



VOTE: PETER GILMOUR
INDEPENDENT CANDIDATE
DOUGLAS EAST
GENERAL ELECTION
23RD SEPTEMBER 2021 (8AM TO 8PM)

Dear Constituent,

The last thing we need is yet another 5 years of costly and failed government projects, to keep hearing that overused government excuse “lessons will be learned”, and of career-politician MHKs too frightened to stand up to senior civil servants in order to enact change – all while the costs of excessive management and waste in government continue to rise.

If we are to ever break down government silos and make government efficient, economic and effective, we need MHKs that understand business, finance and technology. With an engineering degree and MBA (International Business), 9 years with the Royal Air Force and over 25 years project management and IT business experience joining people, processes, systems and information – I believe I can make a fundamental difference to how government should deliver what we ask of it.

As a full-time worker, it has been difficult to get to talk to everyone. However, if elected, I promise to work full-time for you...and look forward to meeting as many of you as possible when I arrange a meeting at a suitable venue in Douglas East, to hear your input and vote as to who I should vote for as Chief Minister.

Yours sincerely,

Peter Gilmour

THE ECONOMY AND TAX RATES

- **INCOME TAX AND NI:** We must prioritise making savings and reducing excess management and waste in government above making any tax rises.
 - Income tax personal allowance should be extended to cover those on the living wage.
 - There will likely be additional pressure to increase NI to fund social care – in the long term we should extend the salary cap on NI rather than increase it as a percentage.
- **EXTERNAL THREATS TO OUR TAX SYSTEM:** There are continuing international threats to our 0/10% company tax rates, as well as a new EU threat to 'black list' 0% tax jurisdictions.
 - We need to set up international tax agreements with more countries, ensuring beneficial owners of companies here can offset any tax paid on the island against tax paid in their own country – resulting in tax revenue (and companies) staying on the island.
 - We need to be extremely wary of potential post-Brexit changes to UK VAT rates and be prepared to adapt to them.
 - As international tax pressures increase, we need to design a 'Plan B' tax strategy that hopes for the best, but plans for the worst.

THREATS TO OUR ECONOMY

- **YOUNG WORKERS LEAVING:** Since 2011, many hundreds of talented people under the age of 30 have been leaving the island every year. Analysis of our censuses has identified that we have lost 3,500 economically active people. Over the past 10 years, survey after survey of our young people has highlighted the major reasons for leaving as: the high **cost of living** and **unaffordable housing**, the **cost of travel to and from the island**, and the **lack of diversification of the economy**. Combined with a major failure to upskill many island workers, these issues have led to **a major skills crisis**.

These issues of course, also apply to many of us struggling to live and work, or run businesses here. Tynwald needs to address these issues urgently as they are having a major detrimental impact on our economy.

- **THE COST OF LIVING:** The government should seek to continually identify, influence and lower the cost of living and inflation on the island. The priorities should include:
 - Far greater regulation of monopolies through the new Communications and Utilities Regulatory Authority, including: ALL energy costs, social housing provision, the Steam Packet Sea Services Agreement, contractual agreements with budget airlines etc.
 - Ending all subsidies on government gas and energy usage (hidden costs pushed onto the public).
 - Keeping Steam Packet fares and freight costs low, to lower Manx inflation and aid the visitor economy.
- **UNAFFORDABLE HOUSING:** House prices and accommodation costs are out of control, forcing even more young workers to leave the island whilst making the costs of bringing in workers from elsewhere prohibitive. Government priorities should include:
 - Urgent action on building more first-time buyer homes, social housing and sheltered accommodation.
 - Analysis and consideration of residency requirements for home ownership, and/or tax disincentives for purchases of multiple buy-to-rent homes. This needs to be researched very thoroughly.
 - Offering alternate government investments, such as Manx Development Corporation housing and Steam-Packet bonds etc. - as requested by numerous local and external investors already.
 - Utilising planning levies to force developers to build on derelict brown field and not green field sites.
- **THE COST OF TRAVEL TO AND FROM THE ISLAND:** The high costs of travel severely impact our economy through: inflation, and deter skilled, young workers and visitors. Government priorities should include:
 - Regulating fares and freight charges – including a policy for subsidised Steam Packet discounts to demonstrate an economic commitment to: students and skilled workers.
 - Introducing a Steam packet "fair's fare" policy when relatives prove they need to attend a funeral or family emergency.

- **THE NEED TO FURTHER DIVERSIFY OUR ECONOMY**

Whilst we have numerous different employment sectors on island, many of them do not offer the choice of job or vocation that many young people are choosing today. Moreover, our heavy reliance on the Insurance, eGaming and Finance sectors to produce the bulk of our national income, means that the economy will be at significant risk should one or more of these sectors disappear due to tax or regulatory reasons. Government needs to:

- Ensure greater coordination between the government, businesses, educators and young people to allow us to develop an economy-wide strategy and plan for diversification, as well as a plan to develop the skills (and upskilling) that we need.

- Expand existing smaller sectors with growth potential: including tourism, leisure and hospitality.
- Provide far more apprenticeships: funding and supporting a much more diverse range of apprenticeship schemes.
- Take full advantage of the Digital Economy: expanding the number of information technology, manufacturing, biotechnical and scientific businesses located here, utilising the legal, tax and accountancy structures we already have here. And, implement a major digital upskilling strategy across all age ranges.

► THE SKILLS CRISIS

The high costs of living, accommodation and travel, and the lack of diversification and upskilling, are combining into severe skills shortages on the island that make it extremely difficult for companies to recruit, expand or even locate here. Many companies are having to take action by moving or expanding operations elsewhere. The increasing economic damage this is causing should not be underestimated.

THE ECONOMY - COVID AND POST-BREXIT

► **COVID – CONTINUED BUSINESS SUPPORT:** Around 44% of businesses surveyed on island have confirmed they will continue to seek government financial assistance as the Covid pandemic progresses. We need to:

- Support businesses while ensuring support is equitable and businesses given such support are viable.
- Provide support to some entire sectors this winter, particularly hospitality.

► **SUPPORTING BUSINESS POST-BREXIT:** Brexit has had some negative impact for businesses, in the form of falling exports to the EU and smaller imports from the EU - with smaller firms tending so far to be more heavily affected. We are seeing issues now with border delays, additional customs and administration costs and reporting and regulatory checks - as well as Brexit driven inflation, another reason we need to keep local freight costs low. The Isle of Man government needs to:

- Work far more closely with the UK government, and actively seek out and communicate every 'Brexit' opportunity to local businesses.
- To be far more proactive, ensuring it speedily creates or modifies any legislation required to take advantage of opportunities, as well as designing streamlined administration and paper processes.

THE SIZE AND COSTS OF GOVERNMENT

► **GOVERNMENT IS OVERMANAGED AND TOO COSTLY:** Staffing numbers have increased over the past 5 years - up by 6%, with a near 25% increase in the annual government wages and salaries bill (£307M to £421M) – while many essential front-line services are struggling. In 2022 & 2023 Public Sector Pensions will cost the taxpayer £21M and £41M (Budget 2021) - that's 11% and 22% of the government's total annual income tax take. Government needs to:

- Make significant cost savings by reducing excessive management structures across government – focusing on service delivery priorities and NOT restricting funding for front-line services/workers. Without immediate action, government wages and salary costs could rise another 25% over the next 5 years.
- Reduce the Public Sector Pension liability further through additional employee contributions and lowering the employer contribution.

► **FAILING AND DELAYED GOVERNMENT PROJECTS:** The continual costs of government mismanagement on projects are eye-watering, as is the lack of accountability. We need to:

- Increase accountability by placing senior departmental executives on performance-based contracts.
- Save many millions of pounds by reviewing and prioritising capital projects based on both a business case and cost/'benefit to the public' basis.
- Departments such as Infrastructure need to be totally overhauled in terms of how they select, organise and deliver projects.

► **COMPLACENCY ON OUR REDUCED RESERVES:** While government reserves may seem healthy, and the stock market has performed reasonably well over the past few years, we need to remember that a considerable volume of our reserves are already held for existing liabilities, leaving less than £300M for 'emergencies'. Inflation is rising and stock markets are becoming more volatile – meaning increased costs, higher wage demands and lower returns on our reserve investments. **There is an additional possibility that the UK may drive post-Brexit changes in VAT rates (VAT is a significant element of our income and how we actually built our reserves).** Government priorities should be to:

- Assume that we can only use what is left of the 'available' reserves during dire emergencies – and that borrowing and putting our children and grandchildren into debt should be prohibited.
- Focus on building our economy creating new income streams, and not use reserves for funding.

- Focus on making savings by reducing management and waste in government and aim to live within our means. If we are ever to break down government silos – and integrate complex processes, systems and information across government - we need MHKs that understand Business, Finance and Technology and how policies can be formulated to ensure that this becomes the strategy of the civil service.
- Implement the dozens of good ideas ignored by the last administration in its alleged SAVE programme.

HEALTH AND SOCIAL CARE

► **HEALTH:** This is our biggest spend, yet there is a backlog of thousands of appointments (people often in pain or distress, waiting for cardiology, endocrinology and gastroenterology appointments). Despite pay often above market rates, there are shortages of doctors and other key staff, though an abundance of managers and administrators, and numerous complex disparate IT systems. The Michael's report clearly identified these wide scale problems to be addressed by Manx Care. Government priorities should include:

- The funding and structuring of Manx Care to reduce these lists – and carefully oversee the joining of people, processes, systems, and information to create a world class health system.
- An urgent revision of funding models for GP practices, following NICE TA or HST prescribing guidelines.

► **SOCIAL CARE:** Less than 5% of us will ever need full nursing care, but the impact of having to pay for it if we do is often enormous, effectively asset stripping those that do need it. Government needs to:

- Secure the immediate future of care through substantial investment over the next 5 years and make the system much fairer (capping contributions).
- Set out a clear plan for a new national social care system that is free and accessible for everyone when they need it – by removing the salary cap on NI (which people could view as asset protection insurance).
- Amend the Regulation of Care Act so health and social care services are regulated and inspected.

EDUCATION

There are major teaching recruitment and retention problems in education, and a very adversarial relationship between government and teachers and their union representatives has been allowed to develop. Add to this, problems with school capacities and facilities (especially in Douglas), funding models that are deemed unfit for purpose, and businesses complaining that the education system is not turning out children with the right skills for the workplace – and it is clear that the DESC has lost control and credibility. A new administration offers the chance to reset these relationships, and government priorities should be:

- A fundamental recognition that education is crucial to the economy, and requires a revision of all funding models, including those for schools and teachers, and those attending university (adjusting fees relative to how long they work on island).
- The creation of an economy-wide working group that includes educators, businesses and government.

CLIMATE CHANGE AND THE ENVIRONMENT

► **COST-EFFECTIVE CHANGES WE CAN MAKE NOW:** We can make changes in the next 5 years that will have an immediate impact on both global climate change and our local environment.

- **Global Impact:** Utilise our natural resources using offshore windfarms so that less use is made of the Gas Fired Power Station over the coming years (leasing sites in our own waters). Use funds to protect rainforests, where £2M spent could protect areas of forest that will otherwise be lost and which hold 5 times the area required to offset our own carbon emissions - while investing in poor communities.
- **Local Impact:** Use farming grants more wisely to encourage wetlands, crops and tree planting that sustain both carbon capture and our natural wildlife. Increase the number of Marine Nature reserves from 10 to 25 within 5 years - ending destructive fishing techniques in these areas allowing them to sustain carbon capture and sea life. Add far more Areas of Special Scientific Interest (ASSI's) to our current protected list. We also need to re-evaluate our flood defences.

TELEVISION LICENCES, POST OFFICES, BANKING AND PENSIONS

- Government needs to work with the BBC/UK Government to ensure the free TV Licence remains available for everybody over 75.
- Every older person should have easy and free access to banking and Post Office services and cash.
- Index linked state pensions, as well as early access to the State Pension for those within three years of their State Pension Age and who are unable to work due to caring responsibilities or illness.

**IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT ME: Telephone 294100 to chat, or Email pg@manx.net
 Read my manifesto on: www.petegilmour.com
 Chat to me on Facebook – Pete Gilmour for Douglas East**