



Isle of Man
Chamber of Commerce

Economic Strategy Workshop Lunch | Facilitator Notes

12:30-14:00, 20th September 2022, Promenade Suite

100+ attendees were present and split over 10 tables. Each table was hosted by either a Minister or civil servant.

The tables were asked to focus on specific areas within the Economic Strategy.

- Table one: Chief Minister and Jonny Platten (notes)
- Table two: Minister Poole-Wilson and Gareth Pryce-Jones (notes)
- Table three: Minister Lord-Brennan and Tess Joughin (notes)
- Table four: Minister Allinson and Karen Swart (notes)
- Table five: Minister Hooper and Peter Boxer (notes)
- Table six: Caldric Randall and Nathan Lunt (notes)
- Table seven: Mark Lewin and Kirree Goberman (notes)
- Table eight: David Catlow and Tara Leneghan (notes)
- Table nine: Michael Crowe and Matthew Gardner (notes)
- Table ten: Lyle Wraxall and Chris Reilly (notes)

Table 1: Facilitated by the Chief Minister

Strategy and Direction

- There was a brief discussion on the overall feelings around the strategic sense of direction – feedback was it was great to see such an ambitious plan with clear targets. Helps businesses and Departments align. Gives lots of food for thought.
- Discussion around who was going to monitor performance – there was feedback that monitoring and holding Govt to account were important:
- E.g. Set up a programme board run from the heart of Government. Performance framework with deliverable targets. Econ strategy + Island plan will come together as one document. 4 key pillars makes it easier to monitor.
- A lot more detail will be worked up
- There was a challenge whether adding more Government Boards was the right thing or do it via Tynwald (empowering Tynwald eg. Auditor General, Tynwald Committees being staffed more etc)? This led to an extensive discussion about the structure of Government. The Chief Minister noted that proposals re: Govt Structure would be brought to October Tynwald. COMIN has made efforts to refocus various Departments that had previously been silo'd. This initiative had been recognised and welcomed by the private sector.
- Auditor General being recruited



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- Some issues will still continue - these problems won't go away overnight: Adopting a strategy will help with accountability but won't solve all the problems

Infrastructure and Investment

- There was a discussion about Govt support for private initiatives. Positive changes have happened in Government, but we need more of a 'quick no' rather than a prolonged 'maybe'. Take some of the red-tape away. This went on to a discussion about the Ramsey Marina (as such an example). Biggest challenge is felt to be the structure of Government which is not structured in a way to deliver. E.g issues with DOI capacity to deliver as well as Attorney General's Chambers.
- Accepted DOI not performing: Major Projects Unit will be announced soon as part of restructuring.
- CM and team are making a major change in stance - more engagement across Departments. Government leadership is providing the 'we're all in it together' messaging.

Young People and Education

- Conference is a good idea- encouraging to see young people at the conference. Need to incentivise young people to stay - suitable opportunities e.g. studying, job opportunities.
- This led to a discussion about on-Island education. Encouraging young people to go off Island is a concern. Island should invest in UCM as a centre of excellence. Island should have something catering to international students as economic potential (fees) as well as helping with demographics. They also become unpaid ambassadors when going back home etc. Island campus we should absolutely go for again. Govt has to pump-prime the money. Govt has to be brave enough to put up e.g. 20% of the investment and leverage private sector investment appetite.

Quick Wins

General Government Structure

- Is AGCs fit for purpose?
- Room across Government in a whole host of areas for improvement.
- Major culture/performance/professional issues – improvement / changes currently ongoing
- Private sector can already see the change - can see a light at the end of the tunnel

Income raising

- Income streams for Government - capitalising on renewable energy opportunities / gas. Still an issue with Government finances and their sustainability. Table was asked for views about raising income.
- Government doesn't create wealth - either sell underperforming assets, or raise tax on people (unpopular).
- There was a discussion about the idea of abolishing income tax and putting VAT up.



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- Got to target businesses that have the growth potential but not the anchor to UK. E.g. set up R&D operations in the IOM. Creating substance.

Other Ideas

- R&D Centre of excellence - Silicon valley idea / bubble?
- Use the Isle of Man as a testbed for new products / technology
- Creating excellence breeds excellence
- Marine Biological Station was centre of excellence but wasn't supported? Used to bring people over that stayed over (not necessarily in that field)

Table 2: Facilitated by Minister Poole-Wilson & Gareth Pryce-Jones

So below are some of the subjects and feedback that were brought up and discussed on table

- Government structure – there has been discussions around a joint up structure within the government but feedback that current set up doesn't allow for this and that a review is needed for this to be set up. Also feedback was the need for a single level entity within the government with Jersey being mentioned as something to look at.
- Resources within the governments departments and the inclusion of statutory boards and budgets to these was brought up and also the making of deliverables to be made more public also noted.
- Increasing of population on Island, what is the strategy for this, what demographic is the island targeting, what sectors of businesses are we looking to grow, is there a need to look into what is being brought up at schools within both primary and secondary on careers and skills needed on Island.
- Lovetech mentioned that they are finding it hard to get contact with head teachers and schools on Island, a need to have a wider strategy on path ways for children in schools now to have a clearer way into sectors on Island, could we look to have students sponsored by companies on island to do courses that would mean employment being guaranteed here. With students looking to go to the UK for courses could we have an education campus here on Island that offered specialist sector courses and qualifications, this could help with companies looking at the island to relocate business.
- Infrastructure review needed for both schools and housing for increased population, Douglas High Schools being oversubscribed, more modern schools needed in order to cope with demand. The nunnery was mentioned also, previous set ups not worked as well as expected, maybe link to other higher education establishments to offer more choices.
- what about empty offices and buildings, could we look to have these transformed into low cost accommodation for either key workers or new businesses looking to set up on the Island, what has the Manx Development corporation have to offer to new businesses, sites like Old Marine Biological centre in Port Erin and other sites in Douglas and outside looked into for growth.
- Immigration was also discussed, could we have discussions with the UK that our economy was different to theirs and look to see if we could offer opportunities for the Wealthy businesses owners in around the world to have an opportunity here on the Island, could we more in charge



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of monitoring of our own population. Be tighter on residents staying on the Island, disincentives being mentioned with strategy.

- Government needs to take greater steps in becoming Digital, too much of what people complete is paper based, also mentioned was the need for the government to be the developer in becoming a smart island, we have a high number of technology based companies on the Island that could help set this place for us, use the expertise that we have available to us, why don't we outsource to more companies on island.
- Tourism, too many of the heritage sites on the island are looking dated and need to modernising to encourage people to come and visit the island, new tourist attractions could be looked into to move the island forward.
- Selling the island as a green island, biosphere should be a bigger selling point for us, along with being one of the safest places to live in the world, how and what are we doing about selling the Island to the rest of the world.

Table 4: Facilitated by Minister Alex Allinson and Karen Swart

What areas do you think the Island needs to improve in order to be more attractive to and retain a younger, working demographic?

Issues: (Affordable Housing, Skills Shortages, Cost of Living)

- Some young people are put off by the small community on the Island as they like the anonymity offered by larger cities.
- For younger and lower income individuals it can be cheaper to live in the UK. Cost of living is cheaper and they don't have the added travel cost to get on and off of the Isle of Man
- Estate agents have noticed that the majority of people moving to the Isle of Man are from the age of 60 and upwards.
- The Isle of Man has established, old fashioned business modules that are no longer fit for purpose.
- Obtaining planning permission is becoming more challenging.
- Housing availability is an issue and a barrier to entry.
- Skills shortages are causing recruitment challenges
- The "nightlife/entertainment" on the Island may not be as attractive to younger people.
- Tax barriers in relation to benefits in kind make it difficult for employers to incentivise relocation.
- Company registration fees an issue for smaller start-ups
- Support schemes are not fit for purpose or sufficient for attracting start-ups.
- DFE is particularly frustrating to work with as it seems there are always barriers to try and navigate around
- Government website difficult to navigate.

Suggestions: (Education, Incentives, Promotion)

- Could offering a wider range of higher education courses on the Island help to retain younger people? Enhancing the UCM offering?



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- Consider incentivising inward immigration (other than the National Insurance Scheme)
- Education focused on work based training
- The Isle of Man could be a great place for remote workers.
- One of our biggest assets is safety. The Island is a safe place for individuals and families. How do we market this?

** Unfortunately we ran out of time to discuss any other questions.

Table 5: Facilitated by Minister Hooper and Peter Boxer

Young people

- Linking bursaries to professional skills training that we need.
- Paying back money that people have invested themselves in training (accountants)
- Share better the story of those who do come back
- Price of housing is unachievable compared to levelling up UK
- Giving people grants might disincentives people coming back
- Risk of parents leaving to join kids
- Is it really young people we need. Don't we need people with some industry experience.
- Let's not forget people on the island and investing in their training
- More about industry basics (power BI, excel)
- Bring training and skills environment to the high street.
- Getting others who are not economic active back into the market
- No incentive for people to bring people to the island if they are then poached to the big firms. Is this not for business to solve – initial contracts?
- Can the big firms be brought into training more widely to benefit the market.
- Can industry support mortgages through guarantee. Would be attractive to people from UK and beyond.
- COST OF LIVING. COST OF LIVING. COST OF LIVING

ESG

- ESG. If the island prevents businesses from achieving their ESG (especially environment) then they will leave. Eg EV roll out.
- Can we do more for broadband.
- Why have we not moved on eBikes, electric scooters and bikes.

Population

- Are we ready for 100k people? Water? Schools, power.
- Need to get moving on real £ support for alternative energy. For individuals as well as businesses.



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- Govt leverage on purchase for renewables. “govt buys £20m” of solar panels. Come and get them at cost. And oven ready govt trained people to fit stuff.

Table 7: Facilitator Mark Lewin

Graduates Discussion;

- Many parts of the UK are offering to pay full student fees and guarantee graduate jobs at the end of their studies has incentives to encourage graduates to return been looked at?
- We need to keep more students on island to study, we need to increase education offering on the IOM e.g. degree level, broader offering relevant to jobs available.
- We currently lose graduates off island – there is nothing for students to come back to. Limited jobs on the island, the job opportunities / breadth of availability is not there, so many will not come back to IOM.
- UCM confirmed they welcome engagement from businesses, as often find it difficult to engage industry.
- Young people need more than just jobs, they want a social life, cost of travel from the IOM is a problem. The IOM does not have to appeal to every 18 year olds.
- Security and safety is a USP to bring people to the IOM, we use this to draw young grads to the IOM from SA and Brazil.
- Need to look beyond graduates at those individuals (not 18-25 year olds) looking to settle down and start families.
- We don't have the leisure facilities to keep young people and families here – does Gov need to step into this area? With 80K population, some of these items are not feasible
- Education and Health Care are key supporting sectors – these must be right to bring people in.

Innovation;

- R&D is an area where the IOM should be looking at, to increase innovation. Eg Media city in Salford. 10 years ago there was nothing in Salford, Industry 4.0
- Innovation is not led by Government, but by industry. But need to create the environment for innovation e.g. the infrastructure.

Population Growth;

- It is important this is targeted at the right individuals / people and sectors.
- Employment is coming down slightly but still a huge requirement.
- The Island is easy to sell to people, but we need the right jobs to place them in.
- Is growing the population, going to impact on Education and Health Care? We need to make this growth sustainable for the long term. We need to invest in the infrastructure – where does the finance come to invest in these areas?
- Is Gov going to help business, by providing incentives to new employees to help with housing?
- We need a broader range of options for housing – flats, affordable housing,



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- Need to review who can come to the IOM, there needs to be a balance in who can move to the IOM. To ensure there is a bias towards the more economically active.
- Has private health care / health care tourism being looked at as a growth sector?
- Safety is a key USP. We need to create a safe space for innovation, and a place where people can fail. People move to the IOM because it is a safe space and because of the community. The heart of the community is missing from the strategy.
- Music and art is missing from the strategy – this is key to vibrant community.
- Safety, trust, transparency, are all fundamental.
- Need to compete with Poland or lower cost regions.
- We need landing zones (halls of residence) for bringing people in. Modular living space / units. Businesses will build their own infrastructure – housing.
- Transport needs to be reviewed in line with population growth; e.g. the IOM could be car free if infrastructure is right or promote more car sharing.

How do we raise the Finances;

- Smaller Civil Service
- Digitisation
- Look how other nations have done this. Leverage learning. E.g. Australia, Estonia

Sustainability - Are there opportunities?

- Small scale RR nuclear reactors. Is this off the table?
- Clean energy is key. How can the IOM become self-sustainable
- Energy Strategy must be at the top of the agenda – everything comes from this and private sector is key to delivering this.
- IOM Base load is 80MW, the island could be a net exporter of power The IOM is an ideal
- location for data centres. But must have abundant clean energy. This also creates jobs, but we need to get to clean energy first.
- Vertical farming for food independence is a future opportunity
- Energy, as an island we must look at the full costs e.g. generation and storage, when costing options.
- Northern power house project – are the IOM linking into this?

Is Government Delivering?

- Need to look at free nursery and child care places. To enable people to return to work.
- IOM Campus, this has been spoken about to attract International students. This has previously worked and should be reviewed again. E.g. Marine Biological Station.



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Table 8: Facilitated by David Catlow

Population growth

Housing

- Difficult to attract younger people due to housing market. Building more houses is great but they can be purchased by UK firms. How do young (and young local) people get on property ladder? Jersey have a tier system, could we do something similar?
- Social housing is an issue – people in social housing who earn more or are running side businesses . Means tested for social housing that's regularly checked?
- Malaysia – cannot purchase a home without being resident without permission from Government
- We pay for education for young people to go to university – they're unable to come back to the island due to affordable housing. Issue with retaining students on island
- Housing – people who want to buy bigger – houses are sold before going to market. This would free up smaller houses for first time buyers
- People on average salaries can't afford Isle of Man rent – this is an issue for our potential returning students and for attracting younger professionals who are not yet on the higher salary brackets.
- The generation of people leaving their wealth to younger generation is slowing down
- Generational differences – used to be a job for life, then moving in jobs, then quality of life/job, now generationally is work/life balance and benefits etc.
- 1 – Need to showcase the available opportunities on the Isle of Man
- 2 – Social housing needs a review. This is a small number of people though
- 3 – Assistance for younger generation to get on the property ladder
- 4 – Non-resident stamp duty type disincentive? Cap on number of properties that can be owned by one person/business?

Entertainment

- Compared to 30 years ago – not many nightclubs, shops, vibrant areas, bars, leisure centres sports facilities, ice rink (always had previously but lacking now more than ever).
- Open up more facilities in schools while schools are closed? People need somewhere to congregate

General

- Young Achievement completed survey of 300 on-island children – 80% don't understand job descriptions and a large proportion don't realise the job potential on-island. Most important thing off terms of young people's needs from the survey is flexibility within the job (e.g. activities, duties), flexible ways of working etc.
- 25% of on-island students don't go to university – Young Achievement stated from their survey
- Boards of directors need younger people feeding in to represent the needs of wants of the younger generation



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- No work experience for young people anymore. Year 12 and not going to university – come out of school with no work experience. Young Achievement – looking at work placements for 14/15 year olds to support hospitality sector but legislation doesn't allow this. If younger people had work experience and exposure earlier, this will feed in the job market.
- College to do courses that dove tail what the Isle of Man industry needs

49% non-economically active

- Isle of Man has 'worst' age demographic in Europe – dependants are a drain on services and do not contribute to economy
- Most polarisation of public opinion is regarding the island's demographics
- A lot of people buy property for tax reasons but only need to spend 90 days on-island (which isn't checked at the borders)
- Could people who don't want to retire retrain in an area where we're lacking skills?
- Re-educating and re-skilling programme for older generation
- Incentives for employees employing older generation in receipt of pension – NI break?
- Generates employment opportunities, extra tax and NI payments from employee
- Older people relocating – should they demonstrate how much money they have to be able to move over? Similar concept to Australia
- Just because people are older, it doesn't mean they can't be economically active

Table 9: Facilitated by Michael Crowe and Matthew Gardner

Concerns around disincentivizing older people

- Concern that there are people aged 65+ who still make a positive contribution to the Economy investing and spending and should not be disincentivised. These people have earned money here, paid into the pot, and therefore should be entitled to services. Still taxed on UK pension income etc. People still use private healthcare who would not take away from the IOM purse.
- Bad idea to dis-incentivise anyone. People often have wide-ranging connections that may encourage people to the Isle of Man. Having family connections is important on the Isle of Man.
- Marketing of disincentives does not feel very sympathetic. Overall there will be both people who provide and take away from Government budget. +/- . Trying to take an active role in anticipating the future problem. Inverted demographic pyramid is a big problem.
- Needs a less targeted solution – not calling people out individually. 49% are not economically active on the Isle of Man. Maximise the opportunity with what we have at the minute.
- The contribution made by those who have not retired. What is the skill sets and availability of the resource of those who have not retired? Share their knowledge and expertise. Utilising the human asset. We need more flexible working times that support unique shift patterns especially for parents and older workers.
- For example - hard to find actuaries on the Isle of Man. Companies are bringing young people over which is working well however there are issues with rental properties.



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Difficulties for young people to move over here

- There are many small barriers at present with young people moving to the Island and once compounded can often put people off. For example setting up Wi-Fi and phone contracts where they are forced into 2-year deals. Further issues in the rental market with access and costs. Ability to move to the Isle of Man (Recent graduates) is very hard. How do we make the Isle of Man more attractive to the younger demographics? Digitalisation. Government website broken links etc. Locate Isle of Man valuable however rest of gov.im website is clunky and old fashioned. Everything needs to be digitised and online.
- Suggestion of a 1-week induction when people arrive here. Utilities, phone contact, banking. Concierge service.
- Housing for younger people on the Isle of Man – Need more than just a good job. Needs to be an attractive place too (Regeneration and developments – exciting retailers and hospitality providers).

Poor transport links on and off the Island

- Reliability issues with air services and regular cancellations make the Isle of Man unattractive from a business and leisure perspective. On-island issues with the bus services also causes issues and drives a car culture on the Island. This “car culture” is especially harder for young people wanting to work anywhere on the Isle of Man without a car.

Lack of Housing

- We have more space here compared to other jurisdictions. We need a new population centre that is not just expanding Douglas. Moving away from the Douglas focus. Incentivise people to locate out of Douglas. Build more houses and develop infrastructure. Government incentives to bring students and families over. Real incentives – Need to make it worthwhile to move here. A very safe place that you can market externally. Market the Isle of Man as a safe haven destination.

Need for increased digitisation of Government services

- Online services are clunkier here. Need more digital services to attract young people. Need to go above and beyond what other jurisdictions are doing. Need to stand out as a tech forward Island. We are currently a few steps behind other jurisdictions. Need to be fully online to compete with other jurisdictions. Need an enabling environment to attract young people with increased flexibility.

Access to credit cards and other financial services

- Discussions around how people get cut off from their services once they move to the Isle of Man. Don't want to make them feel trapped.
- Data digitisation and Cyber security. Need the world's best employees to come to the Island and have leading infrastructure to support this.



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- “We’re not the UK” we are different and can do things differently but then lose access to UK services etc. due to compliance issues.

Table 10: facilitated by Lyle Wraxall (LW) and Chris Reilly

Question from Lyle to the group: Which parts of economy need attention?

My wife is relocating here and the Immigration process has been a nightmare. The UK part was slow but there were additional delays on the IOM end – 2 months.

Transport links – Logan Air is good, Easyjet is appalling – hearing about a young family being dumped at LGW not good for the Island

Ferry timings are pretty bad – they’re good for leaving, but not coming in.

We’ve gone from 45 flights a day to a dozen, it’s not easy getting on and off Island, which means it’s not attractive for families because so few flights.

LW – Ferries are within government control, but airlines not so much, so it’s difficult to affect change. It’s primarily a supply & demand issue – there are plenty of flights being cancelled or going part full. Some issues are because of Covid and we’re still recovering from that but there are also some issues with off island transport links. There are also some issues with tax and aircraft being here.

What will attract the likes of easyjet to come here?

LW – The cost to park aircraft is attractive, Flybe used to do that. They need to have people on hold flights in the morning, we’d have a much higher chance of flights not being affected - now we are last in a long line of flights on any given day.

There have also been staffing is an issues at places like LGW.

LW – It’s a global issue, transport links are key to attracting businesses here.

We need to increase the numbers of young people coming back from universities, we need a mix of carrots & sticks – how do we incentivise people to come back? Talk of student loans / tax incentives. Need to find ways to persuade them to come back. Artists etc, aren’t going to come back we need to work on other sectors than eGaming or Finance. We’re too reliant on eGaming and Financial Services, we need things like engineering.

Retail sector struggling – can we do something with rates?

LW – WE can’t make people come here, but what we can do is attract them – i.e. eGaming regulation, FinTech etc. It’s a chicken & egg situation. 3 years ago we had no blockchain space, we spent very little money and didn’t really advertise, what we did do is create attractive regulation and we’ve seen it grow.

We need to educate people to get new skills to evolve with new sectors.



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LW – We are doing that, we put out a programme to upskill 500 people on things like – word, excel etc – only 250 of those were taken. STEMfest next week, is bringing 800 schoolkids to engage them in STEM sectors, we do need to do more though.

It shows a lack of communication from government, because people don't know about these things.

LW – Communication is always a challenge, to get people involved in these things.

Does government track and communicate with students to understand why? 1000 leave every year, don't come back. There are a lot more opportunities in the UK. We should also focus on family benefits

Karann's daughter has actually done the opposite, she didn't go off to university, she trained here and stayed.

Junior Achievement has just done some research on why students, stay or go. If you're not going to university, what are the options?

Students who don't want to go to university are treated like second class citizens, they're told they need to go to university to get a career.

Junior Achievement are trying to work with non-university students to understand what opportunities there are – work is going on, but need to get schools buy in.

Used to be university or nothing, university isn't for everyone.

LW – There is a strong focus from government on bringing in and retaining younger people on the Island.

Question from Lyle to the group: What can we do in sustainability

Tax incentives on electric cars, would drive adoption

At Capital International they have a programme where every employee can get an electric car, but there's a 1 year wait list, there's also a real shortage of charging points around the Island

It's about trying to get people to use them, there's not enough infrastructure though. We need to have that before people will use them!

DEFA has EV spaces.

What about investing in public transport? In Gibraltar it's free, could we do something there?

We need windfarms.

LW – how does that drive sustainability?

It's a myth that it's the answer, it's a complex problem, you can't just put up a few wind turbines and suddenly we've got green energy, we need to have a complete strategy to implement.

What about solar?

What about Carbon Credit trading?



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***LW** – We're looking at REGO certificates, we currently import our green energy from the UK as we don't have a way to certify our own. So can we create our own green energy? One of the issues is that prices of REGO energy can be very volatile. People might think there's nothing happening here, but we have a whole team thinking about it in government. What does that mean for MUA / island energy? We have to consider these things. There's about a 1p price difference for residential customers. Another issue is that for certain companies it's a barrier to ESG, for example data centres. Can we offset / subsidise some of these? In some cases companies can't get work in the UK because they couldn't prove ESG.*

Do we carbon credit trade?

We do some, with the IOM TT for example.

***LW** – we're going down the REGO route.*

What do we think about the green living grant scheme? I'm seeing stuff on Facebook, there have only been 45 applications, and none have got it. Surveys costing £400+, site visits, the feedback hasn't been good.

***LW** – Grants can be adapted quickly, we need feedback on these to affect change.*

***LW** – Cost is inflated because of semi-conductor shortages. Go to futurist floor session tomorrow. IOT to track usage*