

Mr President

It is an honour and a privilege to be able to present to this Honourable Court the 2025 Budget.

I would like to thank all the Treasury staff who have committed themselves since last summer to deliver this crucial piece of work and all those Tynwald Members, as well as members of our community and business sectors who have provided input for this ambitious programme to create a more responsible and sustainable plan for the finances for our nation.

“Since I stood here a year ago global political, climatic, military and economic turmoil has continued to provide challenges and uncertainty for all societies and economies, ours being no exception”.

That is a direct quote from the speech I gave last year. It is still true but many things have changed since then, with new international conflicts, looming trade wars, ceasefires, changes in administrations around the world including across the British Isles and the increasingly obvious destructive results of climate change.

There is anxiety in this Court about mental health issues amongst our young people, the problems our constituents face finding accessible and affordable housing, the cost of living in general and travel disruption which can make getting on and off our Island difficult at times.

This anxiety can be pervasive, often fed by the 24 hour news cycle and a flood of unverified claims and accusations made on social media.

Key to this year’s Budget is a clear statement to promote stability and certainty.

A commitment to deliver on the ambitions of Our Island Plan. To deliver certainty for our businesses, to put more money in people’s pockets, to increase both consumer confidence and business confidence and to drive our nation forward.

That confidence is key. It cannot be artificially created but is easily eroded through constant negativity.

Last year, following the Budget, the Chief Minister and Council of Ministers visited the four corners of our Island to listen, learn and hear the voices of our community. We again held an open Government conference last

September, and continued to respond to the needs and requests of our business sectors to drive economic recovery from the global turmoil over the past few years.

It is the range of businesses we have on our Island that create economic growth, **not** the Government. But Government must help create the right economic environment and business confidence to drive our economy forward.

And we now see the success of this; growth forecasts for GDP to increase by 3% this year and next, low unemployment, growth in jobs and an increase in the value of Government reserves due to a more stable financial environment.

We have listened to the people, and this Budget seeks to deliver;

With the approval of this Honourable Court we will reduce the upper rate of Income Tax with a rate reduction of 1%, taking it down to 21%

We will initially increase the Personal Tax allowance up by £250 for a single person and £500 for a jointly assessed couple to take more people out of the higher tax bracket. I will review this once again in 2026/27.

We will increase employee National Insurance thresholds, which will assist the lower paid

But there will be **no** increase in the Employer NI rate, protecting businesses finances

There will be increases to the rate of key benefits in line with Manx inflation, providing support and a safety net for all

There will also be a significant increase of £10,000 in the income thresholds for Child Benefit, putting more money in working families' pockets

These measures combine to specifically help single people on low wages and working families putting an extra £1000 into the pockets of a middle income household with two children.

The Chief Minister spoke last month about the need for increased efficiency and productivity across the public sector and there will be regular and more accurate reporting of the number of people working to provide the key services our community relies on.

We will enable those who work in the Public Sector to reform and energise the ways they provide public services.

Key to the delivery of any Budget is maintaining financial discipline and adhering to the established Medium Term Financial Plan which aims to cut the structural deficit and allow us to return to a situation where we are able to start adding back to our reserves rather than draw down on them in the short term.

That financial discipline means that although all Departments will see an uplift in their budgets this year, this will equate to a 2% provision for pay increases and a 1% increase in non-pay costs.

We must ensure, at every level that we have accountability and control over how we spend taxpayers money.

Although inflation has returned to a more normal level this will mean all departments and services will need to prioritise their spending to maximise the benefits for our community.

It also means that any public sector pay increase will need to be accommodated within existing budgets and the recently announced recruitment control framework will assist with this.

This Government has listened and responded to the public's views. The Pink Book published today is a plan to put money back in people's pockets, to increase consumer confidence, to give business certainty and stability, and to enable continuing economic growth that can be enjoyed by all those who call the Isle of Man their home.

Many Honourable Members have expressed their concerns and suggestions for the Budget over the past 12 months. Mr President, I have listened and the Budget before you contains a range of responses to our ongoing democratic debates.

I would like to thank the Honourable Member for Douglas North, Mr Ashford for his ongoing work to address the issue of affordable housing on our Island. Treasury have worked with our colleagues in the Department of Infrastructure to improve the way local authority borrowing is managed to invest in new and refurbished homes.

The creation of a separate ring-fenced Housing Deficiency Fund and an injection of an additional £2 million will allow significant public sector housing schemes in Douglas, Ramsey and our other towns to progress much faster and meet the known needs of those local communities. There is also an extra £1 million to go to the important work of the Housing and Community Board to further develop initiatives for those leaving care or who find themselves homeless.

The Honourable Member for Douglas East, Mrs Barber has done an amazing job at the Department of Environment, Food and Agriculture. Her energy efficiency scheme launched in December 2022 has now reached 10% of all homes on the island enabling households to lower their energy bills. It is now the most successful energy efficiency initiative in the British Isles and is being provided with an additional £750,000 to allow it to continue throughout this year and the next to help even more households. Also an extra £4 million will be added to the Agriculture and Forestry Fund to support the agricultural sector in our Island and improve food security.

The Honourable Member for Garff, Mrs Caine has successfully argued for extra resources to facilitate some of the changes needed in the Department of Education, Sport and Culture following the independent report on funding of our education services. An additional £8.3 million will be provided in this Budget for the Department including £3 million to support accessible childcare for working families and enhance the provision for those with special and complex needs.

I would like to thank the Honourable Member for Onchan, Mr Callister, for his tireless work as Chair of the Planning Committee, which after careful scrutiny has approved a number of landmark developments which will provide homes, employment and economic growth across our Island. Government anticipates a full programme of capital expenditure for the next financial year of approximately £90 million which will provide much needed improvements to critical national infrastructure as well as support the local construction sector.

I applaud him for his support of constituents in social housing and his concern over the level of rent increases. After considering his concerns this Budget provides for significant increases in the provision to meet housing costs both related to Income Support and EPA as well as a £50 increase in the winter bonus payment which will provide £400 to the poorest residents

on the island, including those of Onchan next year to help meet their heating bills.

The Honourable Member for Ayre and Michael, the Chief Minister Mr Cannan has successfully promoted our Island on the international stage and championed our business sectors. As a result of corporate tax changes brought forward last year that raise additional income from 2026-27 we will be transferring an additional £10 million to the Economic Strategy Fund in 2027-28, 2028-29 and 2029-30 to be used to support our economy. We have already seen the positive responses to a wide range of schemes he has championed which have leveraged over £90 million of private infrastructure investment in our Island, an Island which is forecast to have one of the highest growth rates across Europe in the coming years.

It was a great pleasure to discuss this Budget with the Honourable Member for Douglas South, Mrs Christian during the first week of her taking up the challenging role as Minister for Health and Social Care. She has already demonstrated how effective communication and a more collaborative approach can achieve success. This Budget has baked in the additional £43.8 million extra funding provided for in last year's Budget plus an additional 5.23% as determined by the above inflation funding formula and a further £14 million contingency Budget held by the Treasury to address some of the unpredictable pressures on our essential frontline staff.

In this Budget we are making an extra £25 million available to support health and social care.

But we cannot continue to write a blank cheque that starves other essential services of investment and increasingly threatens the overall future finances of our Island. Treasury will continue to work with the Department and Manx Care to drive not just value for money, but the improved patient safety and delivery of services we expect and our people deserve.

The demands on our NHS have been increasing year on year and the budget to meet these has tried to catch up. However, further transformational change and reform is essential if we are to improve the health of our nation and I look forward to the Honourable Member's plan to invest more in primary care; our GPs, Community services and dentists

who are at the heart of our community and the first port of call for many of us.

The Honourable Member for Douglas Central, Mrs Corlett has spoken passionately about the needs of her constituents and pressures on young families. The maximum rate of child benefit will increase to £28.65 per week, per child. Last year in this Honourable Court I committed to review the respective income thresholds and this budget increases each of these by £10,000 meaning that more families will qualify for the maximum amount and we are also introducing legislative changes that will introduce a new provision so that eligibility can be reassessed should a families' income level change significantly during any current tax year.

Increasing these thresholds for the first time in over a decade will put an extra £1.2 million in the pockets of families on our Island in addition to the rise in other financial supports.

The Honourable Member for Glenfaba and Peel, Mr Crookall is now tasked with driving efficiencies throughout the public sector to deliver better, more effective services to all of our people. A total of £5.3 million will be added to the Transformation Fund to finance initiatives aimed at digitalising and automating processes in order to achieve efficiencies and cost savings.

As we travelled around the Island last year our people expressed frustration at the growth in the size and cost of Government. We have listened. A much clearer report on the size of the public sector is now available and will be published quarterly. Over the last year regular scrutiny panel meetings have been held with all departments to assist and encourage them to balance their allocated Budget. The success of this can be seen in the quarterly management accounts where the number of departments forecasting an over spend has reduced from four to just one. This work is ongoing and I look forward to continue to work with Mr Crookall as this Government balances a realistic but tight budget with the demands and expectations of our community, whilst valuing the incredible people who work across Government to make this island such a good place to live.

The Honourable Member for Onchan, Ms Edge has championed the rights of whistle blowers and this Government has already committed extra resources to improve the advice and functions of the Office of Human

Resources with continued training for managers to ensure individuals concerns are listened to and acted upon. She has also expressed her concern about the funding of residential and nursing care.

This budget will increase the contribution towards nursing care by 5.3% as well as raise to £15,000 the amount of capital a person can have before this is counted towards the eligibility of a range of benefits.

In the capital programme additional money has been made available to upgrade the Astroturf pitch at the bowl, as well as the regional pitches and track at the NSC. There is also funding for improvements in the lighting both inside and outside the facility to make ready for the Island Games and welcome thousands of athletes to our shores in 2029.

I am grateful to the Honourable Member for Douglas East, Miss Faragher for her significant input when we debated the Tax Strategy last March. As an independent jurisdiction we must balance the needs of attracting inward investment with the fundamental fairness of a progressive tax system. Since the introduction of the tax cap in 2006 the world has changed. It has been successful in attracting people to our Island but as other jurisdictions compete to attract and retain the skills and entrepreneurial talent needed to promote innovation and economic growth we need to constantly re-evaluate our incentives for people of all incomes and all demographics. From April this year the tax cap will increase to £220,000 a year. Today Treasury also meets a Tynwald commitment and publishes our review of the tax cap which analyses the effective tax rate across our population. This commits to us working with the Department for Enterprise to reform how we offer financial incentives to a much wider range of people to ensure we increase our actively working population.

She has also championed the provision of a more suitable bus terminal in the heart of Douglas. Whilst we wait for the outcome of the planning application with respect to the development at Lord Street £150,000 has been made available to design and test the feasibility of alternative provisions at the Sea terminal and along Victoria Street.

Treasury and Dol have been working with Douglas City Council to help them renovate void properties and bring them back into use to improve the provision of social housing in our capital. She has often complained of a lack of action on empty and derelict properties around our Island and I will

be bringing forward legislation to empower local authorities to address this.

The Honourable Member for Arbory, Castletown and Malew, Mr Glover, has often asked Government to listen more to the voices in our community. We have and will continue to hear and respond to as wide a range of people and organisations as possible and I am aware that the Chief Minister is already planning another series of roadshows and arrangements for this year's Government Conference. But he has also been critical of the temporary tax increase last year. We have listened and in response to the public's views will reduce the higher rate of Income Tax from 22 to 21% this year with a clear commitment to reduce this further to 20% when it is affordable to do so. Whilst it has not been possible to do this today, the increase in the personal allowance and child benefits will directly help working families, including those in his constituency.

He, and other Members have questioned the purpose of the NI Holiday scheme. After careful review of its effectiveness I am bringing forward significant reforms to the scheme so it can be repurposed to incentivise the return of Manx students and on-Island training.

The Honourable Member for Rushen, Dr Haywood has hit the ground running after leaving her previous guerrilla gardening behind and becoming Minister for Infrastructure. I look forward to working with her and the Department as we end the logjam affecting the development of more social housing in our Island as well as provide improvement to our ports and border security. Last month this honourable Court supported the Ballacubbon Housing development as well as a two year scheme to improve surface water drainage and safety at our airport. £32.9 million will be made available for infrastructure investment focussing on maintenance of our road network and £21.6 million will go towards making sure our courts, schools and health facilities are improved for use by the public.

I would like to thank the Honourable Member for Ramsey, Mr Hooper, for stepping up and joining both the Dol and DEFA as a political Member. I look forward to working with him and the local commissioners to bring to realisation both the replacement of Cummal Mooar as previously discussed in this Honourable Court but also submitting completed capital



bids for the refurbishment of Ramsey's West Quay including better flood defences and the provision of much needed additional social housing on the Close Woirrey and Albert Road sites.

Whilst I respect that we differ in our views of taxation strategies, I know that he will agree with me that it is essential we have stability and certainty in the Isle of Man for the good of our people and our economy. A responsible and sustainable Budget is key to promote that confidence to take us forward together.

The Honourable Member for Ayre and Michael, Mr Johnston plays a pivotal role in our economic recovery as well as being a strong advocate for his constituents and the wider agricultural sector. This Budget provides for ongoing support for the ambitious AI Strategy as well as the development of Sustainable Finance through partnership with the finance sector and international outreach. I will again be watching the TT this year and the continued success of the multimedia initiatives reaching out to a new audience. I also look forward to the new format for the Classic TT, created after a long period of feedback and reflection from riders, organisers and local businesses. His championing of the local economy through the strategy received by this Honourable Court last month will see significant investment to increase the viability and resilience of the large number of small hospitality and retail businesses which form the foundation of our highstreets with an initial £2.4 million investment on offer.

Later in this sitting Members will get to fulfil our commitment to continue tackling poverty by increasing the Minimum Wage to allow people to earn enough to enjoy the basic opportunities and choices for them to participate in our society. This Government has listened to the voices of Honourable Members and others in our business community about the rate of change at a time of economic pressures. We remain committed to the Tynwald resolution to address low pay in our Island and will create certainty and stability going forward as we devise a better alternative way of calculating the Living Wage which avoids large annual step changes.

I would like to publicly thank the Honourable Member for Glenfaba and Peel, Mrs Lord-Brennan for her previous work as Minister for the Cabinet Office to welcome refugees from the Ukraine to our Island at the peak of the violence unleashed on their country. This Budget continues to fund our

overseas development aid commitment although because of the current financial climate I was unable to increase it as I had planned.

With respect to other matters relating to her constituency Treasury are currently working closely with DEFA to bring forward a major project to upgrade the Kionslieu reservoir in Foxdale and deliver on schemes to reduce the silt being deposited in the Peel Marina. The relaunch of the Town and Village regeneration scheme will also present significant opportunities for businesses in the Sunset City, and I look forward to working with her as she continues to be a strong advocate for her constituents.

I would also like to thank the Honourable Member for Douglas South, Mrs Maltby, for the time she spent as member of the Treasury and especially her dedication to improving our social security systems. Her work on digitalisation has made a huge difference to those needing benefits and will expand as we review and bring more applications on-line. As part of the Budget we are increasing the carers allowance to £169.40 a week but also increasing the weekly earnings limit to £210 a week in line with increases in the living wage. After her questioning I can confirm that the lower rate of maternity payments of £375, which is currently payable where a person or their partner has received a maternity payment in the 3-year period immediately before making their latest claim is to be abolished. From April £750 will become the standard amount in all cases.

Mrs Maltby has also campaigned for more changing places toilets to provide for those with disabilities. She has worked with Tesco who installed one in their redevelopment of the Victoria Road store. As part of the capital budget there is £147,000 for the provision of similar facilities at two strategic Government sites on our Island.

The Honourable Member for Arbory, Castletown and Malew, Mr Moorhouse has also represented his constituents effectively and raised a large number of issues on the floor of this Honourable Court. In terms of some of the capital investment he has championed, £1.9 million has been allocated for the Ballasalla Bypass junction and a further £300,000 for additional classroom capacity at Ballasalla School to address a quite sudden but consistent increase in their student roll. The £3.2 million funding for the

design and feasibility of a replacement Castle Rushen High School is well underway and I would like to thank him and his Southern MHK colleagues for attending the regular update meetings on this important project to improve educational facilities for the South.

We met with officers yesterday to discuss the progress of this vital scheme to invest in our young people; the future of our nation, and Treasury's commitment to come forward later this financial year with a fully costed capital scheme for Tynwald approval. I share his frustration with the time it has taken us to present plans to the local community and will work with all the departments involved to ensure this process is expedited.

The Honourable Member for Middle, Mr Peters has steadied the helm at the Post Office during a difficult period when the Royal Mail made several challenging decisions regarding transport to the Island. I would like to thank him and the Board for their constant innovations as set out in their recent annual plan. I accept that we will be asking for an increased levy this year, but am committed to work with him and his board to support the long term future of our Post Office and the important role it plays at the heart of our local communities.

He has also questioned the level of the state pension on behalf of his constituents and argued for greater fairness. Following the debate last October on the long term future of the National Insurance fund I undertook to submit more details to Tynwald and these are set out in a further report which was published last month. Unless we make changes to the current benefits system the Fund — which currently stands at over £1.1 billion, would be exhausted in just over 20 years' time, by 2047/48.

This Government will not shy away from the difficult decisions, made in the best interests of our nation's future. In 2016 we created a new Manx State pension as we separated from the previous United Kingdom system. I believe it is essential that we regain the control of how we annually increase pensions and link this to the cost of living in our Island, not across.

Last week, in another place, I listened to the views of those elected to represent our people.

I propose from April, the Manx State Pension, which is paid to those who reached state pension age after 5 April 2019, will rise once more in line with the UK triple lock. Paid to over 6,000 people this will increase by 4.1% from £241.50 to £251.30 a week from 7 April 2025. This equates to an increase in annual income from £12,558 to £13,068.

The Retirement Pension which is paid to over 14,000 people will continue to rise each year in line with the UK's 'triple lock' policy and includes the majority of pensioners in the Isle of Man. It is currently £169.50 a week and will increase by 4.1% to £176.45 a week from 7 April 2025. This equates to an increase in annual income from £8,814 to £9,175.

Following last week's motion I will be returning to this Honourable Court in April for another debate on the reform and future of our National Insurance Scheme.

It is vital that we explain, inform and hear the voices in our community whilst agreeing the policy on how we protect the long term sustainability of the fund and protect the pensions of people now, and in the future.

The other Honourable Member for Middle, Mrs Poole Wilson has contacted me on several occasions regarding the issues her constituents have experienced whilst trying to interact with Government. The extra £5.3 million pounds we are putting into the Transformation Fund will help improve the way we deliver services across our communities. We have seen a concerted effort to keep our Island safe, our borders secure and to tackle serious and organised crime. The Department of Home Affairs have asked for more resource and in this year's Budget an additional £840,000 will be provided for additional prison and probation staff to aid the safety and rehabilitation of offenders as well as additional resources to strengthen the multi-agency safeguarding hub or MASH. Protecting some of the most vulnerable in our community is and must continue to be a priority for Government.

I would like to thank the Honourable Member for Garff, Mr Smith, for his commitment and dedication as a member of the Treasury team. His work on the Investment Committee has overseen a renewed emphasis on the return we get on our reserves. Through a diversification of investment management, returns are estimated to rise to over £40 million in the next

financial year, an amount which will help correct our reducing structural deficit and bring us on course to achieve the aims of the medium term financial plan.

He has also been an important advocate for the extensive flood mitigation works carried out in Laxey following the damage caused in 2019.

The Honourable Member for Douglas Central, Mr Thomas has been a strong advocate for housing and infrastructure through his time at the Department of Infrastructure. He has also campaigned on a number of issues on behalf of his constituents. There are an increasing number of children wanting to attend the Henry Bloom Noble School. As we grow our population it is essential that we invest in education and the emphasis on life-long learning, skills and vocational training are key to our nation's long term success. £150,000 is being provided through the Project Development Fund to design a new teaching pod for the school to extend its capacity and learning space using unoccupied facilities at the previous Nobles Hospital site. I hope to advance these plans and return to this Honourable Court later in the year with full details of this scheme.

I would like to thank the Honourable Member for Douglas North, Mr Wannenburg for his work at Manx Utilities. This Budget delivers on the decade's long commitment to end the discharge of raw sewage into our seas. Through the capital programme an additional £11.4 million is earmarked to construct the sewerage treatment facility for Peel, and I am aware that plans for Garff are also being finalised. He and his team have worked with local communities to listen to their concerns and adapt affordable solutions to the historic issues now to be resolved.

Mr Wannenburg has also voiced concern about the state of the nation's reserves. I understand his commitment to leave a lasting legacy for the future. Despite the anticipated reducing structural deficit, and the need to draw down on our reserves to fund the capital programme and investment in our Island's infrastructure, the total national reserves are forecast to continue to grow over the medium term financial plan from the current £1.86 Billion to an estimated £2.0 billion in 2029.

The changes to the investment strategy will also help protect our valuable NI Fund which is forecast to continue to grow to £1.2 billion.

In fact I can reassure him that our reserves have continued to grow since I stood before him last year when they were valued at £1.8 billion. This is through careful investment, prudent forecasting and efficient financial management.

The Honourable Member for Rushen, Mr Watterson, gave me the benefit of his doubt in 2023 when I stood as Treasury Minister for the first time to move a Budget. I hope our work on the Committee set up to review and improve our Budget process will reassure him of my commitment to improve the transparency and collaboration involved in this annual event. But the Budget is in essence just a plan, a prediction of what might happen over the coming year and how it is funded. More important are the clear policies and strategies determined by government and agreed by Tynwald. The debate on Our Island Plan and individual departmental plans that goes on throughout the year must define what ends up in the Pink Book.

Later this year Treasury will be commencing a comprehensive programme to instil a priority based approach to enhance our budget allocations across government. With the invaluable input of Mr Watterson and all Tynwald Members we can take stock of where the financial resources in the Pink Book are best spent and devise a better way of ensuring our island remains a secure, vibrant and sustainable place to live.

The Honourable Member for Council, Mrs August-Phillips has worked industriously at the Department for Health and Social Care to implement a wide range of important legislation. I have already outlined the significant extra investment in our frontline services but also would like to give her my commitment that the transformational work underway, especially around the funding of long term social care has my continued support. There will be an additional £4 million backing for further healthcare reforms through the Transformation Fund driving direct improvements in patient care and we have allocated an additional £1.7 million for a new improved MRI scanner at Nobles Hospital to speed up diagnosis.

I would like to thank her colleague Mr Craine for his analytical work in the department of Education, Sport and Culture. Through better assessment of population changes we can plan for the changes in capacity necessary across our schools and invest in the infrastructure for tomorrow. We have allocated £800,000 for a full roof replacement at St Ninian's School to include extra energy efficiency measures and solar panels.

He is also a strong advocate for our obligation to help others less fortunate than ourselves. Despite the significant financial pressures faced by Government the current overseas development budget has been protected.

I have relished working with the Honourable Member for Council, Mr Greenhill. Whilst this will be the last Budget he gets to vote on I would like to thank him for his achievements both at Manx Utilities and the Department for Enterprise, but also throughout his work in Tynwald. The capital programme before us and continued success of the digital economy will hopefully remain as a testimony to his time in office.

I would like to thank my Treasury colleague Mr Henderson, for his help and advice constructing the Budget that we are soon to debate. His learned council and knowledge going back over many administrations is much appreciated. His love and appreciation of our natural environment is well known and although it is unfortunate that extra resources have had to be provided through the capital programme to deal with Ash Dieback and Dutch Elm disease, the extra £200,000 will ensure that our glens, plantations and footpaths remain safe for our people and the many visitors who flock here to enjoy our beautiful Island.

I would like to thank the Honourable Member for Council, Mrs Kelsey for her work as armed Forces Champion as well as her roles in the Cabinet Office. We have already worked together on the benefits available for veterans and I hope to continue this work as well as improve the processes around our immigration system. There will be significant investment planned to modernise our passport systems. In a world where border security is being tightened it is essential that Manx residents have access to a full range of passport and visa services to allow them to travel freely.

I would also like to thank her colleague Mrs Kinnish for her advice on equality. It is essential that everything we do is fair, and as we review and reform our benefits system I want to ensure it remains equitable. As the demographics of our society continue to change it is essential that we instil the principals of intergenerational fairness into all our work. I will be coming back to this Honourable Court in the coming months to announce a new programme to support younger people who are on incapacity

benefits get the support and assistance they need to get back to work. We are seeing an increasing number of people affected by mental health problems leaving the workforce and feeling they have no purpose.

With the right level of targeted support I believe we can provide help and a hand up to allow them to regain the dignity they have lost and heal while they contribute to our society again.

I would like to thank the Honourable Member for Council, Mr Mercer for his work at the Public Sector Pensions Authority. Through the previous changes made this Budget shows a much more stable pension deficit which will guarantee the continued health of the combined schemes. We have corresponded about a range of ESG initiatives which are now mainstream in relation to Government investment policies and our finances. Our commitment to reaching net zero is imprinted through our Island Plan and I look forward to the discussion around new energy efficiency schemes being considered for this year.

I would like to welcome the Lord Bishop for her first Island Budget debate. She has already spoken about the needs of our community. Within the pages of this Budget are progressive proposals to address the real life experiences of our people. Some of the changes to benefits have focused on working families, children and those who rely on social care but increases in Bereavement support lump-sum payments are aimed to try and assist people during what may be a very dark time in their lives.

I would like to thank Mrs Sharpe for her work as Children's Champion. This Budget provides for increases in DLA, Carers Allowance and a range of other benefits which support some of the most vulnerable in our society. I recognise her interest in youth justice, and extra resources to support the successful safeguarding hubs has been provided both to the Department of Home Affairs and Education, Sport and Culture. Through the work of the Health, Learning and Social Policy Board which I chair we will continue to oversee the work to try and safeguard our vulnerable young people.

Our learned Attorney General, Mr Wannenburgh has provided me with wise advice on several issues this year. This Honourable Court has already discussed a range of reviews about how people working in our public sector are treated. Extra resources have been made available to the Office of Human Resources but we are also providing an extra £535,000 to his



office to provide additional specialist employment law support to enable complaints to be handled in a more effective and professional manner.

Mr President. I am not naive enough to think it is possible for any budget to give everyone what they wish for, but I hope I have illustrated that this administration have listened, we have heard the voices of our community and business sectors and responded with a coherent programme to put more money in people's pockets, support our local economy especially small businesses and encourage economic growth, the benefits of which will be felt by all.

Finally, Mr President I can report some further positive news.

I am able to confirm to you today that we have finalised the required FERSA calculations and agreed them with His Majesty's Government. The Island's estimated share of VAT and the other Common Duties has been calculated using the agreed methodology and this has resulted in the Island's share being broadly in line with previous budgeted projections.

Over the past five years we have prudently held back a provisional amount, some of which will be paid as a rebalancing payment to HM Treasury, the remainder of this I am now able to release. This book adjustment will offset additional spending that has been incurred and approved by Tynwald in supplementary votes, and an additional £10m will now be available to offset anticipated additional spending in the forthcoming year.

I would like to thank HM Treasury and HM Revenue and Customs for their detailed and professional approach together with Officers both in Treasury and the Cabinet Office who have worked in such an efficient manner to reach this conclusion.

This Agreement provides the Treasury with confidence and certainty in terms of the revenue the Isle of Man will receive under FERSA in each of the next five years, until the next calculation is undertaken in 2028/29.

Mr President. Our Island, so strong and so fair, has always prided itself on certainty and stability. Now, perhaps more than ever, this is needed from our Government, and from this Honourable Court.

This Budget tries to address the significant challenges we all face, but also holds out the ability to seize the opportunities that are out there to create a fairer, more vibrant and sustainable Island.

Mr President I be to move that the Budget proposals for the year ending 31<sup>st</sup> March 2026 be received.