



**Isle of Man  
Chamber of Commerce**

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# 63rd Annual General Meeting 1956 – 2018

Annual Report 2017/18

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PRINT**

# COUNCIL MEMBERS 2016/17

## Honorary Officers

President .....	Chris Allen
Vice-President .....	Caren Pegg
Treasurer .....	Jennifer Lowe
Immediate Past President .....	Micky Swindale

## Committee Chairs

Construction Committee .....	Stephen Smyth
Employment & Skills Committee .....	Karen Corran
Engineering & Manufacturing Committee .....	David Hester
Finance & Professional Services Committee .....	Stuart Nelson
ICT & E-business Committee .....	Deb Byron
Retail Committee .....	Stephen Bradley
Visitor Economy Committee .....	Rom Kesa
FUEL Committee .....	Kristan McDonald

## Council Members

Michael Crowe	Ron Berry
Miles Benham	Simon Scott
Carol Glover	Anthony Long
Peter Horsthuis	Trudi Williamson
Bill Mummery	
John Watt	

# PRESIDENT'S ADDRESS

I can not believe that a whole year has gone by since I took over the presidency. At that time, with the input of your Chamber council, I defined five strategic initiatives for my presidential term. These were clearly linked to newly defined Vision and Mission statements.

**Our Vision** – is to be the Isle of Man's Leading Business Community.

**Our Mission** – is to represent the voice of business in the Isle of Man, fostering business relationships and driving economic growth.

Both of which are firmly under pinned by:

**Our Values** – Independent, Collaborative, Visible, Inclusive, Supportive, Communicative, Influential.

Hopefully in pursuit of our strategy and in support of our Vision and Mission you will have seen a new Chamber of Commerce this year which reinforces the benefit that we offer to you our members. I thank you for your continued support, I also welcome our new members and offer a big thank you to our large number of volunteers who willingly contribute with their time and experience through our various committees and events, we are certainly richer for your input. Lastly, and by no means least, recognition and thanks for the sterling hard work and commitment shown by our two part time employees Rebecca and Julie without whom we would not have delivered so much.

I encourage you to read later within this report the detail of the specific activities of each of our committees summarised by the respective committee chairs. It is through the work of these committees that you have a voice, so please feed your views through the committee members relevant to your sector. This is especially important now as we look at developments linked to our first strategic objective.

**Objective 1** – Link into the Dept for Enterprise Agency Model

As reported this time last year, we felt that this DfE initiative aligned with our own Vision and Mission and we would give it our full support. To that end we gave welcome input to DfE on the structure and governance of the developing Agency Model. I am also pleased to report that, such is our standing as a business community, we have secured prominent membership on the new agency boards themselves. The four agencies are Finance, Digital, Visit and Business and all of our sector committees have a representative on the relevant Agency Board.

I am particularly excited by our involvement in the Agencies, they represent a great opportunity for public: private sector collaboration to influence and deliver economic growth.

Where we can, we shall keep you regularly updated of progress by the Agencies in our member newsletters.

**Objective 2** – Offer more value to our members

Last year I committed to offer more value to you, our valued members. This has included a number of initiatives designed to more readily promote the good work of Chamber as well as offering our members access to a wealth of relevant Chamber events.

We have established a sub-committee focused on PR & Communication and enhancing our business service offering. We committed to improving communication to our members and now we have a highly visible presence across a number of applications including our website, a Facebook page and a regular email newsletter to members. We have worked closely with our media members 3FM, Manx Radio, IOM Newspapers and MM&C to promote Chamber activities and to showcase our members.

We have hosted a number of seminars, workshops and networking events for members to both inform and educate members on business relevant topics and changes to legislation. We have also tried to extend our reach and member benefit by working more closely with our closest UK based Chamber of Commerce in the Wirral and have hosted a number of joint networking events with their members.

This year in numbers;

**28** events were hosted including;

**8** Forums/Networking Events

**18** Workshops

**2** Lunches

**140** media articles/publications

Please keep your feedback coming, it is gratefully received, and it helps us to tailor our offering to support your needs.

**Objective 3** – Grow our funding opportunities

Our primary aim has been to promote the work of Chamber and to offer relevant support to business as discussed in Objective 2. We felt that in doing this we would be rewarded by ongoing membership renewals and would attract new members to our ranks. We have also raised the profile and quality of our events such that we are now seeing a growing number of event sponsors who help fund our events in return for an opportunity to market their own business to a broad business network. Such sponsorship enables us to keep event costs down for members and to offer more events during the year.

# PRESIDENTS ADDRESS CONT'D

We have also secured government funding for a new initiative which commences in September 2018, our Concierge Service, you can read more about this in Objective 5.

Our Treasurer Jen Lowe has summarised our financial position later in this report, we are a not for profit organisation and our proceeds are ploughed back in to the benefit of our members.

Membership numbers;

September 2017 **288**

September 2018 **300**

This apparent modest increase in membership does not tell the full story as we have seen a number of business consolidations and, sadly, business collapses during the year so the growth has seen over 32 new members.

**Objective 4** – represent the Voice of Business

As you have come to expect, Chamber represents the interests of the business community with government through our participation in government forums, the new DfE Agencies, scrutiny and comment on government Policies and initiatives and in our response to government consultations that have a bearing on or directly impact the business community. This year has been no different. Your Chamber committees have worked tirelessly behind the scenes responding and commenting on a huge list of topics.

We have continued with the Chamber theme that the island needs to grow the working population to be able to meet the ongoing costs of the services and benefits that contribute to the quality of life here on the Isle of Man. Our businesses are generally buoyant across the breadth of membership and are clamouring for essential skills and can offer the working population growth that the island needs. Our campaign to 'break down barriers' to business growth which started last year has continued this year. Our efforts have been rewarded in some areas and there is still some more work to be done in others, but the government is listening and we are hopeful that together we can facilitate business sustainability and growth.

The key barriers we have been focused on:

**Work Permits** – our voice has been effective in this area. Whilst our cries to suspend the need for work permits has not been delivered, work permit reform has been achieved and this has reduced a significant barrier to recruitment that all businesses have endured.

**Immigration** – again a significant barrier to recruitment that we have been vocal about and recent consultation submissions and papers from Chamber have seen beneficial changes.

**Planning Reform** – we have contributed to a major consultation on the planning system and the draft proposals coming from that exercise contain some positive improvements that we have lobbied for. We shall continue to work with relevant departments of government to see change.

**Island Accessibility** – we have been involved in workshops with government in which the air and sea links to the island have been discussed and we have presented the business perspective for improvements to these essential services. There is still a lot of work to do, we have seen a positive bold step with the government acquisition of the SteamPacket and we have been invited to help shape the new user agreement. On air links the progress has been a lot slower although our suggestion for a Council of Ministers defined policy for air links has received encouraging positive noises.

There have been other barriers to growth identified and discussed and we shall continue to press for government stimulus to resolve these barriers in support of business.

**Objective 5** – Support new and emergent business on the Isle of Man

I am sure that you are all by now aware that the Chamber offices have relocated to the new Barclays Eagle Lab on Victoria Street. We have entered into partnership with Barclays and DfE in support of this exciting new facility in the centre of Douglas. This is the first step in our quest to support new and emergent business where the breadth of our membership can positively support start ups and young entrepreneurs. We have developed a draft strategy for this Objective and will share it as it develops.

Additionally, as discussed earlier, we have gained funding from DfE to offer a concierge service. This initiative will see Chamber hand over from government business development teams who have attracted new businesses, high net worth individuals and new recruits to the island and Chamber will, using its broad network of business relationships, help these new individuals and businesses relocate smoothly to the island, make relevant business introductions and manage a path through the bewildering and confusing bureaucracy and red tape that we hear many new people complain about.

So you can see that your Chamber of Commerce has been very busy across a number of fronts in support of business and business growth. We hope that you, our valued members, see positive benefit from your membership. We welcome your feedback both positive and negative to ensure that we continue to offer you the benefits that you expect from your membership.

**Chris Allen**  
**President**

# TREASURER'S REPORT

Income generated in 2017 has increased slightly since 2016 overall, however documentation fees reduced since the prior year. The increase in income overall since the previous year is predominantly due to the net increase in membership income, which is the result of net membership numbers increasing; and the increased revenue from functions. There were no changes to the subscription fees since 2016.

During 2017 expenses have remained largely consistent. Although salary costs remain broadly consistent with the prior year costs, the team reduced from 3 to 2 members of staff in January 2017, following the departure of the CEO. As such, it is anticipated that in 2018 the staff costs will be reduced proportionately.

The reason for the overall increase in expenses during the year, is primarily as a result of irrecoverable VAT amounting to around £3,500, whereas no irrecoverable VAT was suffered in 2016. The irrecoverable VAT varies from year to year depending on the level of taxable sales as a proportion of the Chamber's total sales, due to Chamber's status as a partially exempt business for VAT purposes. It should be noted that Chamber deregistered for VAT on 31 January 2017.

Council has made an increased effort to focus on reducing unnecessary costs, reducing overheads wherever possible, but whilst also ensuring that the value offered to members remains a primary consideration. During June 2018, the Chamber has moved into new premises, which should enable significant cost savings on rent going forward. As

a result of the move to the Eaglelab, the Chamber re-registered for VAT on 1 April 2018.

Marketing costs also increased by £729 during the year, resulting in a net increase in members, and proving to be a worthwhile activity. A formal marketing programme has been initiated during the 2018 year with a professional firm, to assist the Chamber in growing membership numbers. This future cost is expected to be covered by the reduced rental charges.

The audit of the financial statements for the year ended 31 March 2017 is now substantially completed, and we expect the accounts to be approved and signed in due course. There were some delays experienced as a result of accounting system changing from Sage to Excel, and also as a result of the large investment of time in setting up the Eaglelab, which has been the primary focus.

Below is an extract of the Revenue Account taken from the draft audited financial statements for the year ended 31 March 2017:

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
<b>Income</b>			
Subscriptions	1(b)	89,452	88,408
Functions	1(b)	9,943	8,770
Documentation Fees	1(b)	5,672	7,309
Bank Interest		63	154
Consultancy & Other Services		-	130
		<hr/>	<hr/>
		105,130	104,771
<b>Expenditure</b>			
Staff Costs		75,304	74,632
Accommodation: Rent and Expenses		30,814	29,085
Meeting Expenses and Sundries		5,464	4,590
Marketing		4,329	3,600
Irrecoverable VAT		3,445	-
Depreciation		1,106	1,255
Printing, Stationery and Postage		1,033	1,165
Affiliation Fees		337	638
Training and Travel		430	35
		<hr/>	<hr/>
		122,262	115,000
		<hr/>	<hr/>
<b>Deficit for the year and total comprehensive deficit</b>		(17,132)	(10,229)
		<hr/>	<hr/>

# CONSTRUCTION COMMITTEE

The past year has been an eventful one for our Construction Committee, against an industry backdrop which could be described as fair, with the prospect of a moderate heatwave developing. While the majority of small builders and trades remain busy, larger contractors continue to ride the ups and downs of the Government capital programme. We accept that delays to certain schemes, for example due to planning issues, are hard to predict. We would however repeat our well-versed call for a more consistent flow of new tenders, increased use of 'reserve' schemes to plug the gaps and, overall, the achievement of a greater percentage spend of the capital budget. Pleasing has been the emergence of some larger private commercial schemes over the past year, with the redevelopment of the Mount Murray Hotel and an extension at Ramsey's Park Hotel. And this report comes hot on the heels of the planning application being submitted for the £25m mixed use development at Lord Street, Douglas. We should not however lose sight of the fact that a couple of notable contractors have entered liquidation so far this year, evidence that the sector remains fragile.

On the Committee front, we submitted a detailed response to Government's consultation on reform of the island's planning system. Led by construction members, it was pleasing that representatives from other sectors also joined the sub-committee, resulting in a rounded, wide-ranging response. The importance of this reform cannot be overstated. It is a long overdue opportunity to re-shape the policy which shapes the island. Following the consultation, Government have tabled a series of proposed reforms which went before May Tynwald. Some of these are welcome, many require further clarification, in particular the proposal to introduce a Community Infrastructure Levy on development. And some nettles, for example the removal of third party right of appeal, have not been grasped. What is clear though is that the proposed reforms are very much work in progress at this stage and we look forward to the opportunity of contributing further as a system which facilitates sustainable economic development is hopefully realised.

Elsewhere, the Committee welcomes an offer by the Chief Executive of the Department of Infrastructure to convene a workshop for Government officers and industry representatives to discuss the new procurement portal. The subject of much discussion within the industry since its introduction, this workshop will be a valuable opportunity for the industry to provide feedback aimed at streamlining the portal and making it more effective for Government and users alike.

A cross-industry working group has also been formed to pursue the agenda of promotion of our local construction industry, in particular to highlight to young people the vast range of rewarding careers it offers. The 2018/19 school year will see us reach out into local schools with careers assemblies, work experience weeks and an exciting 'Bridge to Schools' bridge building exercise for students. We'd encourage everyone reading this to like our new 'Think Construction IOM' facebook page and look out for these and other future initiatives.

In an important development, Chamber's Construction Committee, recently merged with the IOM Construction Forum. The move is aimed at streamlining representation within the industry and providing a unified voice and single point of contact for Government and other bodies. Not least among this is providing strong representation for the industry in DfE's new Business IOM Agency, where the sector has 2 seats on the Board.

The need for strong DfE support of construction cannot be overstated when we return to consider that possible heatwave. The contract for the redevelopment of Douglas Promenade is scheduled to be let by the time you are reading this. And with it the prospect of the Island's largest infrastructure project in decades possibly coinciding with the largest ever commercial development (the aforementioned Lord Street scheme). Factoring in other schemes from the ongoing capital programme, sewerage infrastructure upgrades, climate change adaptation works around our coast and some notable schemes on the private residential front equates to what could be a very busy few years.

Support for our sector, on the policy front and through increased access to grant funding, to enable it to grow and ensure that as much of this increased demand as possible is met by Island-based businesses, is vital.

**Stephen Smyth, Chair**

# EMPLOYMENT & SKILLS COMMITTEE

The Employment & Skills Committee is an active Committee comprising of managers who practice or carry out work related to employment law, human resources, recruitment, education and employment training or skills. We represent a wide cross-sector of our economy including e-gaming, finance, retail, construction, hospitality, HR Consultancy, telecommunications, pensions and legal.

Over the last twelve months we have had some new members join the committee which have further strengthened the experience of the committee.

The Committee has benefitted from a number of presentations from guest speakers over the past year including but not limited to:

- ▶ Minister Thomas, Professor Ronald Barr, Erin Stepney and Adam Smith to discuss Living Wage and Skills & Education
- ▶ Jo Davies in relation to the Career Ready Lab
- ▶ Dawn Kinnish in her capacity as Equality Adviser
- ▶ Verienne Belcher feeding back the success of Vantage HBA's 2018 remuneration and benefit survey
- ▶ Andy Stewart on locate.im

The key areas of focus for the Committee over the year were as follows:

**Immigration** Chamber in its White Paper produced in [2007] asked that the Immigration Rules are reviewed so that they are more flexible and simplified. Chamber engaged fully in a consultation process with the IOM Immigration Office and held a forum with Chamber members to obtain industry sector specific feedback on what changes were required. The resulting changes that the Government has introduced with effect from 6 April this year are very encouraging. In particular we now have specifically tailored Standard Occupation Classification (SOC) Codes, salary levels, and Key Employments relevant to the Island's economic needs which is a very important step forward. Additionally, the improved ability to allow the Island to have the flexibility to change the rules going forward is going to ensure that the Island can adapt according to changing economic needs is very positive. The consultation

timelines were challenging for all involved but the consultation process was collaborative and it has been rewarding to see many of Chambers recommendations adopted. A briefing note summarising the changes will shortly be circulated to Members for their information.

**Wellbeing** in the workplace which is led by Heidi Dalglish of Thrive HR & Development Services has continued to be a focus this year and several events have been co-ordinated. The first a yearly Workplace Wellbeing Workshop was held on 22 November 2017 at the Sefton, as part of a joint initiative between Chamber and the Public Health Team at government. The event was a sell-out attracting a good mix of both public and private sector businesses.

The next event was held at Chamber Offices on 19th June and focussed on introducing Health & Wellbeing to the Workplace (Hints & Tips for businesses with no onsite HR support). Both events have been successful and contributed to the next annual conference currently being organised to take place on 15th November at the Mount Murray Golf Club. This year Heidi will be hosting the event for Chamber replacing Dan Davies who has hosted previously. Tickets are due to go on sale in September.

**Equality** has and continues to be an area of focus for Chamber. During the year we had some presentations on different aspects of the Equality Act from Gail Yeowell from Smart HR and a panel presentation which included speakers from ACAS, Julie Bradley from MIRS and Jane Poole-Wilson, Equality Champion for the IOM Government. We have also engaged with Dawn Kinnish who was appointed to the position of Equality Advisor. The first substantive provisions come into force in January 2019 and we will continue to provide support for members during the implementation phase.

**The Isle of Man Living Wage 2017** was introduced during the period and a member survey was circulated to understand the views of members. Whilst the

# EMPLOYMENT & SKILLS COMMITTEE REPORT

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majority of those who responded agreed it is a socially responsible initiative, there were a number of concerns regarding the affordability and proposed accreditation for those who adopted the Living Wage. A meeting with Minister Thomas followed so that the concerns raised could be discussed in more detail and the Committee were advised that an impact assessment would be carried out in due course. Minister Thomas subsequently delivered a 'Meeting our Population Challenges' to Chamber members on 27th April 2018.

**Minimum Wage** The Committee has continued to provide input to consultations on the Minimum Wage and engaged fully with the Minimum Wage Committee. Following the recent changes announced by the Department for Enterprise effective 1 October 2018, Chamber has issued a survey to further understand the views of our members. We anticipate that a sub group, representing committee members impacted will be formed to provide further focussed feedback to the Minimum Wage Committee and the Department of Enterprise.

**Skills for Growth** is a recently formed sub group which was established following the January 2018 skills shortage survey and has membership representing all Chamber committees. The objective of the group is to consider how we can promote the career opportunities available across all sectors in a more collaborative way. The group will also be exploring how effectively the education system is aligned with the changing needs of the economy, with a particular focus on lifelong learning and will continue to support the Isle of Man Government with their objective to increase the economically active working population particularly with initiatives such as locate.im.

It is anticipated that the Committee will continue to focus on the above key issues in the year ahead.

**Karen Corran**  
**Chair**

# ENGINEERING & MANUFACTURING COMMITTEE

The challenges facing industry remain similar to last year, with the added uncertainty of 'Brexit' and newly imposed import tariffs. The primary focus areas of the Engineering & Manufacturing Committee (EMC) have remained consistent with last year (see below) and much progress has been made by focusing on these key areas. The EMC will continue to work alongside Government to maintain a focus on growing the sector and building a robust industrial strategy that positions the Island for success in the face of these challenges.

Support the Awareness of Careers in Engineering (ACE) programme, promoting engineering and manufacturing as a career choice for people starting their careers and those wishing to change careers.

- ▶ ACE has been running for 10 years and has delivered school programmes that have reached all the schools on the island and allowed thousands of students to gain a better understanding of Engineering.
- ▶ This year we have expanded the Engineering Ambassador programme so that students can hear directly from young engineers about their careers and the path they took through education.
- ▶ ACE ran its biggest ever event this year: Inviting the Bloodhound (Supersonic Car) team to the island to showcase their technology and their hands-on STEM educational programme. ACE has also partnered with the Smallpeice Trust, bringing specialist STEM educators and pre-packaged lessons to the Island's schools.
- ▶ The ACE steering team continues to be made up of the major funding providers (including local companies and IoM Government) See [www.engineeringiom.com](http://www.engineeringiom.com) for more information.

Support the University College, IoM in developing the manufacturing apprenticeship scheme and the Advanced Manufacturing Training Centre (AMTC) and its other Engineering courses.

- ▶ AMTC is an essential resource for providing the Engineering and Manufacturing Apprenticeships. Summer work placements are included within the scope of the AMTC and ACE collaboration and many students have already gained employment with local engineering companies after graduating from their courses.
- ▶ AMTC now hosts many events involving students, companies, parents and teachers.

Support the Isle Of Man Aerospace Cluster (IOMAC) through the steering group, the quarterly events and the links to the North West Aerospace Alliance (NWAA).

- ▶ Three IOMAC events have already been held in 2018 with NWAA and visiting companies from UK. The island has had a high profile presence at the 2018 Farnborough Air show. The Isle of Man's young engineers also take part in the NWAA's annual talent awards and their 'university challenge' competitions.

Align the EMC strategy and priorities with government's industrial strategy, and vice-versa.

- ▶ EMC will collaborate with the newly formed DfE Business Agency to develop shared strategies and align priorities. It will support government in creating a clear 'industrial strategy' that sets out a vision and roadmap to create the type of Engineering and Manufacturing presence that is appropriate for the Isle of Man. This will include clarity around the size of the industry and the types of companies/markets/products that will enhance the reputation and economic strength of the island.

## Challenges

Engineering/manufacturing makes up around 7% of current employment. To have a strong, resilient and sustainable sector this percentage may need to grow. The island's infrastructure may need to be enhanced (e.g. transportation – sea/road/air; industrial zones; housing, communications, etc.). This would bring increased incentive for the educational institutions to offer greater bias to STEM subjects to support growing employment opportunities in this sector. There are currently very few companies employing >50 people. There are many smaller businesses and some may find it increasingly challenging to invest in the technologies, processes and systems needed to compete on a global scale. Enticing more medium sized businesses to the island will be necessary to significantly increase the size of the sector (this is unlikely to happen solely by growth of the current businesses, although several current businesses are continuing to grow).

David Hester, Chair

# FINANCE & PROFESSIONAL SERVICES COMMITTEE

Finance and Professional Services continue to be a significant part of the Isle of Man's economy, both in terms of GDP (Gross Domestic Product) and employment. It is a very interesting sector, with many mature industries represented alongside a number of innovators / disruptors.

Membership of the Finance and Professional Services Committee of the Chamber of Commerce is drawn from a broad cross section of the Isle of Man financial services sector. We are actively recruiting more members for the Committee to reflect the diversity of the sectors which we represent. During the last year the Finance Committee has maintained a broad focus on the Isle of Man financial services sector interacting closely with Treasury, the Department for Enterprise, along with other relevant authorities and regulators.

2018 has seen the formation of The Finance Agency as part of the Department for Enterprise. I am delighted to be part of the board for this and will continue to represent Chamber to the best of my ability. At the time of writing we have had our first board meeting and a couple of workshops. The other board members are drawn from a wide cross section of the Financial and Professional services segment of the Island. Early discussion are very encouraging, and I look forward to the next 12 months.

The Financial and Professional Services industries have their own professional bodies, which represent their industries very well. One challenge for the Chamber Committee is to better link in with these bodies, and ensure that concerns and opportunities in one professional body can be given wider scrutiny and input.

The past 12 months have been very busy for the industry as we continue to implement new and existing regulation including areas such as The Beneficial Ownership Act. We also have to be aware of wider areas such as Moneyval, EU, Brexit, to name but a few. The one constant is change! We need to continue to have constructive dialogue with regulators, Government and other associated stakeholders.

Other topical areas for discussion have included (i) the first new banking license being granted under the Alternative Banking Regime, (ii) the consolidation in the CSP industry, and (iii) how to embrace the Fintech sector.

We continue to work with other areas of Chamber on common areas such as recruitment, retention and training. Whilst numbers vary there is a general acknowledgement of vacancies in the FPS sector in the hundreds, and we believe that if we can find a way to fill these positions, then that in itself would provide a major benefit to the economy.

We have a separate sub-committee, which reviews consultations and proposed legislation, and I am particularly indebted for their diligent work in this area.

The wider landscape has a number of uncertainties however the Isle of Man has a successful track record in adapting to challenges and seeking out opportunities. The Committee are currently engaged with Government exploring some of the opportunities.

In closing I would like to thank my fellow committee members for their hard work and dedication, and would reiterate my earlier comments about always exploring new members who can add value to the Committee.

**Stuart Nelson, Chair**

# ICT & EBUSINESS COMMITTEE

The ICT and eBusiness industry in the Isle of Man has continued to grow steadily and not only has direct economic significance as an independent sector but also makes a substantial indirect contribution to domestic economic growth.

Chamber's ICT/eBusiness Committee has a strong membership consisting of senior managers representing a wide variety of sectors including Telecommunications, Software Development, IT Solutions, eGaming, Legal, Insurance, Education, Banking, Accountancy, Engineering, Retail and Government.

This year, the Committee has focussed largely on ICT Skills and Digital Strategy, two topics that are closely inter-linked. During the last 12 months, the Committee has received briefings from subject matter experts on a number of related topics including:

Work Permits and ICT exemptions;

- ▶ Cybersecurity Strategy;
- ▶ Data Proposition;
- ▶ Digital Strategy;
- ▶ Egaming Strategy;
- ▶ Telecomms Strategy;
- ▶ Crypto currencies.

## ICT Skills

IT now plays a central role in almost all businesses making computing skills very much in demand across all sectors of the Island's economy. In common with many other countries however, the Isle of Man continues to suffer from a shortage of ICT skilled staff.

Whilst the shortage of ICT skills, and the resulting negative impact on economic growth is recognised and acknowledged, there is not yet a joined up, cohesive strategy within Government to address the skills shortage.

The Committee welcomed the changes to the work permits particularly the change to the definition of 'partner'. The previous definition had proven to be a barrier to re-location despite the ICT work permit exemptions. The Committee also welcomed the changes to immigration but believes that the

opportunities that these changes may present have not yet been effectively communicated.

The Committee strongly supports the continued provision of the relocation grant which helps to offset risk and encourage companies to recruit off-Island and grow the talent pool.

The Committee believes that the Department of Education is a key partner in the promotion of the ICT sector. More young people need to be encouraged and inspired to choose a career in ICT, studying both on and off Island. More needs to be done to publicise the breadth of ICT career opportunities that exist to encourage Manx graduates to return to the Island after their studies.

The Committee has continued to benefit from the membership of Jo Pretty, Principal of the University College IOM which has facilitated useful two way dialogue on the ICT qualifications offered at UCM. Enrolment for September's Computer Science and Cyber Security degree courses remain strong with ICT making up the largest percentage of the curriculum delivered by UCM.

There is however capacity for further students on the Chester University ICT-related degree courses despite the excellent employment statistics. These courses should be oversubscribed!

The ICT sector may still bear the legacy of outstanding negative perceptions about ICT meaning desk-bound, isolating and repetitive jobs. The current ICT curriculum in some of our High Schools reinforces these negative stereotypes by presenting an outdated view of the industry. This is discouraging Manx students from taking ICT higher education courses with the extremely good recruitment prospects not being properly recognized. The shortage of ICT teachers in Island schools is also a negative factor in this regard.

The Committee has continued to support other education related initiatives including MICTA's

# ICT & EBUSINESS COMMITTEE CONT'D

ICT Apprenticeship scheme, the Manx Education Foundation which provides Microsoft Office skills training and qualifications to Island High Schools and the Career Ready IT High School initiative. The Committee was delighted to hear that an Island student recently won the Microsoft Office Word competition in the UK and represented the UK at the Microsoft World Championships in Florida. Once again the Island is punching above its weight!

The Code Club has continued to do a fantastic job in engaging with young people and making ICT fun and exciting. Love Tech IOM has also recently been launched with a vision to encourage young women to consider, explore and pursue careers in science, technology, engineering and mathematics (STEM). Two members of the ICT Committee were founding members of Love Tech IOM. There has been a great response to the Love Tech events with places being filled in a matter of hours which demonstrates there is a willingness for young women to engage with ICT if presented in the right way.

## Digital Strategy

The Committee have welcomed the formation of the Digital Agency, the Committee being represented on the Agency by Deb Byron, ICT Committee Chair. The Committee believes that this is great opportunity for the public and private sector to work closely together to successfully bring about the principle objective of achieving economic growth.

The Island's new Telecoms Strategy will form a cornerstone of the Island's Digital Strategy. Committee members provided input into the consultation process and took part in the follow up workshops. In our view, the resulting draft strategy is rather loosely defined and needs clarification in a number of areas. The Committee is keen that the new strategy addresses areas such as social inclusion and the promotion of the Island as a 5G test bed. Government and local Councils need to be much more joined up to ensure plans include future mobile services and changes to the planning process will be key.

The Committee provided input into the GDPR consultation. It was disappointing that the Committee's representation to Government on the importance of the new GDPR legislation to support the Island's data strategy and provide a unique selling point for the Island seems to have been ignored. In stark contrast to other Crown Dependencies, the IOM Government did not give the GDPR legislation the attention and time it deserved, resulting in rushed, generic legislation which we believe does not support the Island's digital aspirations. We strongly urge Government to re-visit and improve the primary legislation in consultation with the private sector.

We look forward to another busy year with continued close working with Government and other industry bodies.

**Deb Byron, Chair**

# RETAIL COMMITTEE

The retail environment remains very challenging both internationally and on the Island. Numerous iconic brands have disappeared from our high streets in the past year, affected locally by changing consumer shopping patterns a weak domestic economy and an escalating cost base.

Nonetheless our retail sector fairs better than most in the adjacent island supported by the investment in regeneration and planning policy that directs all but exceptional retail activities to the town centre.

We will need to work hard in the coming year highlighting the cost base extraordinary to the island, freight and utility costs in particular. If the sector is to adjust to an escalating living wage and stay competitive then 'other' costs will need to fall.

Access continues to be a critical issue especially in Douglas and will need careful management going forward as the promenade redevelopment and other sites eat into car parking capacity.

Competitive car parking charges are a critical part of the marketing mix in encouraging town centre use and not just a retail issue. Douglas Corporation have made great strides in this area, we would encourage these efforts to continue.

The Retail Committee of the Chamber of Commerce acknowledge and appreciate the work and cooperation of Douglas Borough Council on many aspects of improving the vitality and viability of the town.

A challenging recruitment environment has existed for a number of years now, The Retail Committee acknowledges the moves made to improve the work permit legislation. The Committee would encourage Government to go further and suspend all work permit legislation on a temporary basis, as a barrier to wider economic development and a cost saving to business.

In the next year the Retail Committee will see a priority in reaching out to the other centres on the island to improve the reach of our committee.

**Stephen Bradley, Chair**

# VISITOR ECONOMY COMMITTEE

The past year has seen the Visitor Economy Committee continue its dedicated role representing the industry and developing collaboration between public and private sector. We have been committed to promote Visitor Economy on our Island, improve commercial success of our members and encourage an "Excellence as Standard" approach to the Island's tourism industry across all service providers.

I would like to thank all committee members for their full support during my year as the Chair.

The past year has brought some exciting news to the Island's VE sector. The re-opening of the Mount Murray Hotel and the development of Premier Inn bringing brand new bedroom stock to the market. The arrival of the UKs largest hotel brand clearly confirms that the Isle of Man is a desirable destination for visitors and investors alike.

According to the IOM Government Passenger Survey in 2017, the number of visitors to the Isle of Man was down marginally but other visitor statistics showed growth. We remain positive in the future of tourism and Visitor Economy in general. Manx National Heritage have reported strong growth in the group travel market, however self-catering figures are down on previous years. The Isle of Man Steam Packet Company have reported a 7% drop in the volume of bikes coming to the Island for TT, however, for Southern 100 and Manx Grand Prix the passenger figures are more positive and these events have grown strongly in recent years.

Our committee members have identified that one of the biggest challenges is the severe seasonality of the tourism trade. Whilst we are lacking bed spaces during summer months, especially for TT and Manx Grand Prix festivals, between the months of November and March a number of hotels are forced to close their doors due to lack of business.

In 2018 the Island will welcome 24 cruise visits to our shores, a number which shows steady growth from one year to the next. This means a potential 9290 passengers and 5772 crew to set foot on our shores and become the ambassadors of our beautiful Island. With UNESCO Biosphere status, we have a unique opportunity to advertise ourselves as a great place to visit, live and work and what better way to do this than a first-hand experience.

The VE Committee has a strong representation on the new Visit Agency board and we are very much looking forward to working closely with them tackling the common challenges of our industry. On behalf of the VE Committee I would like to wish Ranald Caldwell all the success in his role as Non-Executive Chairman, we all know it is a great challenge.

The VE Committee has organised the Manx Hospitality Day for the past 3 years, this year unfortunately the event was

cancelled due to poor registration numbers. This has led us to review the event and assess the desirability of it. We have come to the conclusion that whilst there was great interest and support from service providers to be part of Manx Hospitality Day, most hoteliers struggled to commit to sending their staff to this event. We are currently at the stage of putting a proposal together for the industry that would benefit a wider range of audience.

Having worked closely with University College Isle of Man and the Chamber Skills Committee, we are looking for ways to encourage young people to take up jobs within the hospitality sector. We are hoping to achieve this by actively participating in careers day events in local high schools and by introducing and promoting the industry in the local press. Recently the Committee had a great opportunity to put together a promotional video/interview with MTTV to showcase the various amazing roles the industry has to offer. We highlighted that the Island has seen considerable investment and therefore the hospitality offering has much improved. New restaurants and updated hotel facilities offer a great working environment and career opportunities on the Island. The hospitality sector does not only offer excellent job and career opportunities, it also offers great flexibility for anyone wishing to fit work around their studies or raising a family.

Last year we had the opportunity to partner up with Wirral Chamber of Commerce and held a successful forum with their VE Committee and identified a number of areas where we could benefit from closer working relationships, one of which is our patient transfer service. We look forward to a long continuous working relationship with our colleagues from across the water.

In conclusion, we have had a busy and successful year in working towards our aims and objectives. The Isle of Man has seen and will see some considerable investments which makes us an even more attractive destination for visitors. In coming years we will continue playing a key role in promoting the Visitor Economy and improving our offering as a tourist destination.

**Rom Kesa**  
**Chair**

# FUEL COMMITTEE

**E**stablished at the 2017 AGM, the Fuel committee took on the mission to look at future trends, raise awareness of potential issues and suggest solutions and ideas both to Chamber of Commerce members and also the wider business and Isle of Man communities.

Over the past year we have been active across many areas - pushing for innovation and change in the workplace, the business environment and in the minds of leaders in both the public and private sectors. Change is coming at us from all angles at unprecedented speed and we must be mindful of not just reacting to the problems in front of us now, but the ones that are coming in five, ten or twenty years' time.

As part of this mission, at the 2017 Chamber Gala Dinner our committee published its first piece of work, a presentation entitled "FutureIsle". This looked at global trends in Energy, Transport, Technology and Demographics - topics selected for their relevance and potential to impact the Island - and provided an overview of the future of each, as well as a look at how these may change our home and what opportunities may come from them.

This presentation proved so popular, it has formed the basis of our work throughout 2018, including a re-run to Chamber members, a presentation to the Department for Enterprise exec and the Wirral Chamber of Commerce at a joint event. These sessions were very well received and have spurred further discussion as was hoped at the outset.

For International Women's Day in March, Fuel published a report on Diversity in the Workplace, looking at the gender balance of companies on the Isle of Man, the benefits of having a balanced workforce and methods to help reduce the disparity on the Island. As a potential sign of things to come, our committee is biased in favour of women, with an 8:5 ratio of women to men.

Our Island is also biased in the direction of an aging population - with the 11th oldest population in the world. As such, we are ahead of the curve when it comes to facing the challenges which come with an older population. Members of the committee are involved in ongoing discussions with Government to present the views of the generation that will have to pay for the care of the elderly. By borrowing ideas from other parts of the world, such as dementia villages, intergenerational housing and looking at solutions for funding, we hope to be able to present some solutions to Government that will meet the needs of the current, but also the future elderly of our Island.

The current skills shortage is also a topic much discussed in both our committee and the wider business community. To

assist with this, Fuel have been working with Government on its "Locate" strategy, providing feedback and assistance and recently meeting with the Locate team & DfE leadership to discuss the plans going forward. Fuel have a number of members who have recently relocated to the Island and have direct experience of the system, so have been providing first-hand experience on what is working, and what is not. Based on our interactions to date, the strategy we have seen is positive and contains some innovative elements that suggest a real understanding of the issues at hand.

To complete the age spectrum, we have also been looking at the future of education. As Chair, I was invited to take part in a presentation to the faculty of University College Isle of Man (UCM). The aim was to provide a view of what the future of work may look like, what employers will require from graduates and how the UCM may begin to position itself to ensure it is not just able to meet these needs but excel in preparing our young for their working life. Education is one sector that so far has not seen obvious disruption in the same way as, for example, personal transport with Uber or accommodation with AirBnB, but it is coming and, if not prepared for, could leave a huge gulf in employability between those able to access and take advantage of the new learning experiences and methods and those who are not.

Continuing with the education theme, one of the goals of the committee is to help all the members broaden their experience and networks by bringing in influential and prominent individuals from the private sector and Government. We have continued this in 2018 and had several fantastic guests come in to us, but because of the work we've done we have also been asked to go out and contribute and our members have been involved in events like Biomed and IslExpo. If anyone would like to come and speak to us or discuss a particular topic, please get in touch.

The above gives just a flavour of some of the work we have been doing across just a few of our areas of interest, and we look forward to continuing our role in pushing innovation and awareness of the future to Chamber members through 2019 and beyond.

**Kristan McDonald**  
Chair

# A YEAR AT THE CHAMBER

Total membership as at 31 March 2018:	301 businesses representing circa 15,000 employees
Staff:	2 part-time: Rebecca George, Chief Operating Officer, Julie Stephens, Office Manager
Committee volunteers:	150

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## Export Documents

296 Certificates of Origin were issued between April 2017 and March 2018 (which is double the amount for the previous year).

In May 2018 IoM Chamber was audited to assess our export certification work and the report concluded 'The inspector was pleased with the overall standard of documentation and procedures, and therefore has no hesitation in recommending that the Isle of Man Chamber of Commerce should retain its Issuing Body Status'. During the audit, Rebecca and Julie both re-qualified as authorised signatories to issue Certificates of Origin.

The Isle of Man Chamber of Commerce is the only Chamber approved by the British Chambers of Commerce to issue Certificates of Origin in the Isle of Man.

## Communication with our members

Chamber Facebook and LinkedIn profiles have been building and we have now introduced an e-newsletter communication to keep members up to date with events and activity across Chamber Council, Committee's, Government and the wider business community. We have also introduced an opportunity for members to share their own events and offer discounts to other members on their products and services.

## Chamber Events

1145 members attended 25 Chamber lunches, workshops and seminars between April 2017 and March 2018.

### Workshops:

#### **02/05/17 & 04/05/17**

Equality Act – presented by Caren Pegg, Appleby and Chamber Vice-President

#### **16/05/17**

Health & Safety is not just a box ticking exercise - presented by Phil Bennett, Commercial Training and Marketing Manager for St John Ambulance Isle of Man

#### **15/06/17**

An introduction to beneficial ownership - presented by IoM Government Companies Registry

#### **19/09/18**

Addressing Tax Challenges – presented by Kevin Loundes, Associate Director, Abacus

#### **26/09/18**

Practical People Management- presented by Gail Yeowell, Smart HR

#### **14/11/17**

Health & Safety in the workplace – presented by Paul Whittaker, Health & Safety at Work Inspectorate

#### **07/12/17 & 11/12/17**

Work Permit Reform – presented by Caren Pegg, Appleby and Chamber Vice-President

#### **11/01/18**

Practical Guide to the Work Permit Process – presented by Andrew Stewart, Head of Policy & Strategy, IoM Government

# A YEAR AT THE CHAMBER

**23/01/18**

Securing your data, Cyber Security workshop – presented by Samantha Hoffmann, Microgaming

**26/01/18**

Equality Act, overview from ACAS – presented by ACAS

**30/01/18**

Directors, when it all goes wrong – presented by Craig Mitchell, Brown Craine & Co and Chiva Arthurs, Gough Law

**20/02/18**

Social Media - How to create an effective action plan – presented by Alison Teare, Simply Marketing

## **Breakfast Seminars:**

**13/06/2017**

Isle of Man Census, a details analysis - presented by Carl Hawker, Acting Executive Director, Policy & Strategy, IoM Government

**04/07/2017**

Update on GDPR - presented by Iain McDonald, IoM Information Commissioner

**21/07/17**

National Infrastructure Strategy – presented by Ray Harmer

**24/10/17**

Healthy Island – presented by Dr Henrietta Ewart, Director of Public Health

**18/01/18**

Helping your business to grow – presented by Spark Impact

## **Lunches and Dinners:**

**13/09/17**

Chamber of Commerce Gala Dinner – speakers, Lieutenant Governor, outgoing President, Micky Swindale, incoming President Chris Allen, Future Isle presentation

**06/12/17**

Chamber of Commerce Christmas lunch – speakers, Minister Skelly and President, Chris Allen

## **Retiring Council Members:**

This year six Council members are retiring from office: Stephen Bradley, Michelle Swindale, Simon Scott, John Watt, Michael Crowe, Anthony Long. Rom Kesa is also stepping down as Chair of the Visitor Economy Committee. A big thank you from all of us for the many years of service you have given to Chamber.

## **Thanks:**

The Isle of Man Chamber of Commerce would like to thank Crowe Clark Whitehall, Domicilium and PDMS for their continued service support to Chamber.

# SUSTAINING MEMBERS OF THE ISLE OF MAN CHAMBER OF COMMERCE

The Isle of Man Chamber of Commerce would like to thank the following companies for being Sustaining Members and making a special contribution to Chambers development by paying an additional subscription. Their substantial contributions helps secure the financial autonomy of the Chamber and enhances the quality of the services we are able to provider to all of our members:

Aon (Isle of Man) Limited	KPMG LLC
Aon Insurance Managers (Isle of Man) Ltd	Lloyds TSB Bank (Isle of Man) Ltd
Appleby	LMS Partners Ltd
Azure Aerospace	MAC Financial
Barclays	Mannin Group
Best Western Palace Hotel & Casino	MannVend Ltd
Boal & Co	Manx Petroleums
Bold Consultancy Limited	Manx Telecom Ltd
Boston Link Recruitment	Manx Utilities Authority
Branden Associates	Marks and Spencer (Isle of Man) Ltd
Cains	Microgaming
Canada Life International Ltd	MTV
Capital International Ltd	Old Mutual
Castletown Golf Links	Paragon
Celton Manx Limited	Paysafe Group PLC
Centurion Aerospace	PDMS Ltd
Cherry Godfrey	PricewaterhouseCoopers LLC
Chrystals	Quinn Legal
Colas Holdings (IOM)	Rational Services Ltd (Pokerstars)
Connect2Recruitment Limited	RL360
Crowe Clark Whitehill LLC	RLC Engineering Group Limited
D Q Advocates Limited	Royal Bank of Scotland International
Deloitte	Safety Management Services (Isle of Man) Limited
Douglas Technical Limited	Sancus (Isle of Man) Limited
Equiom (Isle of Man) Limited	Sima Aerospace
Fiducs Limited	Simply Secure Limited
First Names Group	Skanco Business Systems Ltd
Grant Thornton	Smart HR
Groudle Cottages	Spark Impact Limited
Hamblin Ltd	Strix Group Ltd
Hansard Global Plc	Swagelok Limited
Hotchkiss Associates Limited	The Exchange Limited
HSBC Bank plc	The Mill Shop
ILS Fiduciaries (IOM) Limited	TLC Business Solutions
IQE Limited	Tower Insurance
Island Aggregates	Triumph Integrated Systems
Isle of Man Enterprises	UHY Crossleys LLC
Isle of Man Newspapers	Utmost Limited
Isle of Man Post Office	Wi-Manx Limited
Isle of Man Steam Packet Co Ltd	
ISO QA Limited	



