook, good news and even included the highly selective comment that, "Can I congratulate Manx Care who are top of the 'hip list' when it comes to the treatment of hip fractures".

In *marking his own homework* the Chief Minister has apparently given himself an A* rating. Quite predictably, the Cuddly Manx Kitten (AKA Manx Radio) simply regurgitated the entire Mid-Term Statement without a single criticism, opinion or comment. But if we put aside the congratulatory back slapping and self-satisfied public relations spin, what is the **true reality**?

The stark political, economic and social reality of life on the IOM includes the following:-

1. Cost of Living Crisis

Many families are genuinely struggling just to make ends meet. Food inflation is over 10%, mortgage rates have doubled, rents risen, local Rates and utility prices (gas, electricity and telephone) increased, petrol, heating oil and the overall tax burden gone up significantly.



“Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness.

Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery”

(Charles Dickens, in David Copperfield)

The combined effect of all of this is that many Island residents are under severe monetary strain. This is a societal crisis, right here, right now but one in which the Government seems unwilling to properly intervene. A ***State of Emergency*** much more real than the Covid-19 ever was, although the unwarranted Covid lockdown of society undoubtedly is in part to blame for the current financial crisis.

As a result, desperate workers are having to take on second jobs or work more overtime, withdraw savings, re-mortgage or rely on credit cards.

2. Lack of affordable housing

The average price of a house in the Isle of Man as at December 2022 was an expensive £382K.

This is way out of the reach and entirely unaffordable for many young working individuals or even couples.

The Government’s First Time Buyers Scheme is far too limited in scope and scale to be effective or helpful to most residents.

In the Public Sector, there were 830 people on public housing waiting lists in April 2023.

In addition, there is a chronic shortage of affordable rental properties in the private sector. Even bedsits are currently being charged out at over £150.00 per week in Douglas.

What this means is that many aspirational Manx persons in the age bracket 18 – 30 are stuck living with family and frustratingly unable to move out.

3. Health and Social Care

Manx Care took over the provision of primary care on the Isle of Man from the DHSC in 2021.

Despite the overall Health and Social Care budget ballooning from £225K in 2020-2021 to £305K in 2021-2022, many people regard Manx Care as a chronically failing organisation. Consider the following omnishambles:-

- a) As at October 2023 there were **710** staff vacancies advertised with Manx Care.
- b) **4,200** Island residents are currently waiting to go on to an NHS dentist's list.
- c) As at 31st August 2023, the number of consultant live outpatient referrals stood at an astonishing **54,674**.
- d) **859** persons sadly *died* in 2022 whilst on a IOM Hospital waiting list.
- e) Ridiculous duplication of management structures with Manx Care and DHSC management both coexisting at the same time and generous remuneration of £1,231,654.78 paid to Manx Care board members last year.

4. Economy

The Isle of Man Chamber of Commerce estimated that between January 2022 and October 2023 there had dreadfully been **45** local businesses cease trading.

These include much loved and long established Manx businesses such as Radcliffe's Butchers, GH Corlett Jewellers, Ramsey Bakery and Moore's Kippers Smokehouse as well as Close Leece farm shop, Epernay French restaurant, The Old Courthouse nightclub, Filbey's restaurant, Muffins Bakery, Morgan's Pies, The Bowling Green Public House, The Lexicon bookshop, Dorothy Perkins, Harbour View Bistro, Monsoon, Secret Pizza, IOM TT Merchandise shop, Road and Track Motorcycles, Conrods and Pascoe's Electrical shop.



Closed



Closed



Closed

This is before we even mention the takeover of nine Shoprite stores by Tesco, with worrying implications for local producers and the Island's food security. The Cannan Government just meekly let this happen without a whimper.

This hopelessly ineffective Administration has failed to address key issues such as business Rates, VAT on hospitality sales, Employers' NI contributions, energy costs and increasing *Red Tape* which are among the main reasons for some of these heart-breaking business closures.

Examples of *Red Tape* burden include the self-employed having to pay Income Tax in advance (on account) in January each year, businesses having to submit documentation on-line such as VAT Returns (what previously took 30 seconds to fill a form in using a pen and writing a cheque, now takes half an hour involving multiple security checks and passwords), and the new Liquor Licensing and Public Entertainments Act 2021 which requires a "responsible person" to be on licensed premises *at all times* when the premises are open (which has resulted in significant extra staff and training costs).

5. **Public Finances**

The IOM Government had to **withdraw £152 million** from Treasury Reserves this year to pay for public expenditure. Clearly, withdrawing savings at this rate is not sustainable or responsible.

Meanwhile, the overall tax burden on the resident population is at a record high, taking into account Income Tax, National Insurance, VAT and stealth taxes such as fuel duty, airport parking charges, Court filing fees and vehicle road tax.

The net effect of all this is that real household disposable incomes are squeezed.

6. **Public Sector Pension Deficit**

The amount of *occupational* pension contributions paid in by Public Sector workers last year was £83.2 million.

The amount of occupational pensions (different from State Retirement pension) paid out to retired public sector workers last year was £120.2 million.

The **deficit** of *£37 million* had to be obtained from other sources including withdrawing from general revenue; a slight of accounting hand unnoticed by most citizens.

Clearly, this is money which could, and should, have been spent on other projects such as schools and housing not on Civil Service pensions.

When this £37 million is added to the overspend of £272 million for the period 2015 to 2022, the *cumulative overspend* in the last 8 years amounts to a colossal **£390 million**.

Non public sector workers therefore continue to unjustly subsidise the occupational pensions of public sector workers on the Isle of Man.

The current government has *completely failed* to address this running sore and fiscal unfairness and seems content to simply ignore the problem.

7. **Energy Prices**

In 2018, **electricity** cost 16.00p per unit on the IOM.

This has drastically risen to 30.00p per unit now. That is a rise of 87.5%.

Unsurprisingly, there were *2,218 customers in arrears* with their electricity bills in July 2023.

In 2018, **gas** cost 5.54p per kWhs on the IOM.

This has alarmingly risen to 13.31p per kWhs now. That is a rise of 140%.

Isle of Man Energy (formerly Manx Gas) recently closed its public counter at Murdoch House, South Quay, Douglas. Additionally, it has shockingly been reported in the media this week that **30** households have already been disconnected with a further **90** households threatened with gas disconnection, having been unable to increase their monthly direct debits payments to Isle of Man Energy.

Imagine having to face this coming winter without warm gas central heating.

8. **Bloated Public Sector**

A FOI response from the Cabinet Office dated 10th November 2023 revealed that 8,324 people work in the public sector (excluding Manx Utilities and the Post Office).

This is approximately 22% of all employees on the Isle of Man.

Back in the 1950's and 1960's the Manx Government ran so-called *Winter Work Schemes* to give jobs over the winter months for those employed in largely summer related industries such as tourism. The type of works undertaken included planting trees in Ballig Plantation and building the sea wall at Gansey.

The current Government has seemingly re-imagined these Winter Works Schemes by creating, at enormous expense, hundreds of full time public sector jobs such as an *Ecosystem Policy Team Co-ordinator* (DEFA), *Senior Education Work Experience Officer* (Dept of Ed) and even, ludicrously, a *Government Conference Networking Organiser* (Cabinet Office).

As a consequence, whilst there appears to be low unemployment on the Island, the Government has cleverly masked the true picture by creating a grossly enlarged public sector work force; a sort of **Permanent Winter Works Scheme**.

Tellingly, the wage bill for persons employed by IOM Government rose from £344 million in the year to 31st March 2022 to £372.7 in the year to 31st March 2023. This is an enormous wage bill **increase of £28.7 million** in just one year.

9. Human Sewage

Millions of gallons of raw human sewage appallingly continue to be pumped every day into Peel and Laxey bays.



Hidden dangers lurk beneath the splendid surface of Peel Bay.

In Peel, approximately 2900 cubic metres (2.9 million litres) of untreated effluent is pumped into the Irish Sea *every day*, which is more than the size of an Olympic swimming pool daily. This sewage will contain not only excrement but also human bacteria, dangerous household chemicals and traces of medicines.

Despite this, water quality health warning signs for bathers are either non-existent or deliberately hidden away at the end of the Promenades. Disgracefully, this means that oblivious visiting parents and children swimming or paddling off Peel and Laxey beaches are unwittingly exposing themselves to the risk of nasty stomach upsets, ear infections and eye inflammations.

10. Roads and Footpaths

2,162 public complaints were made to the Department of Infrastructure from November 2021 to March 2023 about the dire state of Manx roads and footpaths.



A colleague tripped in a pot hole here near Christian Road, Douglas last month and was injured.



Pot holes can also damage cars and cause crashes.

The legitimate criticisms included matters such as dangerous potholes in the streets, worn road markings and cracked or crumbling carriageway surfaces. Numerous grievances were also registered that countryside paths and rights of way were overgrown, waterlogged or completely impassable.

11. Transport

Over the last 2 years Ronaldsway Airport has been plagued with repeated disruption and closures leading to many delayed or cancelled flights. Excuses such as staff shortages, a new Instrument Landing System and the “*wrong type of rain*” are completely unacceptable.

These problems have caused real difficulty and upset for local residents as well as tourists and business persons. If the gateway to the Island does not operate effectively, this not only causes interruption and inconvenience but also leads to bad first impressions.

In addition, since the IOM Government takeover of the Steam Packet Ferry Company, it has become noticeable that boat sailings to Liverpool and Heysham are increasingly unreliable with delays or cancellations practically every week. Daily newspapers either do not arrive or are often late with postal deliveries also delayed (a regrettable consequence of the Post Office’s ill-conceived decision to switch from a plane service to boat deliveries).

12. Government Capital Expenditure

Many government capital or construction schemes such as the renovation of Douglas Promenade have significantly overrun their budgets.



The new Liverpool Ferry Terminal under construction, but £52 million over budget.

One of the worst current examples is the new Steam Packet Ferry Terminal in Liverpool. This was originally estimated to cost £18 million but is now due in way over budget at *£70 million* plus a year late. It certainly seems like the Manx

Government is treated as a soft touch or as having a *penchant* for writing blank cheques.

13. Derelict sites and empty houses

At the time of last Isle of Man Census in 2021 surprisingly there were an estimated 5600 properties empty on the Isle of Man.

Many are lying derelict and neglected year after year after year.

In addition, a number of prominent town brownfield sites are disgracefully left abandoned and full of weeds. For example, the tragic *Summerland* plot and the former Prison grounds on Victoria Road, Douglas.



**50 people died in the terrible Summerland fire on 2nd August 1973.
The site is desolated and disrespected.**

14. Social Divisions

Inequality is increasing within Manx society.

On the one hand consider the following generous government salaries:-

- i) Chief Minister - £98,677.00
- ii) Chief Operating Officer, Cabinet Office – £118,000.00
- iii) Chief Officer DHSC - £111,000.00

On the other hand, consider that there are approximately **3,500** Manx recipients of *Income Support, Jobseekers Allowance* or *EPA*, that there are over 19,000 persons receiving the *State Retirement Pension* and record numbers of citizens are using the *Foodbank* (**370** food parcels being delivered per month on average).

There are now very clear divisions between the haves and the have nots, an evident disconnect between those who govern and those who are governed and a dislocation between the smug *I'm All Right Jack's* and the disenchanteds.

15. Wasted Government Expenditure

Millions of pounds of taxpayers' money continues to be squandered. Consider the following scandalous examples:-

- a) Over £300,000 was spent converting part of Ronaldsway Airport Arrivals Hall into a Covid vaccination hub, whereas in the UK sports clubs and churches were deemed perfectly adequate venues. Surprisingly, Manx Care now wishes to create yet another bespoke Covid vaccination hub to replace the Chester Street facility. This is despite Covid vaccination uptake dropping from 71,849 persons accepting one dose from Spring 2021 down to a mere 6,245 persons receiving a sixth dose of a Covid vaccine in May 2023.
- b) *Manx Radio* continues to brazenly receive approximately £1 million of taxpayers' money per year, despite widespread criticism for being toothless and grossly overstaffed.
- c) £3.1 million was awarded to the former IOM Medical Officer Dr R. Ranson by an Employment Tribunal for her unfair dismissal by Manx Care. The Manx Taxpayer will not only pick up this massive bill but also 70% of her legal costs.

The Chief Minister Mr Cannan belatedly apologised after the Employment Tribunal found in Dr Ranson's favour, but if he was genuinely sorry why did his government fight this case (including appealing against part of the Tribunal's initial findings) to the bitter end? Crocodile tears perhaps.

- d) In 2013 the Manx Government purchased a diesel locomotive (**No.21**) costing £420K for use in association with the Heritage Steam Railways. The locomotive subsequently had £246K spent on repairs but has only been operational on 219 days in the last 10 years. Despite this, it is understood that further taxpayer funding is shamelessly being sought for yet more repairs as the locomotive is presently out of action.



This useless and broken locomotive has become The Emblem of the current Manx Government.

16. Plan to grow population by 15,000

The current IOM Government has an ambitious Economic Strategy to grow the population of the Island from 85,000 in 2022 to 100,000 by 2037.

That equates to 1,000 new residents each year for the next 15 years.

The Government states that this will promote economic growth and help pay for public services. And yet bizarrely there are no plans to build any additional primary or secondary schools or establish more GP or dental practices, nor expand Nobles Hospital or substantially rezone agricultural land for residential development so that approximately 400 new homes can be built each year to house such increased population.

This is obviously an ill-considered and premature demographic proposal; a clear case of putting the *cart before the horse*.

17. Democratic Deficit

At the last IOM General Election only 50.68% of the electorate voted. In other words, half of the electorate did **not** vote.

In addition, there were over 6,000 persons who had not even bothered to register to vote.

There are clearly therefore a considerable number of residents who feel disillusioned and alienated by current politics; that it is not government "**for the people**".

The Legislative Council (the upper chamber of Tynwald with 11 members and mainly responsible for amending legislation) remains without proper democratic legitimacy, with candidates elected only by MHK's rather than the Island's population. These MLC's receive **£71,659** per year (after this year's pay rise).

Another significant concern is the lack of any effective or separate parliamentary opposition on the Island. In the UK, the Labour Party is currently part of the opposition and holds the Conservative Government to account.

In contrast, on the IOM most MHKs or MLCs are either a Minister or a member of a Government Department or a head of a Statutory Board such as the Arts Council, Manx Utilities or the Post Office (and receive a salary uplift for such roles).

By this artful political patronage, the Chief Minister has effectively silenced dissent and so there is no organised or potent opposition because most MLC's and MHK's are part of the Government in one way or the other.

Conclusion

According to the Chief Minister's Mid-Term Statement, things in the garden are rosy.

A sensible reader has asked us whether Mr Cannan is disingenuous, deluded or living in a parallel universe?



What planet is the Chief Minister living on?

It is clear to anyone not wearing rose-tinted spectacles, that the IOM has acute political, economic and social problems.

In this context, is a 6% pay rise for the Council of Ministers appropriate? Or is it tone deaf? Is it throwing a bone to a dog which is all bark and no bite? Does it show leadership qualities? Or is it nothing less than a shameless reward for failure?

An abject failure to deal with the crippling cost of living crisis, failure to address the affordable housing issue, failure to deal with the profligacy of Manx Care, deplorable failure to address multiple business closures, failure to be prudent with public finances, complete failure to deal with the public sector pension deficit, failure to reduce electricity and gas prices, failure to reduce the size of the State, miserable failure to properly maintain roads and footpaths, failure to ensure reliable transportation to and from the Island, humiliating failure to control capital expenditure, failure to eliminate wasted costs, serious failure to plan infrastructure properly for sustained population growth and a pitiable failure to inspire the population to vote.

The Manx National Anthem

**O Land of our birth,
O gem of God's earth,
O Island so strong and so fair;
Built firm as Barrool,
Thy throne of Home Rule
Makes us free as thy sweet mountain air.**

The real danger of the above failures is that a deeply divided and unequal society is emerging which threatens social cohesion in the *gem of God's earth*.

Many people have therefore quite properly concluded that Government Ministers absolutely do NOT deserve a 6% pay rise.

Citizens' Mid-Term Report on Isle of Man Government.

1	Maths – Most disappointing, still struggling to add up figures correctly (even when abacuses are available in the library). Must try harder.	D
2	Swimming- often find themselves out of their depth.	D
3	Music appreciation – “ <i>Another one bites the dust</i> ” seems quite popular.	B
4	English Language – A gift for making the obvious incomprehensible, but annoying mixed metaphors and crude alliteration (such as “ <i>the spuds in Sulby are super</i> ”). Over use of hyperbole.	C
5	German – Inspired use of <i>Teletubbyzuruckwinker</i> (someone who waves at Teletubbies) as an insult in committee meetings.	A
6	Latin – Ministerial debates highly susceptible to <i>reductio ad absurdum</i> (the absurdity to which an argument leads when carried to its logical conclusion).	D
7	Economics – stubbornly believe that money trees grow on the Island.	E
8	Dancing – Ministers dance delightfully to the tune of the Civil Service. But I would like to see them express their true selves and stop pirouetting. Posture not always the best. Good bending of knees and supple finger gestures.	A
9	Science – just cannot grasp, even now, that Covid-19 was only ever flu. Also yet to accept that, by the laws of physics, pot holes do not repair themselves.	E
10	Legal affairs – mistakenly believe that unlawfully dumping hazardous waste at Wright’s Tip, the Ayres, Bride, without a licence is not a criminal offence.	D
11	Arts and Crafts - very creative use of statistics, shows real flair, well done.	A
12	Theatre and Entertainment Studies – There have been some brilliant Pantomime performances this term. Congratulations!	A
13	French – <i>Sans-Couilles</i> .	E
14	Cookery – Makes a good cup of tea. Some nice dumplings and a memorable <i>Spotted Dick</i> but far too much <i>Bubble & Squeak</i> and Tripe. Thank you for the steak and ale pie (pity that the Government owned meat plant in Braddan required a £2.2 million subsidy last year; rather expensive pastries).	B

15	Physical Education – Core strength lacking but remarkable ability to face two directions simultaneously and have feet in both camps. Also adept at scratching each others back. But constantly sitting on hands is never a good look. And far too much huffing and puffing.	B
16	Faith and Religion – moral compass sadly lost. Also, the question “ <i>What will it profit a man if he gains the whole world (or a Ministerial job) yet lose his soul?</i> ” regrettably seems to have fallen on deaf ears.	E
17	Environmental studies – shows real panache for feathering their own nests. Long holiday periods well used for tending gardens and bee keeping.	A
18	Achievements – none identified.	D
19	Discipline and Adjudications – comeuppance pending September 2026.	E
20	Areas requiring improvement – far too many to mention.	E
21	Discipline – Often late. A lack of self-control, particularly concerning money, remains a troubling issue. Also, very little homework seems to get done. This will be raised at the next parent/teacher evening.	D
22	Community relationships – irreparably damaged by broken promises.	E
23	Presentation – generally clean and pleasant individuals and shoes usually shiny. Also nice to occasionally see buttonholes in blazers.	B
24	Awards – The winner of our <i>Windbag of the Year 2023</i> trophy will be announced at the annual prize presentation (judging has been difficult because there have been so many good entries).	A
25	Weaknesses – easily distracted, prone to navel-gazing and cannot resist the temptation of pointless freebie parliamentary conferences abroad. Tuck shop over used.	E
26	Prospects after leaving office – Nil.	E
27	Overall assessment – Based on continuous assessment to date, well on track to be the worst Administration in modern political history.	E
28	Grade Attained – Recommendation to be placed under <i>Special Measures</i> .	FAIL