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# BUDGET | 25

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GD 2025-0001A



**Isle of Man**  
**Government**  
*Reillys Ellen Vannin*

# 2025-26 Budget




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**Table of Contents**

1.	INTRODUCTION FROM THE MINISTER – BUDGET 2025-26.....	3
2.	OVERALL FINANCIAL SUMMARY FOR REVENUE AND CAPITAL .....	4
2.1	Government Revenue Forecast 2025-26 to 2029-30.....	4
2.2	Government Capital Forecast 2025-26 to 2029-30.....	4
3.	THE FIVE YEAR FINANCIAL PLAN.....	5
3.1	Summary.....	5
3.2	Economic Overview.....	6
3.3	Revenue Account.....	8
3.4	Operating Account.....	11
3.5	Structural Deficit and Reserves Position.....	12
3.6	Capital Programme .....	14
3.7	Use of Reserves.....	17
4.	REVENUE - INCOME .....	18
4.1	2024-25 Performance – Treasury Income .....	18
4.2	2025-26 Budget Overview .....	18
4.3	2025-26 Budget Proposals.....	19
5.	REVENUE - EXPENDITURE .....	24
5.1	2024-25 Performance – Departmental Income .....	26
5.2	2025-26 Budget - Overview.....	26
5.3	Pay Costs.....	27
5.4	Public Sector Pensions .....	29
5.5	National Insurance and Welfare Benefits.....	30
5.6	Non-Pay Costs .....	31
5.7	Contingency Funding .....	32
5.8	Grants Payable .....	33
6.	THE CAPITAL PROGRAMME .....	34
6.1	Overview .....	34
6.2	2024-25 Performance.....	35
6.3	2025-26 Budget.....	35
6.4	The Five Year Capital Programme .....	39
6.5	Manx Development Corporation .....	40



7. THE RESERVES .....	41
7.1 Overview .....	41
7.2 External Reserves .....	43
7.3 Internal Reserves .....	43
7.4 2024-25 Reserves Performance.....	43
7.5 2025-26 Reserves Projected Income and Expenditure.....	45
7.6 Reserves Projected Future Expenditure .....	46
APPENDIX 1 – ANALYSIS OF TREASURY INCOME .....	47
APPENDIX 2 – WELFARE BENEFIT PAYMENTS .....	48
APPENDIX 3 – REVENUE EXPENDITURE IN DETAIL BY DEPARTMENT, OFFICE OR BOARD.....	49
A3.1 Department for Enterprise (DfE) – Financial Summary.....	49
A3.2 Department of Education, Sport and Culture (DESC) – Financial Summary..	51
A3.3 Department of Environment, Food and Agriculture (DEFA) – Financial Summary .....	53
A3.4 Department of Health and Social Care (DHSC) – Financial Summary.....	55
A3.5 Manx Care – Financial Summary .....	56
A3.6 Department of Home Affairs (DHA) – Financial Summary .....	58
A3.7 Department of Infrastructure (DOI) – Financial Summary.....	59
A3.8 The Treasury – Financial Summary.....	61
A3.9 Cabinet Office – Financial Summary .....	63
A3.10 Executive Government – Financial Summary .....	65
A3.11 Legislature (Parliament) - Financial Summary .....	67
A3.12 Statutory Boards and Bodies (Revenue Funded) – Financial Summary .....	68
A3.13 Inter-Departmental Transfers .....	69
A3.14 Statutory Boards (Non-Revenue Funded) – Financial Summary .....	70
APPENDIX 4 – FULL CAPITAL PROGRAMME .....	71
APPENDIX 5 – CAPITAL PROGRAMME – DESIGN AND FEASIBILITY.....	81
APPENDIX 6 – CAPITAL APPROVALS.....	82
APPENDIX 7 – EXPLANATION OF RESERVES .....	86



## **1. INTRODUCTION FROM THE MINISTER – BUDGET 2025-26**

### **A Responsible Budget for a Sustainable Future**

This decade has seen a number of unprecedented events which have challenged our society and economy. A worldwide pandemic, a war in Europe, sudden increases in interest rates and an inflationary surge caused by a sharp rise in energy costs have led to significant pressures being felt by individuals, families, companies and our Government.

While the economic outlook for the coming year appears more settled, significant risks and opportunities remain. It is crucial that the Isle of Man positions itself to capitalise on these opportunities and mitigate risks in the medium term. Central to this effort is a firm commitment to achieving the aims of Our Island Plan and the Economic Strategy.

The increasing demands on frontline services and meeting the costs of providing them were the key elements underpinning the 2024-25 Isle of Man Budget. There were significant increases in spending in our health service, social care and education systems.

There were also a range of initiatives made to support our local economy through schemes aimed to leverage private investment, provide more accessible and affordable childcare, and increase skills and training to enable companies to expand their workforce.

To maintain our reserves there was a temporary increase in the higher rate of Income Tax from 20 to 22% with a commitment to review the National Insurance system and benefit thresholds.

I am grateful to the dedicated staff at the Treasury who have undertaken significant analysis and review of our current finances. There has also been extensive work carried out internationally to maintain our compliance with existing financial conventions whilst also developing new international agreements on the corporation tax paid by large multinationals.

Key to our Island's resilience and way of life is economic confidence and certainty.

This Budget builds on a medium term financial plan set out at the start of this administration to responsibly deliver financial stability whilst sustaining our reserves and reducing the prudent use of them over a five year period.

Following last year's Budget, Government went out to meet people around the Island and listen to their views, hopes and fears. Key to a lot of these discussions was the need for Government to lead by example; become more efficient and productive through identifying and reducing unnecessary bureaucracy and making it easier for people to interact with departments.

We have listened and heard also from people within the organisation how services can be improved and savings made. The 2025-26 Budget bakes in efficiency savings and will present challenges for all us who seek to serve our community, but I am confident we can rise to this challenge and continue our work towards a more secure, vibrant and sustainable Island nation for all.

Yours truly,

**Hon Dr Alex Allinson MHK**

**Minister for the Treasury**



## 2. OVERALL FINANCIAL SUMMARY FOR REVENUE AND CAPITAL

### 2.1 Government Revenue Forecast 2025-26 to 2029-30

In accordance with the Treasury Act 1985, the Treasury is pleased to present the revenue forecast for the Isle of Man Government for the financial year 2025-26, together with indicative financial projections for the following four years to 2029-30.

**TABLE 1 – Government Revenue Forecast 2025-26 to 2029-30**

GOVERNMENT REVENUE FORECAST 2025-26 TO 2029-30							
Budget 2024-25	Probable 2024-25	£'000	Provisional Budget 2025-26	Indicative financial projection			
				2026-27	2027-28	2028-29	2029-30
1,339,146	1,347,249	Income	1,389,024	1,446,963	1,500,303	1,538,810	1,579,380
(1,338,180)	(1,360,940)	Expenditure	(1,387,759)	(1,445,229)	(1,499,254)	(1,537,661)	(1,577,061)
<b>966</b>	<b>(13,691)</b>	<b>Surplus/(Deficit)</b>	<b>1,265</b>	<b>1,734</b>	<b>1,049</b>	<b>1,149</b>	<b>2,319</b>

### 2.2 Government Capital Forecast 2025-26 to 2029-30

The summary Capital Account for the financial year 2025-26 is shown below, including details of expected receipts and payments (based on adjusted expected capital expenditure levels). Provisional projections are provided for the following four years to 2029-30.

The Capital Programme is presented on an estimated delivery basis, as explained further within Section 3.6.

**TABLE 2 – Government Capital Forecast 2025-26 to 2029-30**

GOVERNMENT CAPITAL FORECAST 2025-26 TO 2029-30							
Budget 2024-25	Probable 2024-25	£'000	Provisional Budget 2025-26	Indicative financial projection			
				2026-27	2027-28	2028-29	2029-30
4,032	8,369	CLF Receipts and Repayments	11,799	13,863	16,180	18,865	20,664
3,185	3,185	CFR Receipts	5,185	5,185	4,496	3,185	3,185
(15,000)	(26,715)	CLF Payments and Advances	(32,000)	(35,000)	(40,000)	(20,000)	(20,000)
(70,000)	(48,694)	CFR Payments	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
<b>(77,783)</b>	<b>(63,855)</b>	<b>Deficit</b>	<b>(75,016)</b>	<b>(75,952)</b>	<b>(79,324)</b>	<b>(57,950)</b>	<b>(56,151)</b>
<b>5,230</b>	<b>4,139</b>	<b>Capital Balance B/F</b>	<b>28,784</b>	<b>3,768</b>	<b>3,816</b>	<b>6,492</b>	<b>19,542</b>
(77,783)	(63,855)	Deficit on Capital Account	(75,016)	(75,952)	(79,324)	(57,950)	(56,151)
54,000	63,500	Transfer from External Reserve	21,000	28,000	14,000	-	-
20,000	20,000	Transfer from General Reserve	19,000	43,000	58,000	61,000	64,000
5,000	5,000	Transfer from General Revenue to CLF	10,000	5,000	10,000	10,000	12,000
<b>6,447</b>	<b>28,784</b>	<b>Capital Balance C/F</b>	<b>3,768</b>	<b>3,816</b>	<b>6,492</b>	<b>19,542</b>	<b>39,391</b>



### **3. THE FIVE YEAR FINANCIAL PLAN**

#### **3.1 Summary**

The budget for 2025-26 is presented along with the indicative financial plan for the subsequent years through to 2029-30.

The plan has been based on a relatively stable economic environment with assumptions on inflation remaining in line with trends in the medium term.

Our Island Plan and the Economic Strategy continue to drive the Government spending plans.

Our Island Plan has the following five overall themes:

- Building great communities
- An Island of health and wellbeing
- A strong and diverse economy
- An environment we can be proud of
- Outstanding lifelong learning and development opportunities for all

The Economic Strategy complements these themes with the following aims:

- Shape of the economy: 5,000 new jobs across new, enabling and existing key sectors by 2032, reaching an overall GDP of £10bn
- Public finances: To generate over £200m of additional annual income to reinvest in services and quality of life by 2032
- Sustainability: Substantially decarbonise the services part of the Island's economy by 2030, supporting an overall reduction of 35% in the Island's greenhouse gas emissions
- Infrastructure and services: Further develop the infrastructure and services of our community to plan for an estimated population of 100,000 by 2037

Implementing the financial plan aims to reduce the reliance on the use of reserves to fund ongoing Government spending.

Treasury remains focused on growing Government income and controlling expenditure to create a sustainable financial base including the reduction in the use of external reserves to allow these balances to grow.

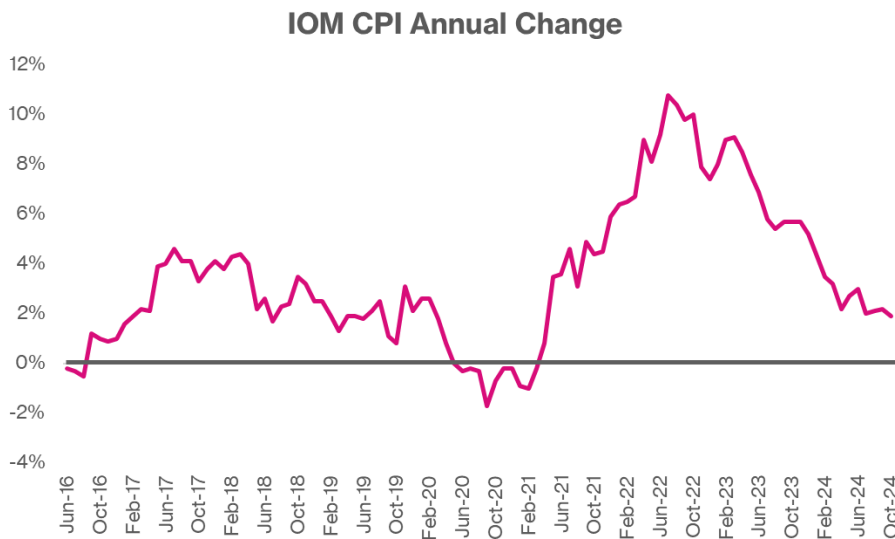
Treasury recognises that this financial plan will be challenging, but it is essential for the Government to adhere to financial discipline in order to protect the island reserves and to deliver public services in a financially sustainable way. Strong budgetary control and focus on cost control will need to be exercised as much as possible in all areas.

The Government wide efficiency programme aims to support the efficient delivery of public services and will work alongside department initiatives to contain cost pressures within their allocated budgets.



### 3.2 Economic Overview

Economic conditions have been broadly stable in the Isle of Man since the 2024-25 Budget was prepared. Inflation as measured by the Consumer Prices Index (CPI) has gradually fallen from around 5% at the end of 2023 to 1.9% in October 2024. This position has followed the situation in the UK. There has been an overall moderation in underlying price pressures, with energy cost growth slowing and reversing in some areas. That said, absolute price levels remain higher than levels seen prior to when the inflationary period began in late 2021. Natural gas prices have notably fallen from the extreme peaks seen in late 2022, but have been gradually creeping back up during 2024. The oil price has been somewhat volatile but generally has not seen dramatic peaks since the outbreak of hostilities in the Middle East at the end of 2023. Spare global production capacity and overall sluggish economic growth in some key economies continues to provide some cushion from large increases in the oil price. Services inflation effects continue to be felt, with some evidence of moderation of price growth in the domestic economy.



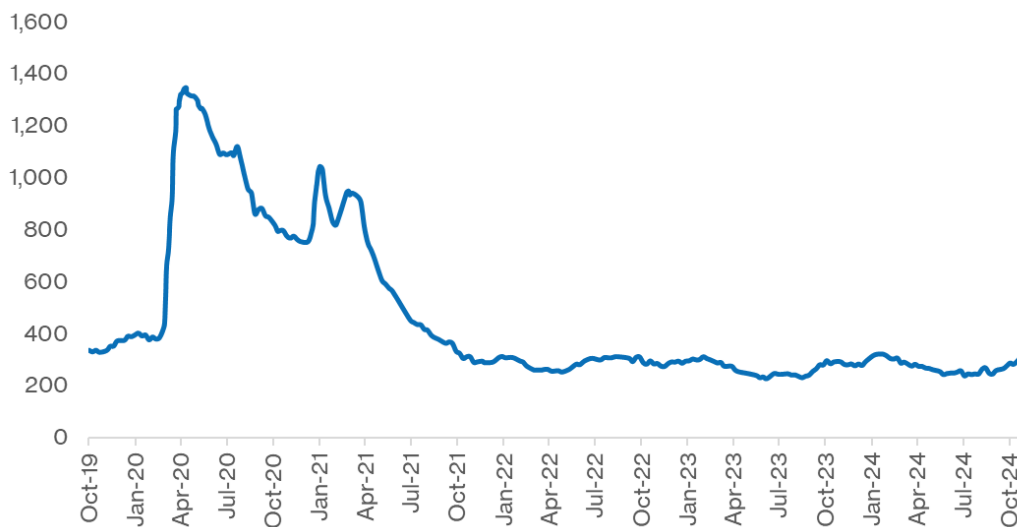
The Office for Budget Responsibility (OBR) and Bank of England CPI forecasts are now more closely aligned as of the publication of the UK Autumn Statement on 30 October. These forecasts are for UK CPI to rise slightly from its current level of around 2% to 2.5-3% in early 2025, before gradually settling down to the 2% target around the middle of 2026. This represents an increase compared to the previous OBR forecast (March 2024) which had anticipated CPI below 2% for a period. This is attributed partly to rising energy prices. Budget measures announced by the UK Chancellor in the Autumn Statement are expected to add around 0.5 percentage points to the CPI peak. Expectations for interest rate cuts are likely to be moderated to a degree, though a slow and steady loosening of monetary policy is expected over the next few years. The extent to which this situation is replicated in the Isle of Man is uncertain; historic precedent would suggest that the Island could either over- or under-shoot the UK CPI levels by a small amount to our close connections. The central assumption would be relatively stable inflation of just above 2% throughout 2025 and 2026, in line with the UK.





The number of jobseekers in the Isle of Man (and by extension assumed unemployment) remain historically low, at just over 300 individuals in November 2024. A number of recent closures and redundancy announcements have not translated into any meaningful movement in registered unemployed, suggesting employees have either easily found replacement work, left the labour market (e.g. taken retirement), or left the Island altogether. The split of these factors likely varies between economic sectors. Advertised vacancies have remained high, with the official figure of approximately 700-900 roles expected to translate into around 1,300 total roles. Businesses continue to highlight challenges in sourcing workers which may ultimately hold back further economic growth.

### Isle of Man Registered Jobseekers



Jobs and Persons Employed as measured by the tax system have continued to grow, albeit at a somewhat slower rate than has been seen in previous years.

Ongoing price pressures and reduced consumer disposable income in the domestic economy continue to dampen economic sentiment. The hospitality sector has forecast difficult forward trading conditions. A number of initiatives are underway to grow new economic sectors and modernise the Island’s economy, including around Artificial Intelligence, Sustainable Finance, Medicinal Cannabis, and Engineering. A new Local Economy Strategy 2024-34 will emphasise investing in supporting locally driven projects to strengthen the existing retail, hospitality and leisure sectors, which play a pivotal role in the Isle of Man’s proposition as being a great place to live and work.

In conclusion, while the current economic climate is reasonably stable, there remain some key risks across a number of sectors.



### **3.3 Revenue Account**

#### **Basis of preparation**

The 2025 budget presents a financial plan for the next five years which determines departmental funding allocations that, if adhered to over the five years, will reduce the reliance on our general reserves and will deliver improved, more robust and sustainable finances for the Island.

Delivery of the financial plan will be challenging and there are a great many uncertainties and risks that will need to be managed to ensure its achievement.

Being a plan, there are also many assumptions that underpin the budget targets and allocations. These include a stable economic and inflationary environment with a continued growth in taxation and other income sources.

For example, the Island has committed to the introduction of the Pillar Two minimum tax framework and income estimates have been factored in. These will not have any material impact in the next two years and amounts are estimates however initially £35 million per annum could be achieved. There is uncertainty in these forecasts and how the new tax will impact on the global and our own economy. The long term expected or stable revenues will not be apparent for some time to come. To mitigate this situation Treasury considers the forecasted income included in the plan to be prudent, with any additional income over and above the estimated total to be treated as a windfall in the early years.

The NHS Allocation for 2025-26 has been revised upwards due to the availability of more accurate statistical information alongside a policy based amendment to the calculation to facilitate additional funding to the NHS following the reduction in the income tax rate from 22% to 21%. In total this increases the allocation from a forecast £54.7 million in the 2024-25 Pink Book to £71.0 million, with £6.3 million being due to the statistical revision and the remaining £10 million from the policy change raising the NHS allocation from 19.3% to 24.8%.

A key facet of the plan is the control of expenditure so that it grows at a slower rate than income. There are considerable pressures on public expenditure and control in line with the budgets will require delivery of broad efficiencies and cost control strategies. Treasury has introduced enhanced financial monitoring during the current year and the plan makes available funding to invest to save in the longer term. In addition contingency funding has been included under the control of the Treasury to provide a buffer against increasing costs. Whilst an allocation of £10m has been made for 2025-26 it remains to be seen if this will be sufficient and further funding, income generation or costs reductions may be required.

In recent years, capital spending has been lower than estimated and this budget has reduced the estimated spend from £70 million to £60 million each year. This reduction is offset by funding for other capital initiatives which include the Island Infrastructure Scheme, the Energy Efficiency Scheme and large projects being undertaken by Manx Utilities and the Manx Development Corporation. Should there be a need for significantly higher levels of capital investment, other forms of funding may need to be considered. For example the Island's Energy Transition Strategy has yet to be fully defined, but the costs will be significant. The funding requirement and strategy are not included within this plan and will need to be developed separately.

So in summary, the five year plan is simply that, a plan. It is not a forecast or indeed a detailed analysis of how individual or multiple risks could impact the Island's finances. Underpinning it are multiple strategies, control mechanisms and mitigation plans and their implementation will be key in achieving the longer term objectives.



Table 3A overleaf presents a summary of the projected five year financial position.

The table includes a budget for 2025-26 and indicative financial projections for the financial years 2026-27 to 2029-30.

Details of income and expenditure by department and other body are included at Table 12A and Appendix 3.



TABLE 3A – Five Year Financial Plan

FINANCIAL PLAN 2025-26 TO 2029-30								
£'000	Actual	Budget	Probable	Provisional	Indicative financial plan			
	2023-24	2024-25	2024-25	Budget 2025-26	2026-27	2027-28	2028-29	2029-30
<b>GROSS INCOME</b>								
<b>Treasury Income</b>								
Customs and Excise	441,658	458,027	457,381	473,552	489,305	501,718	513,080	525,921
Income and Other Taxes	324,915	367,150	367,682	384,040	407,104	435,362	449,247	462,724
Other Treasury Income	16,040	11,319	12,959	11,231	11,568	11,915	12,272	12,640
<b>Other Income</b>								
Departmental Fees and Charges	151,472	148,535	149,490	150,611	154,824	159,157	163,854	169,399
Employee Pension Contributions	41,686	39,067	42,655	39,848	40,645	41,458	42,287	43,133
<b>SUB-TOTAL</b>	<b>975,771</b>	<b>1,024,098</b>	<b>1,030,167</b>	<b>1,059,282</b>	<b>1,103,446</b>	<b>1,149,610</b>	<b>1,180,740</b>	<b>1,213,817</b>
NI Operating Account	326,313	315,048	317,082	329,742	343,517	350,693	358,070	365,563
<b>TOTAL INCOME</b>	<b>1,302,084</b>	<b>1,339,146</b>	<b>1,347,249</b>	<b>1,389,024</b>	<b>1,446,963</b>	<b>1,500,303</b>	<b>1,538,810</b>	<b>1,579,380</b>
<b>GROSS EXPENDITURE</b>								
Employee Costs	460,155	489,814	495,895	507,240	522,177	537,623	553,593	570,108
Employer Pension Contribution	49,182	60,372	53,054	62,629	64,517	66,472	68,493	70,591
Pension Costs (net departmental)	82,237	80,707	88,856	80,292	80,653	80,989	81,304	81,591
<b>Total Pension Costs</b>	<b>131,419</b>	<b>141,079</b>	<b>141,910</b>	<b>142,921</b>	<b>145,170</b>	<b>147,461</b>	<b>149,797</b>	<b>152,182</b>
Non-Employee Costs	325,358	328,663	343,395	345,276	357,601	365,560	374,894	382,774
NHS Allocation	(36,452)	(52,669)	(52,700)	(71,000)	(73,400)	(75,000)	(76,400)	(78,100)
NI Fund - Health and Care	(8,578)	-	-	-	-	-	-	-
<b>Total Non-Employee Costs</b>	<b>280,328</b>	<b>275,994</b>	<b>290,695</b>	<b>274,276</b>	<b>284,201</b>	<b>290,560</b>	<b>298,494</b>	<b>304,674</b>
NI Funded Payments	309,182	323,358	324,094	353,549	361,557	368,878	376,114	383,799
Revenue Funded Welfare Payments	81,976	87,745	86,857	87,943	89,664	91,418	93,207	95,034
Bond Repayment Sinking Fund	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Transfer to Capital Financing Reserve	48,500	20,000	20,000	19,000	43,000	58,000	61,000	64,000
Transfer to Consolidated Loans Fund	10,000	5,000	5,000	10,000	5,000	10,000	10,000	12,000
Housing Reserve Fund Expenditure	-	2,735	2,735	4,735	4,735	4,046	2,735	2,735
In year contribution to internal funds	-	-	-	13,137	9,000	10,000	10,000	10,000
Internal Fund Expenditure	31,726	32,250	39,150	41,750	38,250	37,250	36,250	35,250
<b>Total Expenditure pre Reserves Transfers</b>	<b>1,356,786</b>	<b>1,381,475</b>	<b>1,409,836</b>	<b>1,458,051</b>	<b>1,506,254</b>	<b>1,558,736</b>	<b>1,594,690</b>	<b>1,633,282</b>
Transfer from internal funds	(31,681)	(32,250)	(39,150)	(41,750)	(38,250)	(37,250)	(36,250)	(35,250)
HRF	-	(2,735)	(2,735)	(4,735)	(4,735)	(4,046)	(2,735)	(2,735)
Transfer to/(from) the NI Account	17,132	(8,310)	(7,011)	(23,807)	(18,040)	(18,186)	(18,044)	(18,236)
<b>Total Transfer from reserves</b>	<b>(14,549)</b>	<b>(43,295)</b>	<b>(48,896)</b>	<b>(70,292)</b>	<b>(61,025)</b>	<b>(59,482)</b>	<b>(57,029)</b>	<b>(56,221)</b>
<b>Net Expenditure post Reserves Transfer</b>	<b>1,342,237</b>	<b>1,338,180</b>	<b>1,360,940</b>	<b>1,387,759</b>	<b>1,445,229</b>	<b>1,499,254</b>	<b>1,537,661</b>	<b>1,577,061</b>
<b>Surplus/(Deficit)</b>	<b>(40,153)</b>	<b>966</b>	<b>(13,691)</b>	<b>1,265</b>	<b>1,734</b>	<b>1,049</b>	<b>1,149</b>	<b>2,319</b>



### 3.4 Operating Account

Table 3B details transfers which are planned to take place from the Operating Account to support spending from internal funds. The Operating Account acts as a buffer to protect the Revenue Reserve Fund from fluctuations on the Revenue Account.

**TABLE 3B – The Operating Account – Five Year Financial Plan**

MOVEMENT ON THE OPERATING ACCOUNT								
£'000	Actual 2023-24	Budget 2024-25	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
					2026-27	2027-28	2028-29	2029-30
<b>Operating Account Brought Forward</b>	(155,743)	(198,930)	(247,030)	(237,365)	(222,100)	(207,866)	(194,317)	(180,668)
<i>Transfer from External Reserve Fund</i>	30,000	32,250	39,150	41,750	38,250	37,250	36,250	35,250
<i>Release of Financial Assistance Scheme Funding</i>	8,331	-	-	-	-	-	-	-
<i>Transfer from Media Development Fund*</i>	-	-	856	-	-	-	-	-
<b>Transfers to Reserves</b>								
<b>Internal Funds:</b>								
Agricultural & Forestry Fund	(3,000)	(2,000)	(2,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)
Contingency Fund	(7,500)	(1,500)	(1,500)	(5,500)	(5,500)	(5,500)	(5,500)	(5,500)
Climate Change Fund	(11,344)	-	-	-	-	-	-	-
Economic Strategy Fund	(73,917)	-	-	-	-	-	-	-
Healthcare Transformation Fund	(3,500)	(3,500)	(3,500)	(4,000)	(3,000)	(2,000)	(1,000)	-
Housing & Communities Fund	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Housing Deficiency Fund	-	-	-	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Legal Costs Reserves	(750)	(4,150)	(4,150)	(750)	(750)	(750)	(750)	(750)
Medical Indemnity Fund	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)
Transformation Fund	-	(1,500)	(1,500)	(2,500)	(1,500)	(1,500)	(1,500)	(1,500)
Project Development Fund	(8,000)	(5,000)	-	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
<b>Closed Internal Funds*:</b>								
Digital Strategy Fund	(260)	-	-	-	-	-	-	-
Economic Development Fund	6,719	-	-	-	-	-	-	-
Environmental Protection Fund	11,344	-	-	-	-	-	-	-
Invest to Save Fund	260	-	-	-	-	-	-	-
Marketing Initiatives Fund	3,012	-	-	-	-	-	-	-
Town & Village Regeneration Fund	1,471	-	-	-	-	-	-	-
<b>Sub-Total Transfers to Reserves</b>	<b>(89,465)</b>	<b>(21,650)</b>	<b>(16,650)</b>	<b>(27,750)</b>	<b>(25,750)</b>	<b>(24,750)</b>	<b>(23,750)</b>	<b>(22,750)</b>
Surplus/(deficit) on the General Revenue Account	(40,153)	966	(13,691)	1,265	1,734	1,049	1,149	2,319
<b>Operating Account Carried Forward</b>	<b>(247,030)</b>	<b>(187,364)</b>	<b>(237,365)</b>	<b>(222,100)</b>	<b>(207,866)</b>	<b>(194,317)</b>	<b>(180,668)</b>	<b>(165,849)</b>

\* The closed internal funds have been re-purposed into ongoing internal funds as part of the 2023-24 Budget. Media Development Fund is to be amalgamated into the Reserve Fund as first indicated in Pink Book 2022.



### **3.5 Structural Deficit and Reserves Position**

In Table 4 the operating surplus shows the amount of residual income after expenditure for activities excluding those funded from the National Insurance Fund, capital expenditure and internal funds. This analysis is to provide information on the financing of Government's ongoing activities that are funded through the revenue account.

The transfers from General Revenue to the Capital Financing Reserve are excluded from operating items and the estimated capital spending is then included in the structural deficit.

The net funding within the Consolidated Loans Fund relates to loan funding for entities outside of Central Government (Manx Utilities Authority, Manx National Heritage and Isle of Man Steam Packet Group) and this has been excluded from the structural deficit calculations. These are considered to be arm's length loans and do not represent funding and spending associated with the general revenue funded Capital Programme for Central Government.

An overall net deficit is projected, on a reducing basis, for 2025-26 to 2027-28 but then a surplus is forecast from 2028-29 for the remaining period of the indicative financial plan.

The structural deficit in 2023-24 was £103.1m as the Government finances continued to suffer from the effects of pay awards being higher than budgeted allocations and significant inflation in energy prices and supplies and services. Even though income receipts were in excess of budgeted levels, this was not sufficient to offset the increased expenditure levels. This was however, an improved position compared to the budgeted structural deficit of £156.7m for 2023-24.

The forecast structural deficit for 2024-25 is slightly higher than budgeted for the year, being £91.4m against the budgeted position of £89.7m. The indicative financial plan shows a generally improving position over the years presented however there will still be a level of reliance on the investment returns being generated by reserves in order to support the activities of Government.

Although 2024-25 has seen inflation rates gradually reduce to levels in line with long term trends, departmental budgets will continue to face cost pressure, including those from pay awards, strong financial discipline and stringent budget control will be required in order to meet the medium term financial plan.

The proposed budget and indicative financial plan includes provision to fully fund the estimated £60m per year Capital Financing Reserve programme from revenue by 2027-28 and subsequent years. This is based on the assumption that the capital programme and delivery of capital schemes remain stable and assumes that inflation remains in line with long term trends.

Overall reserves are forecast to remain relatively stable in the near-term due to improved investment performance being offset by the requirement to make drawdowns to fund Government activities, albeit these drawdowns are forecast to be at a reduced level.

The introduction of the updated investment mandate and appointment of new investment managers, is aimed at maximising the returns on Government's reserves which should allow the balances to begin to grow once again.



**TABLE 4 – Structural Deficit - Summary Position**

Based on the estimated delivery of the Capital Programme

SUMMARY POSITION (ESTIMATED CAPITAL DELIVERY)								
£'000	Actual 2023-24	Budget 2024-25	Probable 2024-25	Provisional budget 2025-26	Indicative financial plan			
					2026-27	2027-28	2028-29	2029-30
Gross Income	1,302,084	1,339,146	1,347,249	1,389,024	1,446,963	1,500,303	1,538,810	1,579,380
Less NI	(326,313)	(315,048)	(317,082)	(329,742)	(343,517)	(350,693)	(358,070)	(365,563)
Less Reserve Fund Interest	(15,908)	(10,686)	(12,099)	(10,578)	(10,895)	(11,222)	(11,558)	(11,905)
<b>Operating Income</b>	<b>959,863</b>	<b>1,013,412</b>	<b>1,018,068</b>	<b>1,048,704</b>	<b>1,092,551</b>	<b>1,138,388</b>	<b>1,169,182</b>	<b>1,201,912</b>
Expenditure	1,356,786	1,381,475	1,409,836	1,458,051	1,506,254	1,558,736	1,594,691	1,633,283
Less NI	(309,182)	(323,358)	(324,094)	(353,549)	(361,557)	(368,878)	(376,114)	(383,799)
Less Capital Transfers	(58,500)	(27,735)	(27,735)	(33,735)	(52,735)	(72,046)	(73,735)	(78,735)
Less Internal Fund expenditure	(31,726)	(32,250)	(39,150)	(41,750)	(38,250)	(37,250)	(36,250)	(35,250)
<b>Operating Expenditure</b>	<b>957,378</b>	<b>998,132</b>	<b>1,018,857</b>	<b>1,029,017</b>	<b>1,053,712</b>	<b>1,080,562</b>	<b>1,108,592</b>	<b>1,135,499</b>
<b>Operating Surplus/(Deficit)</b>	<b>2,485</b>	<b>15,280</b>	<b>(789)</b>	<b>19,687</b>	<b>38,839</b>	<b>57,826</b>	<b>60,590</b>	<b>66,413</b>
Capital Financing Reserve Expenditure	(73,924)	(70,000)	(48,694)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)
Transfer to Operating Account from Reserves	(31,681)	(34,985)	(41,885)	(46,485)	(42,985)	(41,296)	(38,985)	(37,985)
<b>Structural Deficit</b>	<b>(103,120)</b>	<b>(89,705)</b>	<b>(91,368)</b>	<b>(86,798)</b>	<b>(64,146)</b>	<b>(43,470)</b>	<b>(38,395)</b>	<b>(31,572)</b>
NI Surplus / (Deficit)	17,132	(8,310)	(7,011)	(23,807)	(18,040)	(18,186)	(18,044)	(18,236)
Estimated returns held in the reserves	49,387	61,751	45,819	40,156	47,245	47,311	47,032	47,724
Reserve Fund Interest	15,908	10,686	12,099	10,578	10,895	11,222	11,558	11,905
<b>Overall Net (Deficit)/Surplus after interest</b>	<b>(20,693)</b>	<b>(25,578)</b>	<b>(40,461)</b>	<b>(59,871)</b>	<b>(24,046)</b>	<b>(3,123)</b>	<b>2,151</b>	<b>9,821</b>



### **3.6 Capital Programme**

The successful delivery of the Capital Programme continues to rely on its affordability and sustainability. The trend for Government's actual capital expenditure outturn to be lower than budgeted levels continues. The typical level of capital delivery remains at around £60 million to £80 million per year.

The anticipated capital expenditure for 2025-26 is approximately £90 million which remains relatively consistent with prior years. This is the combined position between the Consolidated Loans Fund (CLF) and the Capital Financing Reserve (CFR), which is explained in more detail below. This is compared to a Capital Programme of approximately £135.5 million for 2025-26 on a full delivery basis.

Table 5 presents the combined capital account on an estimated delivery basis. This shows the illustrative position based on actual expected delivery of the Capital Programme based on prior experience rather than delivery of the full Capital Programme presented within Appendix 4. It has been assumed that £60 million of capital spending will be delivered per year for CFR funded projects and between £20 million and £40 million of spending from projects funded through the CLF. The CLF spend in the first three years of the financial plan is higher than in the later years as a result of the impact of the regional sewage works planned. The later years are still expected to be higher than the previously estimated delivery amount of £15 million, which takes into account the impact of inflationary pressures as well as planned works.

The transfers to the CFR and CLF from reserves are based on the estimated Capital Programme amounts, rather than full delivery. This is a realistic approach to the capital budgeting process.

#### **3.6.1 Review of the Capital Programme**

The focus of the Capital Programme for 2025-26 will continue to be the delivery of projects that have already commenced and the maintenance of existing assets. The number of new capital projects included within the Capital Programme may initially appear small however it is expected that further schemes will be brought to Tynwald for approval during the year as part of the capital approval process.

Departments have actively been making bids to the Project Development Fund in order to perform design and feasibility work and produce fully scoped and costed business cases. A full list of the projects that have been granted PDF funding are shown within Appendix 5.

#### **3.6.2 Capital Approval Process**

Departments are able to seek Tynwald approval for capital schemes on a quarterly basis. Further schemes may be added to the Capital Programme during the coming year, subject to concurrence from Treasury's Strategic Assets and Capital Investment Committee, Treasury Board, the Council of Ministers and by Tynwald as appropriate.





**TABLE 5 – Projected Combined Capital Account**

**Estimated CLF Delivery Basis**

CONSOLIDATED LOANS FUND OPERATING ACCOUNT (ESTIMATED DELIVERY)								
£'000	Actual	Budget	Probable	Provisional	Indicative financial plan			
	2023-24	2024-25	2024-25	Budgets 2025-26	2026-27	2027-28	2028-29	2029-30
<b>Income</b>								
MNH Receipts	1,491	1,097	1,511	1,625	1,658	1,691	1,724	1,757
MUA Receipts	2,148	2,777	4,880	8,490	10,491	12,744	15,364	17,098
Capital Receipts	154	158	482	158	158	158	158	158
Investment Income	1,466	-	1,496	1,526	1,556	1,587	1,619	1,651
<b>Total Income</b>	<b>5,259</b>	<b>4,032</b>	<b>8,369</b>	<b>11,799</b>	<b>13,863</b>	<b>16,180</b>	<b>18,865</b>	<b>20,664</b>
<b>Expenditure</b>								
Capital Programme	21,614	15,000	26,715	32,000	35,000	40,000	20,000	20,000
<b>Total Expenditure</b>	<b>21,614</b>	<b>15,000</b>	<b>26,715</b>	<b>32,000</b>	<b>35,000</b>	<b>40,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Capital Cash Brought Forward</b>	<b>1,282</b>	<b>367</b>	<b>(5,073)</b>	<b>(3,419)</b>	<b>2,380</b>	<b>2,243</b>	<b>2,423</b>	<b>11,288</b>
Surplus/(deficit)	(16,355)	(10,968)	(18,346)	(20,201)	(21,137)	(23,820)	(1,135)	664
Transfer (to)/from External Reserves	-	10,000	15,000	16,000	16,000	14,000	-	-
Transfer (to)/from General Revenue	10,000	5,000	5,000	10,000	5,000	10,000	10,000	12,000
<b>Capital Cash Carried Forward</b>	<b>(5,073)</b>	<b>4,399</b>	<b>(3,419)</b>	<b>2,380</b>	<b>2,243</b>	<b>2,423</b>	<b>11,288</b>	<b>23,952</b>



## Estimated CFR Delivery Basis

CAPITAL FINANCING RESERVE (ESTIMATED DELIVERY)								
£'000	Actual 2023-24	Budget 2024-25	Probable 2024-25	Provisional Budgets 2025-26	Indicative financial plan			
					2026-27	2027-28	2028-29	2029-30
<b>Income</b>								
Capital Receipts	523	450	450	450	450	450	450	450
Housing Reserve Fund	1,920	2,735	2,735	4,735	4,735	4,046	2,735	2,735
<b>Total Income</b>	<b>2,443</b>	<b>3,185</b>	<b>3,185</b>	<b>5,185</b>	<b>5,185</b>	<b>4,496</b>	<b>3,185</b>	<b>3,185</b>
<b>Expenditure</b>								
Capital Programme	73,924	70,000	48,694	60,000	60,000	60,000	60,000	60,000
<b>Total Expenditure</b>	<b>73,924</b>	<b>70,000</b>	<b>48,694</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>	<b>60,000</b>
<b>Capital Financing Reserve B/F</b>	<b>32,193</b>	<b>4,863</b>	<b>9,212</b>	<b>32,203</b>	<b>1,388</b>	<b>1,573</b>	<b>4,069</b>	<b>8,254</b>
Surplus/(deficit)	(71,481)	(66,815)	(45,509)	(54,815)	(54,815)	(55,504)	(56,815)	(56,815)
Transfer (to)/from External Reserves	-	44,000	48,500	5,000	12,000	-	-	-
Transfer (to)/from General Revenue	48,500	20,000	20,000	19,000	43,000	58,000	61,000	64,000
<b>Capital Financing Reserve C/F</b>	<b>9,212</b>	<b>2,048</b>	<b>32,203</b>	<b>1,388</b>	<b>1,573</b>	<b>4,069</b>	<b>8,254</b>	<b>15,439</b>

TOTAL CAPITAL PROGRAMME (ESTIMATED DELIVERY)								
£'000 (Projections)	Actual 2023-24	Budget 2024-25	Probable 2024-25	Provisional Budgets 2025-26	Indicative financial plan			
					2026-27	2027-28	2028-29	2029-30
Consolidated Loans Fund Operating Account	(5,073)	4,399	(3,419)	2,380	2,243	2,423	11,288	23,952
Capital Financing Reserve	9,212	2,048	32,203	1,388	1,573	4,069	8,254	15,439
<b>Total Capital Programme</b>	<b>4,139</b>	<b>6,447</b>	<b>28,784</b>	<b>3,768</b>	<b>3,816</b>	<b>6,492</b>	<b>19,542</b>	<b>39,391</b>

### Note

1. Assumed capital spending per year from CLF and CFR projects going forward rather than full delivery of the entire capital programme detailed in Appendix 4.



### 3.7 Use of Reserves

Taking account of the combined revenue and capital position (including the operating account balance), together with projections for cash and investment returns generated by external fund managers, the estimated value of the overall reserves position over the periods presented is shown within Table 6.

**TABLE 6 – Reserve Valuations**

RESERVES ESTIMATED VALUE WITH INVESTMENT RETURNS & STABLE MARKET								
£ million	Actual 2023-24	Budget 2024-25	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
					2026-27	2027-28	2028-29	2029-30
National Insurance Fund	1,030.0	967.5	1,052.5	1,055.1	1,068.7	1,082.5	1,097.0	1,111.6
Reserve Fund	584.4	373.6	498.3	428.1	386.8	371.4	343.8	348.3
Reserve Fund (Bond Issue)	73.8	85.5	76.0	77.9	80.2	82.6	85.1	87.7
Other Reserves	227.9	258.9	252.5	290.9	331.9	374.0	417.6	462.0
<b>Estimated Value</b>	<b>1,916.1</b>	<b>1,685.5</b>	<b>1,879.3</b>	<b>1,852.0</b>	<b>1,867.6</b>	<b>1,910.5</b>	<b>1,943.5</b>	<b>2,009.6</b>

#### Notes

- External fund balances are presented here at projected market value rather than book value and it should be noted that market values may fluctuate against market and economic conditions. This table includes projections for both realised and unrealised gains, whereas Table 4 only includes projections for realised gains.
- More detail on the Pension Account and the National Insurance Fund is given in Section 5 (Table 15 and 16).
- Movements relating to the Bond Issue funds are included within Tables 22 and 23.
- An explanation of reserves is provided in Appendix 7.
- Returns on investments have been calculated based on the assumption that mandated returns will be achieved by the end of the period of the indicative financial plan.



#### 4. REVENUE - INCOME

##### 4.1 2024-25 Performance – Treasury Income

**TABLE 7 – 2024-25 Year End Forecast (Treasury Income)**

2024-25 Budget Against Probable					
£ '000	Budget 2024-25	Transfers	Revised Budget	Probable 2024-25	Variance
<b>INCOME</b>					
Customs & Excise	458,027	-	458,027	457,381	(646)
Income & Other Taxes	367,150	-	367,150	367,682	532
NI Operating Account	315,048	-	315,048	317,082	2,034
Other Treasury Income	11,319	-	11,319	12,959	1,640
<b>Total Treasury Income</b>	<b>1,151,544</b>	<b>-</b>	<b>1,151,544</b>	<b>1,155,104</b>	<b>3,560</b>

Treasury income is forecast to be slightly ahead of the 2024-25 budgeted level, mainly due to the effects of pay rises within the economy leading to increased levels of tax and national insurance collection.

Income is forecast to continue to grow throughout the period of the indicative financial plan.

Allocations have been made to the Economic Strategy Fund to support initiatives aimed at growing the Island's economy and it is expected that Government income will benefit from this growth.

Section 4.3 explains the detailed position regarding Customs and Excise shared VAT income and direct taxation receipts.

##### 4.2 2025-26 Budget Overview

The budget figures included within this Pink Book present income figures on a gross basis, before netting off expenditure items. This budget presents income projections broken out into each of the relevant revenue lines to provide transparency and a greater understanding of where the Island is dependent on specific income streams.

**TABLE 8 – Budget Income Projections**

Budget Income Projections							
£ '000	Budget 2024-25	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Customs & Excise	458,027	457,381	473,552	489,305	501,718	513,080	525,921
Income & Other Taxes	367,150	367,682	384,040	407,104	435,362	449,247	462,724
NI Operating Account	315,048	317,082	329,742	343,517	350,693	358,070	365,563
Other Treasury Income	11,319	12,959	11,231	11,568	11,915	12,272	12,640
<b>Total Treasury Income</b>	<b>1,151,544</b>	<b>1,155,104</b>	<b>1,198,565</b>	<b>1,251,494</b>	<b>1,299,688</b>	<b>1,332,669</b>	<b>1,366,848</b>

A further breakdown of income due to be raised by the Treasury in the coming year is included at Appendix 1.



### **4.3 2025-26 Budget Proposals**

The following sections present the proposals for the various areas of Government income in respect of the 2025-26 financial year.

#### **4.3.1 Customs & Immigration**

The revenues raised by Customs & Excise include “shared” duties under the 1979 Customs and Excise Agreement; and “non-shared” duties.

##### **“Shared” Duties**

The “shared” duties are VAT, Soft Drinks Industry Levy (SDIL), Excise (alcohol, tobacco and hydrocarbon oil - HCO), Plastic Packaging Tax and Customs (import) duties. All of the “shared” duties except for HCO are shared using the arrangements described below to calculate the Island’s share of the joint revenue pools with the United Kingdom. HCO is calculated on the basis of actual consumption during the focal year. The Island is committed by the 1979 Customs & Excise Agreement to keep the rates and rules surrounding the “shared” duties in line with UK policy with a limited number of exceptions.

##### **Calculation of VAT and shared duties**

The Final Expenditure Revenue and Sharing Arrangement (FERSA) outlines the method of calculation of the Island’s share of VAT and shared duties under the 1979 Customs & Excise Agreement. Accordingly, the Isle of Man Government must undertake surveys every 5 years to determine as accurately as possible the amount of VAT that is incurred by Island residents and businesses. The most recent year used for indexation was 2018-19. Under the FERSA it was agreed that provisional indexation rates of 4.35% for VAT and 1.58% for the other duties and the Soft Drinks Industry Levy (SDIL) would be used to account for inflation and growth in the economy for five years up to and including 2023-24. In the absence of an updated figure, this indexation level has been used for 2025-26 and as the basis of calculation for future income for the period of the indicative financial plan presented. The surveys for 2023-24 have been completed and the FERSA calculations are underway. The indexation will be reviewed and adjusted once the FERSA calculations have been finalised.

Should the survey results evidence the growth in the economy has deviated from that predicted, the Island’s share of VAT for previous years 2019-20 to 2023-24 and 2024-25 will need to be adjusted which could result in an adjusting payment to or from the UK Government.

##### **“Non-shared” duties**

The “non-shared” duties are Air Passenger Duty, Gambling Duty (including both online and machine games duty), Lottery Duty and non-revenue receipts (fines, penalties and interest). The Island is free to choose where and how it applies these duties; however, no changes from existing policy are proposed within this Budget.



### 4.3.2 Income Tax

**TABLE 9 – Tax Rates and Allowances**

<b>TAXATION RATES AND ALLOWANCES</b>			
<b>INDIVIDUAL TAX</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2023-24</b>
Lower rate	10%	10%	10%
Higher rate	21%	22%	20%
<b>Higher rate threshold:</b>			
Single Person	£6,500	£6,500	£6,500
Jointly Assessed Couples	£13,000	£13,000	£13,000
<b>Personal Allowances:</b>			
Single Person	£14,750*	£14,500*	£14,500*
Jointly Assessed Couples	£29,500*	£29,000*	£29,000*
Single Parent	£6,400	£6,400	£6,400
Blind Person	£2,900	£2,900	£2,900
Disabled Person	£2,900	£2,900	£2,900
<b>COMPANY TAX**</b>	<b>2025-26</b>	<b>2024-25</b>	<b>2023-24</b>
Standard Rate	0%	0%	0%
Banking Business	10%	10% or 15%	10%
Land & Property in the Island (Incl. Property Dev)	20%	20%	20%
Retail Trade (Small companies limit of £500,000)	10%	10% or 15%	10%
Petroleum extraction in the Island	20%	20%	0%

\* The Personal Allowance is reduced by £1 for every £2 that your income is in excess of £100,000 or £200,000 for a jointly assessed couple

\*\* For Fiscal Years commencing on or after 1 January 2025, a new Domestic Top-up Tax has been introduced for entities that are part of groups within scope of Pillar 2 Global Minimum Tax

#### Individual Tax

For the 2025-26 tax year, the lower rate of income tax remains at 10% and the higher rate will decrease from 22% to 21%.

The threshold up to which the lower rate of income tax applies remains at £6,500 for a single person and £13,000 for a jointly assessed couple. The Personal Allowance will increase from £14,500 to £14,750 for a resident individual and from £29,000 to £29,500 for a jointly assessed couple.

Allowances are fully transferrable between husband and wife or civil partners whilst the couple are living together and provided they elect for joint treatment. Special arrangements apply in the years of marriage/partnership, separation, death or where independent taxation applies.

The personal allowance will continue to be reduced by £1 for every £2 that a person's total income is above £100,000. This means if a person's total income is £129,500 or above their personal allowance will be zero.

The single parent allowance will remain at £6,400 and the blind or disabled person's allowance at £2,900.

The rate of income tax on taxable income for non-resident individuals will also decrease from 22% to 21%.

Individuals will continue to have the option to make a Tax Cap election for a five or ten year period. From 6 April 2025, the income tax liability for an individual under a new tax cap election will increase to £220,000 and to £440,000 for a jointly assessed couple.

For any existing five or ten year Tax Cap elections, the amount charged for each year is the value of the Tax Cap applicable in the first tax year covered by the election.



## Company Tax

The standard rate of tax applying to the income of companies remains at 0% with the exceptions of income from:

- Banking business – 10%
- Income from Retail Trade (subject to a small companies limit of £500,000) – 10%
- Income from Land and Property situated in the Isle of Man (development and rental income) – 20%
- Income from Petroleum extraction in the Isle of Man and its territorial waters – 20%

For Fiscal Years commencing on or after 1 January 2025, groups in scope of Pillar 2 Global Minimum Tax (large multinational enterprise groups with annual revenue of Euro 750 million or more in the Consolidated Financial Statements of the Ultimate Parent Entity) will be taxed at a minimum effective tax rate of 15% on their Isle of Man profits as a result of the introduction of Domestic Top-up Tax, which is a new tax separate from (and in addition to) income tax.

## Deductions granted during the financial year 2022-23

During the financial year 2022-23, the latest full year for which figures are available, other deductions that were granted are outlined for information in the table below:

**TABLE 10 – Cost of Income Tax Deductions 2022-23**

Deduction Type	Number of Claims	Total Amount Claimed (£ million)	Average Relief per Claim (£)	Cost of Tax Relief (£ million)
Mortgage Interest	11,609	29.43	239	2.77
Loan Interest	10,242	11.45	105	1.07
Charitable deed of covenant	229	0.34	146	0.03
Charitable giving	2,290	3.26	128	0.29
Private medical insurance	714	1.39	169	0.12
Nursing Expenses	427	4.41	378	0.16

## National Insurance Contributions

Net National Insurance Contributions (NIC) in respect of workers and employers, after the allocation of a prescribed percentage to the Health Service, cover the cost of contributory benefits for bereavement, incapacity, unemployment, maternity and the state retirement pension. In the Isle of Man, they also cover the cost of the Manx pension supplement, retirement pension premium, paternity allowance, adoption allowance and the Christmas bonus as well as rebates to small employers in relation to statutory redundancy payments to former employees of firms which have become insolvent.



### Employed Contributors

The rates of Class 1 NIC in the Isle of Man for the 2025-26 tax year will remain at the current rates of 11% for employees and 12.8% for employers, and the employees' additional rate will continue to be 1% for earnings over the Upper Earnings Limit.

The Lower Earnings Limit (LEL) will increase from £123 to £125 per week from April 2025 to reflect the equivalent figure announced in the UK Autumn Statement.

The Primary and Secondary Thresholds at which both employees and employers start to pay Class 1 NIC will increase from £160 per week to £168 per week and the Upper Earnings Limit will increase from £938 to £1,032 per week from April 2025.

### Self-Employed Contributors

For the 2025-26 tax year, the Isle of Man will retain the rates of Class 4 NIC at 8% up to the Upper Profits Limit and 1% for profits above that limit.

The profits level at which Class 4 NIC becomes payable will increase to £168 per week (Lower Profits Limit). The Upper Profits Limit for Class 4 NIC will increase to £1,032 per week and any profits over this amount will continue to be charged at 1%.

From April 2025 Class 2 NIC will increase to £6.45 per week for self-employed and £7.90 per week for share-fishermen. Class 2 NIC are not profit-related, but self-employed people can apply for exemption if their net earnings from self-employment are below a certain level. From April 2025, this level will increase to £8,736 for the year (Small Earnings Exception Limit).

The Class 2 contribution payable by a volunteer development worker while employed as such will increase from £6.15 to £6.25 per week for the 2025-26 tax year.

The table below summarises the contribution rates for 2025-26 for workers and employers:

**TABLE 11 – Contribution Rates**

Employed Contributors		
Total Weekly Earnings	Class 1 Employee NIC	Class 1 Employer NIC
Up to £168.00	Nil	Nil
£168.01 - £1,032.00	11%	12.8%
£1,032.01 and over	1%	12.8%

Self-Employed Contributors	
Total Weekly Profits	Self-Employed Class 2 and 4 NIC
Below £168.00	Nil
£168.00	£6.45 per week
£168.01 - £1,032.00	As above + 8%
£1,032.01 and over	As above + 1%





## **Other Contributors**

From April 2025, the voluntary Class 3 NIC rate will increase from £18.95 per week to £19.70 per week.

## **Manx National Insurance Fund**

The Manx National Insurance Fund is used to supplement the amount of NIC collected in a tax year where the income from these contributions does not cover the expenditure on National Insurance funded benefits. Further details of this can be seen in Table 16 at Section 5.5.

### **4.3.3 Departmental Fees and Charges**

Departmental fees and charges targets have generally been uplifted in line with the level of inflation in the Isle of Man as at September 2024 plus 1% to adequately recover the costs incurred.

Detailed breakdowns of the individual fees and charges are not included within this document as changes can be made subsequent to the publication of the Budget. Reference should be made to the website of the relevant department or body for the detailed information. Fee Orders to automatically uplift fees are set to be introduced to coincide with the beginning of the 2025-26 financial year.

### **4.3.4 Investment Income**

Treasury investment income is derived from the externally managed investment funds, dividends and interest earned from cash managed directly within the Treasury. The investment income forecast includes an expectation of a levy from the Isle of Man Post Office and dividend from the Isle of Man Steam Packet Group forecast to be £1 million from each for the financial year 2025-26.

The tender exercise to appoint a new panel of investment managers in respect of the external reserves is near completion. The appointment of the new investment managers and transition of the portfolio is now expected to be completed by the end of March 2025 which will then allow the updated investment strategy to be implemented.

The current panel of five investment managers were appointed for a period of 5 years from 1 April 2016 and will remain in place until the appointment of the new managers has been completed.

The appointment of a panel of investment managers provides a diversification of investment management and style. Detailed information regarding the parameters of the investment mandates in place are included within the Isle of Man Government Annual Financial Statements and Report that is available on the Treasury website.

The performance and delivery mandates require the investment managers to achieve certain levels of growth within the reserves under their management to meet set benchmarks but within acceptable levels of risk over a rolling three year period. Income is generated from profits gained through the sale of equities, funds and bonds; dividends and coupon interest earned from equities and bonds and interest on cash based instruments.

A small element of this income relates to miscellaneous Treasury income, for example, late tax return filing penalty fees.



**5. REVENUE - EXPENDITURE**

**TABLE 12A – Revenue Net Expenditure Targets by Department**

<b>2025-26 NET REVENUE BUDGETS BY DEPARTMENT</b>			
<b>Department £'000</b>	<b>Gross Income</b>	<b>Gross Expenditure</b>	<b>Net Expenditure/(Income)</b>
Enterprise	27,678	30,920	3,242
Education, Sport & Culture	11,419	161,253	149,834
Environment, Food & Agriculture	4,760	24,203	19,443
Health & Social Care	71,128	369,216	298,088
Home Affairs	1,373	45,324	43,951
Infrastructure	66,521	116,182	49,661
Treasury	11,231	158,109	146,878
Cabinet Office	258	43,638	43,380
Executive Government	3,047	59,392	56,345
Statutory Boards	35,416	38,793	3,377
Legislature	11	5,602	5,591
<b>Departmental Targets</b>	<b>232,842</b>	<b>1,052,632</b>	<b>819,790</b>
Customs and Excise	473,552	-	(473,552)
Income and Other Taxes	384,040	-	(384,040)
NI Operating Account	329,742	329,742	-
Employee Pension Contributions	39,848	39,848	-
Transfer to Consolidated Loans Fund	-	10,000	10,000
Transfer to Capital Financing Reserve	-	19,000	19,000
Transfer to Internal Funds	-	7,537	7,537
<b>TOTAL</b>	<b>1,460,024</b>	<b>1,458,759</b>	<b>(1,265)</b>

**Notes**

- Gross income and expenditure figures for 2025-26 include National Insurance Contributions NHS allocation of £71 million.
- Employee pension contributions and the subsequent use of them to offset pension costs are shown within the analysis at Table 15 in order to reconcile gross income and gross expenditure.
- The Statutory Boards figures above include the gross income and gross expenditure of Manx Care.
- Treasury figures include the Government Contingency budget totalling £19.7 million.



**Table 12B – Full Departmental Movement from 2024-25 to 2025-26**

To enable greater clarity of departmental movements, the below table consolidates and provides a brief description of the nature of the movements from 2024-25 to 2025-26. A more detailed table for each department can be found in Appendix 3 sections A3.1 to A3.12.

BUDGET MOVEMENT - DEPARTMENTAL SUMMARY												
£ '000	Net Expenditure/ (Income) 2024-25 Budget	Income Uplift	Pay Uplift	Non-Pay Uplift	Departmental Bids	Budget Adjustments	NI Operating Account Movements	Creation of HDF	Increased NHS Allocation	Manx Care Mandate	Inter-departmental Transfers	Net Expenditure/ (Income) 2025-26 Budget
<b>Department</b>												
DfE	1,220	(920)	273	156	2,000	-	-	-	-	-	513	3,242
DESC	141,586	(354)	2,252	401	3,000	3,000	-	-	-	-	(51)	149,834
DEFA	19,239	(147)	269	41	-	-	-	-	-	-	41	19,443
DHSC	301,214	-	76	7	-	4,309	-	-	(18,335)	10,690	127	298,088
DHA	42,836	(42)	764	60	333	-	-	-	-	-	-	43,951
Manx Care	-	(352)	8,012	3,059	-	-	-	-	-	(10,690)	(29)	-
DOI	55,043	(2,063)	1,030	652	2,402	-	-	(7,537)	-	-	134	49,661
Treasury	(693,265)	(47,471)	555	85	-	16,955	14,416	-	-	-	(1,989)	(710,714)
CO	41,040	(8)	532	161	-	-	-	-	-	-	1,655	43,380
Exec. Govt	57,103	(95)	(927)	22	535	71	-	-	-	-	(364)	56,345
Stat. Boards	2,494	(417)	324	35	941	-	-	-	-	-	-	3,377
Legislature	5,524	(1)	99	6	-	-	-	-	-	-	(37)	5,591
<b>Departmental Targets</b>	<b>(25,966)</b>	<b>(51,870)</b>	<b>13,259</b>	<b>4,685</b>	<b>9,211</b>	<b>24,335</b>	<b>14,416</b>	<b>(7,537)</b>	<b>(18,335)</b>	<b>-</b>	<b>-</b>	<b>(37,802)</b>
NI Op. Acc.	-	-	-	-	-	-	-	-	-	-	-	-
Trf to CLF	5,000	-	-	-	-	5,000	-	-	-	-	-	10,000
Trf to CFR	20,000	-	-	-	-	(1,000)	-	-	-	-	-	19,000
Trf to Int. Funds	-	-	-	-	-	-	-	7,537	-	-	-	7,537
<b>TOTAL</b>	<b>(966)</b>	<b>(51,870)</b>	<b>13,259</b>	<b>4,685</b>	<b>9,211</b>	<b>28,335</b>	<b>14,416</b>	<b>-</b>	<b>(18,335)</b>	<b>-</b>	<b>-</b>	<b>(1,265)</b>

Notes

- a) The NHS Allocation is shown as income into the DHSC, however this is not generated by the department directly. Table 36 shows the Gross Income and Expenditure of the DHSC in full.



## 5.1 2024-25 Performance – Departmental Income

Table 13 provides a summary of the 2024-25 probable results compared to the Pink Book for that year.

The main adverse variance is within the Department of Health and Social Care, the majority of which relates to the Manx Care mandate.

The table below shows the probable results for departments based on October management accounts.

**TABLE 13 – 2024-25 Expenditure – Budget vs Probable**

<b>EXPENDITURE - 2024-25 BUDGET VERSUS PROBABLE</b>					
<b>£ '000</b>	<b>Budget 2024-25</b>	<b>Transfers</b>	<b>Revised Budget</b>	<b>Probable 2024-25</b>	<b>Variance</b>
<b>Government Departments</b>					
Cabinet Office	41,040	1,541	42,581	41,918	663
Enterprise	1,220	516	1,736	2,057	(321)
Education, Sport & Culture	141,586	-	141,586	141,572	14
Environment, Food & Agriculture	19,239	55	19,294	19,273	21
Health & Social Care	301,215	127	301,342	314,801	(13,459)
Home Affairs	42,837	-	42,837	42,655	182
Infrastructure	55,043	150	55,193	54,997	196
Treasury	131,911	(1,989)	129,922	122,829	7,093
<b>Sub-Total</b>	<b>734,091</b>	<b>400</b>	<b>734,491</b>	<b>740,102</b>	<b>(5,611)</b>
<b>Other Bodies</b>					
Executive Government	57,103	(400)	56,703	59,948	(3,245)
Statutory Boards	2,493	-	2,493	2,217	276
<b>Sub-Total</b>	<b>59,596</b>	<b>(400)</b>	<b>59,196</b>	<b>62,165</b>	<b>(2,969)</b>
Legislature	5,524	-	5,524	5,234	290
<b>TOTAL VOTED SERVICES</b>	<b>799,211</b>	<b>-</b>	<b>799,211</b>	<b>807,501</b>	<b>(8,290)</b>
<b>SURPLUS (Income over expenditure)</b>	<b>966</b>	<b>-</b>	<b>966</b>	<b>(13,691)</b>	<b>(14,657)</b>

## 5.2 2025-26 Budget - Overview

Government's total expenditure after the use of reserves for 2025-26 is budgeted to be £1.388 billion and is analysed in detail by each Department at Appendix 3. Overall the net surplus for Government is budgeted to be £1.3 million.

A general uplift to both pay and non-pay costs has been applied for the 2025-26 year within the financial headroom of the Medium Term Financial Plan.

Given the general requirement for pay restraint, Departments and Statutory Boards were requested to submit revenue bids to Treasury on the basis of an extraordinary need only and to therefore focus on areas where savings can be made.



### 5.3 Pay Costs

As noted above, a general uplift of 2% has been applied to pay budgets for 2025-26. Further uplifts have been applied per year across the remaining period of the indicative financial plan which are based on a stable inflationary environment. Funding for any pay awards above these level will be expected to come from within overall departmental budgets.

**TABLE 14A – Pay Reconciliation**

PAY RECONCILIATION								
£ '000	Note	Basic	Overtime	National Insurance	Other Payroll Costs	Sub-Total Employee Costs	Pension	Total Including Pension
<b>2024-25 Agreed Budget</b>		<b>395,667</b>	<b>12,261</b>	<b>45,896</b>	<b>35,990</b>	<b>489,814</b>	<b>60,372</b>	<b>550,186</b>
Approved Adjustments	1	11,534	1,962	1,492	2,438	17,426	2,257	19,683
<b>Budget 2025-26</b>		<b>407,201</b>	<b>14,223</b>	<b>47,388</b>	<b>38,428</b>	<b>507,240</b>	<b>62,629</b>	<b>569,869</b>

**Notes**

1. Approved adjustments include movements within different pay codes and between pay and non-pay codes, including for example reductions in income streams which have resulted in reductions in expenditure.



**TABLE 14B – Total Employee Costs**

£ '000	TOTAL EMPLOYEE COSTS									
	Basic	Overtime	National Insurance	Pension	Other	2025-26	2026-27	2027-28	2028-29	2029-30
<b>Department</b>										
Enterprise	10,775	186	1,302	1,310	353	13,926	14,205	14,489	14,778	15,074
Education, Sport & Culture	87,748	2,815	10,833	15,605	797	117,798	120,153	122,556	125,007	127,507
Environment, Food & Agriculture	10,231	83	1,102	1,509	246	13,171	13,435	13,703	13,977	14,257
Health & Social Care	3,062	-	306	369	106	3,843	3,919	3,998	4,078	4,159
Manx Care	162,764	6,013	18,836	24,441	27,667	239,721	249,900	260,517	271,589	283,136
Home Affairs	27,035	1,217	3,430	4,043	3,506	39,231	40,014	40,814	41,630	42,463
Infrastructure	37,475	3,538	3,878	5,554	2,482	52,927	53,987	55,066	56,168	57,291
Treasury	20,482	144	2,094	2,880	446	26,046	26,614	27,194	27,787	28,394
Cabinet Office	19,874	203	2,366	2,974	1,680	27,097	27,638	28,191	28,755	29,330
<b>Executive Government</b>										
Industrial Relations	338	-	43	51	5	437	445	454	463	473
Veterans' Welfare Society	82	2	8	13	9	114	117	119	122	124
Information Commissioner	304	-	33	45	-	382	390	398	406	414
General Registry	3,840	12	424	526	151	4,953	5,052	5,153	5,256	5,362
Attorney General's Chambers	6,130	-	713	896	55	7,794	7,950	8,109	8,271	8,437
Tynwald Auditor General	290	-	37	5	125	457	467	477	486	496
Tynwald Commissioner for Administration	33	-	4	-	-	37	37	38	38	39
<b>Other Boards</b>										
Communications & Utilities Regulatory Authority	761	-	48	66	11	886	903	921	940	959
Financial Services Authority	7,041	-	806	987	315	9,149	9,331	9,518	9,708	9,903
Gambling Supervision Commission	3,231	-	439	519	72	4,261	4,346	4,433	4,522	4,612
Financial Intelligence Unit	1,052	-	100	115	75	1,342	1,368	1,396	1,423	1,452
Public Sector Pension Authority	954	-	110	164	22	1,250	1,275	1,300	1,326	1,353
Legislature	3,699	10	476	557	305	5,047	5,148	5,251	5,356	5,464
<b>TOTAL</b>	<b>407,201</b>	<b>14,223</b>	<b>47,388</b>	<b>62,629</b>	<b>38,428</b>	<b>569,869</b>	<b>586,694</b>	<b>604,095</b>	<b>622,086</b>	<b>640,699</b>

Across the indicative financial plan the employee costs uplift by an average of 2% across departments reflecting a stable inflationary environment, with Manx Care seeing an average 4.25% uplift based on growth factors.



#### 5.4 Public Sector Pensions

The level of additional revenue expenditure that will be required during 2025-26 is expected to be around £40 million with further revenue expenditure being required each year into the future. This expenditure is included within the 2025-26 budget and the indicative financial plan as presented and does not represent an additional funding gap following previous reforms made to the schemes.

**TABLE 15 – Pension Account**

Pension Account							
£ million	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
Pension Costs	131	142	143	145	147	150	152
Less Employee Contributions	(42)	(43)	(40)	(40)	(41)	(42)	(43)
Less Department Contributions	(49)	(53)	(63)	(65)	(66)	(69)	(71)
<b>Revenue liability</b>	<b>40</b>	<b>46</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>39</b>	<b>38</b>



## 5.5 National Insurance and Welfare Benefits

A summary of the estimate for the use of the Manx National Insurance Fund (MNIF) is shown within the table below.

**TABLE 16 – National Insurance Account**

NATIONAL INSURANCE ACCOUNT								
£ million	Actual 2023-24	Budget 2024-25	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
					2026-27	2027-28	2028-29	2029-30
<b>Income</b>								
NI Contributions	268.4	271.7	273.7	286.7	301.0	308.6	316.4	324.3
Agency Income	49.4	43.4	43.4	43.0	42.5	42.1	41.7	41.3
Transfer of Investment Income	8.5	-	-	-	-	-	-	-
	<b>326.3</b>	<b>315.1</b>	<b>317.1</b>	<b>329.7</b>	<b>343.5</b>	<b>350.7</b>	<b>358.1</b>	<b>365.6</b>
<b>Expenditure</b>								
NI Funded Welfare Payments	251.9	267.1	267.6	278.7	284.2	289.9	295.6	301.6
Administration Costs	3.6	3.6	3.8	3.8	3.9	4.0	4.1	4.1
NHS Allocation	45.0	52.7	52.7	71.0	73.4	75.0	76.4	78.1
Health Care Funding Gap (DHSC)	8.6	-	-	-	-	-	-	-
	<b>309.1</b>	<b>323.4</b>	<b>324.1</b>	<b>353.5</b>	<b>361.5</b>	<b>368.9</b>	<b>376.1</b>	<b>383.8</b>
<b>NI Operating Account Surplus/(Deficit)</b>	<b>17.2</b>	<b>(8.3)</b>	<b>(7.0)</b>	<b>(23.8)</b>	<b>(18.0)</b>	<b>(18.2)</b>	<b>(18.0)</b>	<b>(18.2)</b>
<b>NI Fund (est Value) B/F</b>	<b>924.5</b>	<b>954.6</b>	<b>969.4</b>	<b>992.5</b>	<b>999.5</b>	<b>1,012.5</b>	<b>1,025.8</b>	<b>1,039.7</b>
Investment Income	37.3	29.6	30.1	30.8	31.0	31.5	31.9	32.7
Extra Allocation NI Interest to DHSC	(8.6)	-	-	-	-	-	-	-
Withdrawal from Fund	(1.0)	-	-	-	-	-	-	-
NI Operating Account Movement	17.2	(8.3)	(7.0)	(23.8)	(18.0)	(18.2)	(18.0)	(18.2)
<b>NI Fund (est Value) C/F</b>	<b>969.4</b>	<b>975.9</b>	<b>992.5</b>	<b>999.5</b>	<b>1,012.5</b>	<b>1,025.8</b>	<b>1,039.7</b>	<b>1,054.2</b>

The current year expenditure from the MNIF is forecast to be slightly higher than the level that was budgeted. This is mainly due to additional welfare costs that have been incurred during the year that are running at a higher level than the 2024-25 budget. The current year income is also forecast to be slightly higher than the budgeted level as a result of higher than expected National Insurance contributions receipts. The increase in income exceeds the additional welfare payment costs leading to the operating account deficit being forecast to be lower than budgeted.

Expenditure on revenue funded benefits for 2024-25 is currently forecast to be approximately £890,000 lower than budget. Some benefit categories have seen lower than budgeted levels of claims and payments leading to an overall expectation that total revenue funded benefits will be below the planned levels by the year end.

The annual uprating of benefits is expected to increase the spending in this area by £10.2 million or 2.9% on an overall basis. The largest increases are, as has been the case in previous years, attributable to the increase in expenditure on the Retirement Pension and Manx State Pension, amounting to £4.9 million and £2.6 million respectively.

Maternity allowance, paternity allowance and adoption allowance will be increased by 3.5% for the 2025-26 financial year, at a cost of approximately £100,000.





Treasury will continue to follow the UK policy on state pensions. The UK Government has recently confirmed that the pensions triple lock arrangement in relation to state pensions will remain in place until the end of the current UK Parliament.

A report was presented to Tynwald in November 2024 outlining the options considered to address the long term sustainability of the Manx National Insurance Fund. In recent months further work has been undertaken and shared with Tynwald Members to develop a plan to address this.

The NHS Allocation for 2025-26 and subsequent financial years has been revised upwards due to Treasury now holding better statistical information which enables more accurate forecasts to be made. This revision in isolation results in the 2025-26 allocation being £6.3 million higher than the previous forecast of £54.7 million in the 2024-25 Pink Book.

The NHS Allocation has been further increased for the 2025-26 tax year and subsequent four financial years to allow additional monies from the Manx National Insurance Fund to be allocated to the NHS following the reduction in the income tax rate from 22% to 21%.

The National Insurance investment income is forecast to continue to grow year on year over the period of the indicative financial plan even with increased NHS allocations in the first three years of the indicative plan. This is as a result of the anticipated effect of the implementation of the revised investment strategy and market conditions stabilising. The actual outturn will of course be dependent on the future investment market conditions.

## **5.6 Non-Pay Costs**

Non-pay cost amounts have been increased for the 2025-26 financial year by 1% to partially allow for inflationary pressures, however further cost savings and efficiencies will be required by Departments to offset the expected levels of inflation.



## **5.7 Contingency Funding**

The Treasury continue to hold a revenue contingency budget which can be accessed upon presentation of a robust business case should Departments or Boards encounter unanticipated costs that cannot be absorbed within the planned budget. The level of contingency has been set at £19.7 million for 2025-26 to include capacity for departmental pressures and can be allocated to departmental budgets, subject to applications to access contingency funding being scrutinised in close detail. £10 million of this contingency funding has been included specifically for potential Manx Care cost pressures.

In addition to the contingency funding held within the revenue budget there was £14.5 million held within the Contingency Fund at the beginning of the 2024-25 financial year. This fund is maintained to cover revenue requirements in excess of the amounts held within the general revenue account.

The current forecasts show that approximately £4 million of the Contingency Fund will be utilised during 2024-25 following an additional £1.5 million being added to this fund during the year.

The balance to be carried forward at 1 April 2025 is estimated to be £12 million. This budget includes an additional £5.5 million of funding for the Contingency Fund during 2025-26.

The Capital Programme also has a contingency amount included to provide funding to capital projects that face emergency or unforeseen costs and pressures as well to provide assistance with minor timing variances. It is proposed to include a Capital Contingency Budget of £9.9 million for 2025-26. A Capital Projects Inflation Budget of £2 million is also included within the Capital Programme. Any claims by departments to access either the Capital Projects Contingency Budget or the Capital Inflation Budget must be supported by a robust and current business case that will be subject to detailed scrutiny by Treasury.



## 5.8 Grants Payable

The following grants will be made by Government in 2025-26:

**TABLE 17 – Grants Payable 2025-26**

GRANTS PAYABLE					
£'000	2024-25	2025-26			
	Total Budget	Treasury Grants	Other Grants	Lottery Duty	Total Budget
Financial Services Authority	2,674	2,342	-	-	2,342
Manx Radio (Subvention)	1,334	1,361	-	-	1,361
Laxey Glen Mills	45	45	-	-	45
Culture Vannin	439	111	-	330	441
International Development	2,500	-	2,500	-	2,500
Manx Lottery Trust (Big Lottery)	750	-	600	150	750
Isle of Man Sports (DESC)	501	-	21	480	501
Arts Council (DESC)	539	-	99	440	539
Manx National Heritage	5,040	5,141	-	-	5,141
	<b>13,822</b>	<b>9,000</b>	<b>3,220</b>	<b>1,400</b>	<b>13,620</b>

The amount paid to the Financial Services Authority is budgeted to reduce in the medium term financial plan, recognising the fact that the Authority is continuing to move towards a model of industry funding.

Grants and subventions have been increased taking into account affordability within the Medium Term Financial Plan, inflationary pressures and the need to maintain service levels at the relevant bodies.

The Manx Radio subvention includes an amount in relation to minor capital works.

There are no other changes planned to the levels of grants provided by Treasury to the other bodies.



## **6. THE CAPITAL PROGRAMME**

### **6.1 Overview**

The Capital Programme covers construction and maintenance of the Island's strategic assets.

Projects range from the construction of new assets, such as critical infrastructure, reconstruction of replacement assets that have come to the end of their useful life and also the provision of necessary equipment and vehicles for the delivery of vital services, including the emergency services.

The maintenance and improvement of existing assets is financed through the Capital Programme to ensure that they remain fit for purpose and that they are preserved for future generations.

The Capital Programme also funds large scale information and communications technology projects to ensure that Government systems and equipment is up to date to allow the effective delivery of public services. In recent years, the shift to subscription based IT services is seeing a reduction in capital costs but a corresponding increase in revenue costs.

The Capital Programme is shown in detail in Appendix 4 and is analysed to show those projects that are funded from the Capital Financing Reserve (CFR), projects that are funded through the Consolidated Loans Fund (CLF) and those that are directly funded by a relevant Authority.

The CFR is partly funded from general revenue with the level of funding from general revenue increasing over the medium term. The medium term financial plan projects that capital will be fully funded in 2028-29 and going forward, with previous years' shortfalls being supported from general reserves. This is highlighted within the receipts noted within Table 2. It should be noted that in the final two years of the financial plan the amount of general revenue funding into the CFR is above the current estimated delivery cost, however it is considered prudent to bolster the CFR when possible to do so.

The CLF continues to fund borrowing for entities that are outside of Central Government. Repayments are made to the CLF by means of loan charges and these receipts support the future funding payments and loans. The loan charges include an element of interest linked to the borrowing outstanding. The rate of interest applicable for the 2025-26 financial year is proposed to remain at 5%. Where refinancing has occurred using the proceeds of the Government debt issue then a rate of 1.7% has been applied to reflect the reduced cost of borrowing associated with the external debt.

Some preliminary funding for Energy Transition has been included, however further funding will be determined once there is certainty of the delivery model.

The CFR and the CLF will also receive funds from the sale of capital assets, known as capital receipts, which have been financed from the relevant source.

Capital budgets for 2025-26 and for the period of the indicative financial plan have been reviewed and revised to reflect the current expectations of the phasing of spending going forward. The amendments and new bids have been reviewed by the Strategic Assets and Capital Investment Committee (SACIC), which is a sub-committee of the Treasury, before onward endorsement being granted by the Treasury Board and the Council of Ministers.

Business cases are submitted by Departments, which are then considered in the context of the priorities of Government as they stand at the relevant time, criticality, affordability and deliverability within the overall Capital Programme and funding resources available. This follows dialogue with the relevant Department that has submitted the business case.



Consistent with previous years, Tynwald is being asked to approve the value needed to complete discrete schemes within the Capital Programme where further funding or new funding is required. This recognises that it is very unlikely that a capital project will be halted once it has been started and this also allows Departments some certainty to engage with contractors and suppliers in the knowledge that the project cost has been approved across multiple financial years.

Departments provided the indicative spend phasing of their new capital projects and active ongoing capital schemes to show the expected cash flow requirements across the life of the project. This has also allowed Treasury to plan for the overall funding requirement for the Capital Programme each year.

The overall spending for a project is split across financial years by the relevant Department but the single project approval process allows flexibility to be built into this where necessary. Spending can be adjusted to an extent across a project to deal with potential delays and timing differences that are often experienced between one financial year and the next.

Following the initial approval for a capital project by Tynwald, there will be no requirement for a Department to obtain further Tynwald approval in relation to the project unless there is an expected overspend. In these cases, the Departments will still be required to return to Tynwald to obtain a further approval for any additional spending in excess of the approved budget.

The process above only applies to discrete, identifiable capital projects. Rolling schemes, such as ongoing capital maintenance schemes and minor capital works schemes, will be subject to annual approval by Tynwald due to their periodic nature.

The Project Development Fund continues to be available and will be increased by a further £5 million for the 2025-26 financial year.

The Project Development Fund allows Departments to make bids against the Terms of Reference to fully develop a scheme through investigation, design, planning consents and procurement. Ultimately, this should allow accurate costs and timeline data to be presented within a fully developed business case for consideration by SACIC, Treasury Board, Council of Ministers and ultimately Tynwald, as appropriate.

## **6.2 2024-25 Performance**

The actual expected annual capital spend (excluding borrowing authorities and property purchases) has been lower than budgeted for 2024-25. The projected overall spend for the current year is £75.4 million compared to the overall budget of £101.3 million (excluding projects that are funded outside of the CFR and CLF). The budget utilisation for 2024-25 is therefore expected to be around 74%, which is predominately a result of lower than budgeted CLF loan drawdowns.

## **6.3 2025-26 Budget**

The total proposed Central Government funded Capital Programme for 2025-26 is £135.5 million (£87.4 million from the CFR and £48.1 million from the CLF).

Across the period of the indicative financial plan, the Central Government funded Capital Programme totals £508.4 million (£299.8 million from the CFR and £208.6 million from the CLF).

The CFR financed programme includes £53.4 million of proposed new funding across discrete and rolling schemes for approval (£6.3 million for discrete schemes and £47.1 million in rolling schemes).

The 2025-26 CLF financed programme includes Manx Utilities schemes, which have been reordered to better reflect how spending is managed operationally.



New approvals total £35.5 million and there are £12.6 million of brought forward approvals relating to existing schemes in the 2025-26 financial year.

Although 2024-25 performance forecasts suggest that the delivery will be higher than the estimated delivery budgeted, this continues to track below the full estimated cost of the capital programme. It therefore continues to be considered the most fiscally responsible approach to include the full estimated costs into the capital funding plans as this represents the higher cost exposure to Government.

**TABLE 18 – Total Capital Programme Fund Forecast – Estimated Delivery Basis**

TOTAL CAPITAL PROGRAMME (ESTIMATED DELIVERY)								
£'000 (Projections)	Actual	Budget	Probable	Provisional	Indicative financial plan			
	2023-24	2024-25	2024-25	Budgets	2026-27	2027-28	2028-29	2029-30
				2025-26				
Consolidated Loans Fund Operating Account	(5,073)	4,399	(3,419)	2,380	2,243	2,423	11,288	23,952
Capital Financing Reserve	9,212	2,048	32,203	1,388	1,573	4,069	8,254	15,439
<b>Total Capital Programme</b>	<b>4,139</b>	<b>6,447</b>	<b>28,784</b>	<b>3,768</b>	<b>3,816</b>	<b>6,492</b>	<b>19,542</b>	<b>39,391</b>

Some capital projects for Manx Utilities are funded as a loan through the CLF and this will continue into the future.

The majority of the Capital Programme for 2025-26 will continue to be delivered by the Department of Infrastructure, as they are responsible for the management and maintenance of most of the Government's infrastructure assets and its own share of the public housing stock.

Table 19A presents a summary of the Capital Programme split by Department and the amounts for Tynwald approval. The detailed Capital Programme showing the budgeted expenditure for 2025-26, in accordance with Section 3 of the Budget Order Paper, is shown in Appendix 4 on a scheme by scheme basis.

The schemes that remain to be financed from the CLF are presented within Table 19B and relate to Manx Utilities Authority, Manx National Heritage and Manx Development Corporation.



TABLE 19A – CFR Capital Programme

Discrete Schemes £'000 Department	Total Cost	Total Tynwald Approval to 31 March 2025	Total Spend to 31 March 2025	2025/26	2026/27	2027/28	2028/29	2029/30	New Tynwald Approval
Cabinet Office	1,701	1,576	938	763	-	-	-	-	125
Department for Enterprise	11,250	11,250	9,531	1,719	-	-	-	-	-
Department of Education, Sport & Culture	1,932	1,632	143	1,789	-	-	-	-	300
Department of Environment, Food & Agriculture	605	605	465	80	30	30	-	-	-
Department of Health and Social Care	7,765	6,065	335	4,000	3,315	115	-	-	1,700
Department of Home Affairs	3,383	3,383	1,995	1,338	50	-	-	-	-
Department of Infrastructure	109,894	105,731	87,802	14,375	6,972	538	149	58	4,163
The Treasury	66,719	66,719	21,372	16,190	7,650	7,507	7,000	7,000	-
<b>Total Discrete</b>	<b>203,249</b>	<b>196,961</b>	<b>122,581</b>	<b>40,254</b>	<b>18,017</b>	<b>8,190</b>	<b>7,149</b>	<b>7,058</b>	<b>6,288</b>
Rolling Schemes £'000 Department				2025/26	2026/27*	2027/28*	2028/29*	2029/30*	New Tynwald Approval
Cabinet Office				250	250	250	250	250	250
Department of Education, Sport & Culture				525	525	525	525	525	525
Department of Environment, Food & Agriculture				495	520	-	-	-	495
Department of Health and Social Care				1,250	1,250	1,250	1,250	1,250	1,250
Department of Home Affairs				1,657	1,688	1,742	1,784	1,784	1,657
Department of Infrastructure				32,921	29,114	29,114	29,114	29,114	32,921
The Treasury				10,000	10,000	10,000	10,000	10,000	10,000
<b>Total Rolling</b>				<b>47,098</b>	<b>43,347</b>	<b>42,881</b>	<b>42,923</b>	<b>42,923</b>	<b>47,098</b>
<i>* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.</i>									
<b>Total Capital Programme</b>	<b>203,249</b>	<b>196,961</b>	<b>122,581</b>	<b>87,352</b>	<b>61,364</b>	<b>51,071</b>	<b>50,072</b>	<b>49,981</b>	<b>53,386</b>



**TABLE 19B – CLF 2025-26 Capital Approvals**

<b>CONSOLIDATED LOAN FUND APPROVALS (PROJECTED)</b>						
<b>£'000</b>	<b>Total Expenditure 2025/26</b>	<b>Tynwald Approved C1</b>	<b>To be Approved C2</b>	<b>Future Approvals C3</b>	<b>Loan Sanction C4</b>	<b>Years C5</b>
<b>Manx Development Corporation</b>						
Working Capital	240	-	240	-	-	3
<b>Total Manx Development Corporation</b>	<b>240</b>	<b>-</b>	<b>240</b>	<b>-</b>	<b>-</b>	
<b>Manx Utilities Authority</b>						
Electricity	11,255	-	11,255	-	-	20
Energy Transition – Solar Generation	1,129	-	1,129	-	-	20
Meter Replacement Programme	1,207	1,207	-	-	-	10
Regional Sewerage Treatment Strategy 2	11,430	11,430	-	-	-	30
Wastewater	11,057	-	11,057	-	-	30
Water	11,380	-	11,380	-	-	30
<b>Total Manx Utilities Authority</b>	<b>47,458</b>	<b>12,637</b>	<b>34,821</b>	<b>-</b>	<b>-</b>	
<b>Manx National Heritage</b>						
MCW - MNH	200	-	200	-	-	10
MCW- Properties	200	-	200	-	-	10
<b>Total Manx National Heritage</b>	<b>400</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>48,098</b>	<b>12,637</b>	<b>35,461</b>	<b>-</b>	<b>-</b>	





## 6.4 The Five Year Capital Programme

The five year Capital Programme on a full delivery basis is presented below.

**TABLE 20 – Capital Account Summary**

CAPITAL ACCOUNT SUMMARY						
£'000	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
			2026-27	2027-28	2028-29	2029-30
<b>RECEIPTS</b>						
MNH Receipts	1,511	1,625	1,612	1,568	1,245	1,079
MUA Receipts	4,880	8,490	11,783	13,599	17,010	17,910
Capital Receipts	932	608	608	608	608	608
Drawdown from Housing Reserve	2,735	4,735	4,735	4,046	2,735	2,735
Investment Income	1,496	1,526	1,556	1,587	1,619	1,651
<b>TOTAL INCOME</b>	<b>11,554</b>	<b>16,984</b>	<b>20,294</b>	<b>21,408</b>	<b>23,217</b>	<b>23,983</b>
<b>PAYMENTS</b>						
<b>CAPITAL FINANCING RESERVE</b>						
<b>Departments</b>						
Cabinet Office	685	1,013	250	250	250	250
Enterprise	594	1,719	-	-	-	-
Education, Sports and Culture	1,714	2,314	525	525	525	525
Environment, Food and Agriculture	582	575	550	30	-	-
Health and Social Care	4,448	5,250	4,565	1,365	1,250	1,250
Home Affairs	3,388	2,995	1,738	1,742	1,784	1,784
Infrastructure	30,600	44,561	33,351	26,917	26,528	26,437
Housing Reserve Funded Schemes	2,735	2,735	2,735	2,735	2,735	2,735
Treasury	2,454	26,190	17,650	17,507	17,000	17,000
Executive Government	541	-	-	-	-	-
<b>Other Bodies</b>						
Statutory Board FIU	-	-	-	-	-	-
Statutory Board FSA	77	-	-	-	-	-
Statutory Board GSC	111	-	-	-	-	-
Statutory Board PSPA	765	-	-	-	-	-
<b>TOTAL CAPITAL FINANCING RESERVE</b>	<b>48,694</b>	<b>87,352</b>	<b>61,364</b>	<b>51,071</b>	<b>50,072</b>	<b>49,981</b>
<b>CONSOLIDATED LOANS FUND</b>						
<b>Other Bodies</b>						
Manx National Heritage	1,533	400	400	400	400	400
Manx Development Corporation	-	240	240	240	-	-
Manx Utilities Authority	25,182	47,458	49,732	57,421	27,600	23,700
<b>TOTAL CONSOLIDATED LOANS FUND</b>	<b>26,715</b>	<b>48,098</b>	<b>50,372</b>	<b>58,061</b>	<b>28,000</b>	<b>24,100</b>
<b>TOTAL BUDGETED EXPENDITURE</b>	<b>75,409</b>	<b>135,450</b>	<b>111,736</b>	<b>109,132</b>	<b>78,072</b>	<b>74,081</b>



Historically after the end of each financial year, the Treasury has brought to Tynwald a list of Capital Supplementary Authorities for amounts of capital expenditure which form part of the overall approved budget for various capital programme items. Due to the nature and timing of those items over a number of financial years, the actual level of expenditure in any one year may exceed the specific budget approval for that year.

The delegated authority from Tynwald to the Treasury remains in place. This allows the Treasury to approve, where appropriate, the funding of scheme overspends up to £2,000,000.

Departments will still be required to explain any project overspends where necessary.

### **6.5 Manx Development Corporation**

Manx Development Corporation Limited (MDC), an Isle of Man company, was incorporated on 31 March 2021 as a wholly owned subsidiary of the Treasury.

MDC was established to operate on an arm's length basis from Treasury to make a long term contribution to urban and brownfield regeneration in the Isle of Man.

MDC are currently working on various developments, including the Former Nurses Home on Westmoreland Road. The MDC board have identified several potential sites for which they are conducting feasibility studies in order to bring full business cases forward for consideration.

Where projects are to be taken into development, the MDC will be expected to seek loan funding on commercial terms, either from Treasury or from external sources, to finance any construction costs.

Any further equity or loan funding to the MDC will be considered as and when specific projects are identified and this has not been included within the 2025-26 budget. This funding will be made available from the Consolidated Loans Fund.



## **7. THE RESERVES**

### **7.1 Overview**

Government's reserves are made up of internal and external funds. Summaries of each of the reserve uses is included at Appendix 7.

The internal funds assist with funding costs that are difficult to predict due to their unforeseen nature or due to their high levels of cost volatility year on year. Including these items within the revenue budget would distort the annual forecasts and would create a risk of setting inappropriate budget levels for Departments.

The 2025-26 budget relies on the utilisation of £110.6 million of reserves, compared to an estimated fund use of £98.4 million for the 2024-25 financial year. This can be used as a proxy for Government's underlying operating deficit. As previously noted, it is planned to reduce the reliance on the use of reserves going forward through the period of the financial plan. Funding for the Capital Programme is included on a maximum exposure basis, being the estimated delivery basis of £60 million per year for the Capital Financing Reserve programme. Planning for the full possible exposure for the Capital Programme is considered to be the most responsible approach to budgetary forecasting.

For the first three years of the financial plan presented the level of revenue funding available to contribute towards capital expenditure remains lower than the planned Capital Programme which leads to the requirement to draw from reserves. In 2025-26 it is planned to make a contribution of £19 million from General Revenue to the Capital Financing Reserve, however the budgeted spending is £60 million. This deficit reduces over the next few years until the Capital Programme is fully funded from General Revenue in 2028-29.

The effects of recent inflationary pressure continue to be felt by departments which has impacted on spending and leading to a continuing internal fund use.

Investment returns on externally invested reserves are forecast at around £40.2 million, reflecting the revised investment strategy and mandated returns. Future years assume a level of prudence to reflect possible market volatility. It is assumed that markets will return to more stable levels in the medium term and so this prudence measure reduces towards the final years of the financial plan. The returns forecast have also been adjusted to reflect the expected drawdowns on reserves, which will limit the ability to capitalise on improved market conditions.

Actual returns may be in excess or below the planned levels within the indicative financial plan.

A summary of the projected reserves usage is shown within Table 21.



TABLE 21- Use of Reserves

USE OF RESERVES								
	Actual	Budget	Probable	Provisional Budget	Indicative financial plan			
£ million	2023-24	2024-25	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b><u>Internal Fund Transfers to Operating Account from Reserves</u></b>								
Internal Funds Expenditure Transfer to Operating Account	31.7	32.3	39.2	41.8	38.3	37.3	36.3	35.3
Housing Reserve Fund Expenditure Transfer to Operating Account	-	2.7	2.7	4.7	4.7	4.0	2.7	2.7
<b>Sub-Total Transfer To Operating Account</b>	<b>31.7</b>	<b>35.0</b>	<b>41.9</b>	<b>46.5</b>	<b>43.0</b>	<b>41.3</b>	<b>39.0</b>	<b>38.0</b>
<b><u>Other Operating Account Movements (To)/From Reserves</u></b>								
Reserve Fund Interest	15.9	10.7	12.1	10.6	10.9	11.2	11.6	11.9
General Revenue (Surplus)/Deficit	40.2	(1.0)	13.7	(1.3)	(1.7)	(1.1)	(1.2)	(2.4)
<b>Sub-Total Transfers to/(From) Operating Account</b>	<b>56.1</b>	<b>9.7</b>	<b>25.8</b>	<b>9.3</b>	<b>9.2</b>	<b>10.1</b>	<b>10.4</b>	<b>9.5</b>
<b><u>Capital Accounts Movements</u></b>								
Capital Financing Reserve Transfer From External Reserves	-	44.0	48.5	5.0	12.0	-	-	-
Capital Financing Reserve Expenditure (net External Res transfer)	73.9	26.0	0.2	55.0	48.0	60.0	60.0	60.0
Capital Financing Reserve Transfer from Operating Account	(48.5)	(20.0)	(20.0)	(19.0)	(43.0)	(58.0)	(61.0)	(64.0)
Consolidated Loans Fund Transfer from Operating Account	(10.0)	(5.0)	(5.0)	(10.0)	(5.0)	(10.0)	(10.0)	(12.0)
<b>Sub-Total Transfers (To)/From Capital Accounts</b>	<b>15.4</b>	<b>45.0</b>	<b>23.7</b>	<b>31.0</b>	<b>12.0</b>	<b>(8.0)</b>	<b>(11.0)</b>	<b>(16.0)</b>
<b>Sub-Total Use of Reserves for Operating &amp; Capital</b>	<b>103.2</b>	<b>89.7</b>	<b>91.4</b>	<b>86.8</b>	<b>64.2</b>	<b>43.4</b>	<b>38.4</b>	<b>31.5</b>
<b><u>National Insurance Account Movements to/(from) Revenue</u></b>								
NI (Surplus) / Deficit	(17.1)	8.3	7.0	23.8	18.0	18.2	18.0	18.2
<b>Sub-Total Transfers (to)/from National Insurance Account</b>	<b>(17.1)</b>	<b>8.3</b>	<b>7.0</b>	<b>23.8</b>	<b>18.0</b>	<b>18.2</b>	<b>18.0</b>	<b>18.2</b>
<b>Total Use of Reserves</b>	<b>86.1</b>	<b>98.0</b>	<b>98.4</b>	<b>110.6</b>	<b>82.2</b>	<b>61.6</b>	<b>56.4</b>	<b>49.7</b>

The use of reserves is presented on a consistent basis as the structural deficit at Table 4, rather than in line with Table 3A.



## 7.2 External Reserves

The purpose of each external fund is set out within the investment mandates and forms part of the formal contract with each of the investment managers. All investment mandates and benchmarks remain on an absolute return basis. Details of the investment mandates are published within the Government Accounts, which can be viewed on the Treasury website.

## 7.3 Internal Reserves

The Treasury was granted devolved authority to transfer funding between the internal reserves without further recourse to Tynwald as part of the 2018-19 budget process. Through this devolved authority, the Treasury has flexibility to transfer funding to areas where it is needed at short notice.

For the 2025-26 budget, the Treasury has recommended the following transfers to the internal funds:

- **Agriculture and Forestry Fund** - £4 million in order to support the Isle of Man Meat Plant and the Agri-Environment Scheme.
- **Contingency Fund** - £5.5 million to provide funding for unanticipated and unforeseen costs that may arise within Departments. This transfer has been reduced from prior years to reflect the fact that Departments should be returning to a more predictable level of spending following several years of extreme unforeseen volatility. A further £2.8 million is provided as a contribution from general revenue.
- **Transformation Fund** - £2.5 million to make funding available to finance initiatives aimed at digitising and automating processes in order to achieve efficiencies and cost savings. A further £2.8 million is provided as a contribution from general revenue.
- **Healthcare Transformation Fund** – £4 million is proposed to be added to this fund in order to continue to support the ongoing work in this area to implement the recommendations within the Sir Jonathan Michael Report.
- **Legal Costs Reserve** – A further £0.75 million is proposed to be transferred to replenish the fund balance. There is a continued demand for access to this funding from a number of areas of Government. The unpredictable nature of these costs mean that it is difficult to establish accurate budgets in this area.
- **Medical Indemnity Fund** – £3 million top up is proposed to this fund in order to maintain the balance going forward in order to meet future liability demands.
- **Project Development Fund** – A further £5 million is proposed to be added to this fund in order to support the initial capital funding process and allow Departments to complete full design and feasibility activities in order to more accurately scope and cost capital projects.
- **Housing and Communities Fund** – £1 million is to be transferred to this fund to support of work of the Housing and Communities Board going forward.
- **Housing Deficiency Fund** - £2 million is to be transferred to this newly created fund to top up the £7.5 million being transferred from the DOI in relation to the Housing Deficiency funding previously held within their revenue budget.

## 7.4 2024-25 Reserves Performance

The projected probable income and expenditure for 2024-25 in respect of each of the internally and externally managed funds is presented in Table 22.



TABLE 22 – Probable Income and Expenditure 2024-25

THE RESERVES - PROBABLE INCOME & EXPENDITURE 2024-25							
£'000	Balance brought forward at 01/04/24	Projected Income & Expenditure 2024-25					Balance carried forward at 31/03/25
		Transfers (to)/from the Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfer to Revenue & Capital Accounts	Other Expenses	
<b>Managed External Invested Funds:</b>							
Enterprise Development Scheme	1,154	-	1,000	-	-	(3)	2,151
Manx Currency Account - Notes	33,538	-	-	168	-	(84)	33,622
MUA Bond Repayment Fund	69,878	-	12,500	1,048	-	(175)	83,251
National Insurance Investment Account	899,261	-	-	13,489	-	(2,248)	910,502
Reserve Fund	536,997	(39,150)	-	112	(75,459)	(3)	422,497
Reserve Fund Bond Issue	67,952	-	-	1,019	-	-	68,971
<b>Total - External Funds</b>	<b>1,608,780</b>	<b>(39,150)</b>	<b>13,500</b>	<b>15,836</b>	<b>(75,459)</b>	<b>(2,513)</b>	<b>1,520,994</b>
<b>Invested Funds:</b>							
Academic Business Planning Fund	589	-	-	6	-	-	595
Agriculture & Forestry Fund	1,671	2,000	-	17	(4,500)	-	(812)
Contingency Fund	14,533	1,500	-	145	(4,000)	-	12,178
Transformation Fund	5,848	1,500	-	58	(250)	-	7,156
Economic Strategy Fund	100,818	-	-	1,008	(9,000)	-	92,826
Healthcare Transformation Fund	11,507	3,500	-	115	(9,000)	-	6,122
Legal Costs Reserve	(1,733)	4,150	-	(17)	(300)	-	2,100
Medical Indemnity Fund	7,972	3,000	-	80	(4,000)	-	7,052
Seized Assets Fund	11,570	-	2,000	116	(2,000)	-	11,686
Project Development Fund	9,979	-	-	100	(1,000)	-	9,079
Housing & Communities Fund	2,967	1,000	-	30	(100)	-	3,897
Climate Change Fund	33,666	-	-	337	(5,000)	-	29,003
<b>Funds for Revenue reimbursement</b>	<b>199,387</b>	<b>16,650</b>	<b>2,000</b>	<b>1,995</b>	<b>(39,150)</b>	<b>-</b>	<b>180,882</b>
<b>Internal element of external Funds:</b>							
Manx Currency Account - Other	71,308	-	-	357	-	-	71,665
Media Development Fund	856	(856)	-	-	-	-	-
Enterprise Development Fund	7,401	-	-	-	(313)	-	7,088
Sinking Fund	35,877	-	15,604	1,544	(6,500)	-	46,525
<b>Internal element of external Funds</b>	<b>115,442</b>	<b>(856)</b>	<b>15,604</b>	<b>1,901</b>	<b>(6,813)</b>	<b>-</b>	<b>125,278</b>
<b>Funds used for capital reimbursement:</b>							
Housing Reserve Fund	8,594	-	1,732	-	(2,735)	-	7,591
Land & Property Acquisition Reserve	7,033	-	-	70	(500)	-	6,603
Capital Financing Reserve	9,212	51,235	20,000	450	(48,694)	-	32,203
Sub-total: Funds for capital reimbursement	24,839	51,235	21,732	520	(51,929)	-	46,397
<b>Total - Internal Funds</b>	<b>339,668</b>	<b>67,029</b>	<b>39,336</b>	<b>4,416</b>	<b>(97,892)</b>	<b>-</b>	<b>352,557</b>
<b>TOTAL</b>	<b>1,948,448</b>	<b>27,879</b>	<b>52,836</b>	<b>20,252</b>	<b>(173,351)</b>	<b>(2,513)</b>	<b>1,873,551</b>



## 7.5 2025-26 Reserves Projected Income and Expenditure

The projected income and expenditure for 2025-26 is presented in the table below.

**TABLE 23 – Projected Income and Expenditure 2025-26**

THE RESERVES - PROJECTED INCOME & EXPENDITURE 2025-26							
£'000	Balance brought forward at 01/04/25	Projected Income & Expenditure					Balance carried forward at 31/03/26
		Transfers (to)/from the Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfer to Revenue & Capital Accounts	Other Expenses	
<b>Managed External Invested Funds:</b>							
Enterprise Development Scheme	2,151	-	1,000	-	-	(5)	3,146
Manx Currency Account - Notes	33,622	-	-	336	-	(84)	33,874
MUA Bond Repayment Fund	83,251	-	12,500	2,873	-	(208)	98,416
National Insurance Investment Account	910,502	-	-	27,315	-	(2,276)	935,541
Reserve Fund	422,497	(41,750)	-	7,011	(31,231)	(1,131)	355,396
Reserve Fund Bond Issue	68,971	-	-	2,069	-	(172)	70,868
<b>Total - External Funds</b>	<b>1,520,994</b>	<b>(41,750)</b>	<b>13,500</b>	<b>39,604</b>	<b>(31,231)</b>	<b>(3,876)</b>	<b>1,497,241</b>
<b>Invested Funds:</b>							
Academic Business Planning Fund	595	-	-	1	-	-	596
Agriculture & Forestry Fund	(812)	4,000	-	(2)	(3,000)	-	186
Contingency Fund	12,178	5,500	2,800	24	(5,500)	-	15,002
Transformation Fund	7,156	2,500	2,800	14	(5,000)	-	7,470
Economic Strategy Fund	92,826	-	-	186	(5,000)	-	88,012
Healthcare Transformation Fund	6,122	4,000	-	12	(5,000)	-	5,134
Legal Costs Reserve	2,100	750	-	4	(500)	-	2,354
Medical Indemnity Fund	7,052	3,000	-	14	(750)	-	9,316
Seized Assets Fund	11,686	-	-	23	(500)	-	11,209
Project Development Fund	9,079	5,000	-	18	(2,000)	-	12,097
Housing & Communities Fund	3,897	1,000	-	8	(1,000)	-	3,905
Housing Deficiency Fund	-	2,000	7,537	19	(8,500)	-	1,056
Climate Change Fund	29,003	-	-	58	(5,000)	-	24,061
<b>Funds for Revenue reimbursement</b>	<b>180,882</b>	<b>27,750</b>	<b>13,137</b>	<b>379</b>	<b>(41,750)</b>	<b>-</b>	<b>180,398</b>
<b>Internal element of external Funds:</b>							
Manx Currency Account - Other	71,665	-	-	(717)	-	-	70,948
Enterprise Development Fund	7,088	-	-	-	-	-	7,088
Sinking Fund	46,525	-	15,604	2,464	(6,500)	-	58,093
<b>Internal element of external Funds</b>	<b>125,278</b>	<b>-</b>	<b>15,604</b>	<b>1,747</b>	<b>(6,500)</b>	<b>-</b>	<b>136,129</b>
<b>Funds used for capital reimbursement:</b>							
Housing Reserve Fund	7,591	-	1,700	-	(4,735)	-	4,556
Land & Property Acquisition Reserve	6,603	-	-	13	(500)	-	6,116
Capital Financing Reserve	32,203	-	28,735	450	(60,000)	-	1,388
<b>Funds for capital reimbursement</b>	<b>46,397</b>	<b>-</b>	<b>30,435</b>	<b>463</b>	<b>(65,235)</b>	<b>-</b>	<b>12,060</b>
<b>Total - Internal Funds</b>	<b>352,557</b>	<b>27,750</b>	<b>59,176</b>	<b>2,589</b>	<b>(113,485)</b>	<b>-</b>	<b>328,587</b>
<b>TOTAL</b>	<b>1,873,551</b>	<b>(14,000)</b>	<b>72,676</b>	<b>42,193</b>	<b>(144,716)</b>	<b>(3,876)</b>	<b>1,825,828</b>

**Note:** The balances of the externally managed investment funds are shown at book rather than market value.

Receipts to the Bond Repayment Sinking Fund include amounts repaid by Manx Utilities Authority and Isle of Man Steam Packet Company.



## 7.6 Reserves Projected Future Expenditure

The projected future expenditure of each fund for the duration of the five year indicative financial plan is presented in the table below:

**TABLE 24 – Probable Future Years’ Expenditure**

PROJECTED FUTURE EXPENDITURE FROM RESERVES					
£'000	Provisional Budget 2025-26	Indicative Financial Plan			
		2026-27	2027-28	2028-29	2029-30
<b>Managed External Invested Funds:</b>					
Enterprise Development Scheme	5	-	-	-	-
Manx Currency Account - Notes	84	100	100	100	100
MUA Bond Repayment Fund	208	200	200	200	200
Bond Repayment Sinking Fund	6,500	6,500	6,500	6,500	6,500
National Insurance Investment Account	2,276	2,276	2,276	2,276	2,276
Reserve Fund	32,534	28,000	14,000	-	-
<b>Total - External Funds</b>	<b>41,607</b>	<b>37,076</b>	<b>23,076</b>	<b>9,076</b>	<b>9,076</b>
<b>Invested Funds:</b>					
Agriculture & Forestry Fund	3,000	3,000	3,000	3,000	3,000
Contingency Fund	5,500	5,500	5,500	5,500	5,500
Transformation Fund	5,000	2,500	2,500	2,500	2,500
Economic Strategy Fund	5,000	5,000	5,000	5,000	5,000
Healthcare Transformation Fund	5,000	4,000	3,000	2,000	1,000
Legal Costs Reserve	500	500	500	500	500
Medical Indemnity Fund	750	750	750	750	750
Seized Assets Fund	500	500	500	500	500
Project Development Fund	2,000	2,000	2,000	2,000	2,000
Housing & Communities Fund	1,000	1,000	1,000	1,000	1,000
Housing Deficiency Fund	8,500	8,500	8,500	8,500	8,500
Climate Change Fund	5,000	5,000	5,000	5,000	5,000
<b>Funds for Revenue reimbursement</b>	<b>41,750</b>	<b>38,250</b>	<b>37,250</b>	<b>36,250</b>	<b>35,250</b>
<b>Internal element of external Funds:</b>					
Manx Currency Account - Other	-	750	750	750	750
<b>Internal element of external Funds</b>	<b>-</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>
<b>Funds used for capital reimbursement:</b>					
Housing Reserve Fund	4,735	4,735	4,046	2,735	2,735
Land & Property Acquisition Reserve	500	500	500	500	500
Capital Financing Reserve	60,000	60,000	60,000	60,000	60,000
<b>Funds for capital reimbursement</b>	<b>65,235</b>	<b>65,235</b>	<b>64,546</b>	<b>63,235</b>	<b>63,235</b>
<b>Total - Internal Funds</b>	<b>106,985</b>	<b>104,235</b>	<b>102,546</b>	<b>100,235</b>	<b>99,235</b>
<b>TOTAL</b>	<b>148,592</b>	<b>141,311</b>	<b>125,622</b>	<b>109,311</b>	<b>108,311</b>





## Appendix 1 – Analysis of Treasury Income

### APPENDIX 1 – ANALYSIS OF TREASURY INCOME

This table shows the estimated revenue of the Treasury as provided by Customs & Excise, Income Tax and the Treasury investment team.

**TABLE 25 – Analysis of Treasury Income**

ANALYSIS OF TREASURY INCOME							
Budget 2024-25	Probable 2024-25	£'000	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
		<b>CUSTOMS &amp; IMMIGRATION</b>					
		<u>Shared Revenue</u>					
373,039	372,393	Value Added Tax	388,464	402,943	415,169	426,333	438,472
28,500	28,500	Excise Duty - Hydrocarbon Oil	28,500	28,000	27,500	27,000	26,500
23,739	23,739	Excise Duty - Alcohol	23,739	24,115	24,496	24,883	25,276
18,000	18,000	Excise Duty - Tobacco	18,000	18,284	18,573	18,865	19,161
6,600	6,600	Customs Duty	6,600	6,704	6,810	6,918	7,020
649	649	Soft Drinks Industry Levy	649	659	670	681	692
(3,500)	(3,500)	Cost of Collection Adjustment	(3,500)	(3,500)	(3,600)	(3,700)	(3,900)
-	-	<u>Non-Shared Revenue</u>					
4,500	4,500	Gambling Duty	4,500	4,600	4,600	4,600	4,700
4,600	4,600	Air Passenger Duty	4,600	5,500	5,500	5,500	6,000
1,300	1,300	Lottery Duty	1,400	1,400	1,400	1,400	1,400
600	600	Non-Revenue Receipts	600	600	600	600	600
<b>458,027</b>	<b>457,381</b>	<b>TOTAL CUSTOMS &amp; IMMIGRATION</b>	<b>473,552</b>	<b>489,305</b>	<b>501,718</b>	<b>513,080</b>	<b>525,921</b>
		<b>INCOME TAX</b>					
313,400	313,932	Resident Income Tax	330,290	340,197	366,769	379,856	392,496
23,400	23,400	Company Tax	23,400	32,895	30,412	31,013	31,644
30,350	30,350	Non-Resident Tax	30,350	34,012	38,181	38,378	38,584
<b>367,150</b>	<b>367,682</b>	<b>TOTAL INCOME TAX</b>	<b>384,040</b>	<b>407,104</b>	<b>435,362</b>	<b>449,247</b>	<b>462,724</b>
<b>315,048</b>	<b>317,082</b>	<b>NI OPERATING ACCOUNT</b>	<b>329,742</b>	<b>343,517</b>	<b>350,693</b>	<b>358,070</b>	<b>365,563</b>
		<b>OTHER TREASURY INCOME</b>					
250	250	Fines	250	250	250	250	250
10,686	12,099	Interest on Investments	10,578	10,895	11,222	11,558	11,905
383	610	Miscellaneous	403	423	443	464	485
<b>11,319</b>	<b>12,959</b>	<b>TOTAL OTHER TREASURY INCOME</b>	<b>11,231</b>	<b>11,568</b>	<b>11,915</b>	<b>12,272</b>	<b>12,640</b>
<b>1,151,544</b>	<b>1,155,104</b>	<b>TOTAL</b>	<b>1,198,565</b>	<b>1,251,494</b>	<b>1,299,688</b>	<b>1,332,669</b>	<b>1,366,848</b>

The investment income forecasts also include an expectation of a levy from the Isle of Man Post Office and dividend from the Isle of Man Steam Packet Company, both in the amount of £1 million respectively.



## Appendix 2 – Welfare Benefit Payments 2025-26

### APPENDIX 2 – WELFARE BENEFIT PAYMENTS

**TABLE 26 – Welfare Benefit Payments**

Benefit/Payment	Base cost (1) £	Up-rating %	Cost of up-rating (7) £	Uprated cost £
<b>National Insurance (NI) Benefits</b>				
Retirement Pension (2)	140,000,000	3.5%	4,900,000	144,900,000
Age Addition	220,000	0.0%	-	220,000
Pension Supplement (RP)	25,000,000	0.0%	-	25,000,000
Retirement Pension Premium	800,000	1.7%	14,000	814,000
Old Person's Pension	85,000	4.1%	3,000	88,000
Manx State Pension (3)	62,500,000	4.1%	2,563,000	65,063,000
Pension Supplement (MSP)	10,000,000	0.0%	-	10,000,000
Nursing Care Contribution Scheme	5,000,000	5.3%	265,000	5,265,000
Long Term Incapacity Benefit	11,000,000	1.7%	187,000	11,187,000
Short Term Incapacity Benefit	2,400,000	1.7%	41,000	2,441,000
Pension Supplement (Incap)	190,000	0.0%	-	190,000
Bereavement Support Payment	950,000	2.2%	21,000	971,000
Bereavement Allowances (legacy)	130,000	1.7%	2,000	132,000
Pension Supplement (Bereavement)	12,000	0.0%	-	12,000
Widows Pension	74,000	1.7%	1,000	75,000
Pension Supplement (Widows Pension)	9,000	0.0%	-	9,000
Guardian's Allowance	9,000	1.7%	-	9,000
Funeral Payments	100,000	0.0%	-	100,000
Maternity Allowance	4,000,000	3.5%	140,000	4,140,000
Adoption Allowance	40,000	3.5%	1,000	41,000
Paternity Allowance	90,000	3.5%	3,000	93,000
Carer's Allowance	4,900,000	2.2%	108,000	5,008,000
Industrial Disablement Benefit	800,000	1.7%	14,000	814,000
Contribution Based Jobseeker's Allowance	425,000	1.7%	7,000	432,000
Redundancy Payments/Rebates	185,000	0.0%	-	185,000
Insolvency Payments	500,000	0.0%	-	500,000
Christmas Bonus	1,000,000	0.0%	-	1,000,000
<b>N.I. Benefits - Total</b>	<b>270,419,000</b>		<b>8,270,000</b>	<b>278,689,000</b>
<b>General Revenue Benefits</b>				
Disability Living Allowance (4)	17,184,000	2.2%	378,000	17,562,000
Attendance Allowance	6,500,000	2.2%	143,000	6,643,000
Severe Disablement Allowance	400,000	1.7%	7,000	407,000
Child Benefit (5)	13,500,000	2.2%	297,000	13,797,000
Income Support	36,500,000	2.2%	803,000	37,303,000
Winter Bonus	800,000	14.3%	114,000	914,000
Exceptional Needs Grants (6)	200,000	0.0%	-	200,000
Maternity Payments	50,000	0.0%	-	50,000
Employed Person's Allowance	8,350,000	2.2%	184,000	8,534,000
Income Based Jobseeker's Allowance	1,500,000	2.2%	33,000	1,533,000
T.V. Licences/Payments	1,000,000	0.0%	-	1,000,000
<b>General Revenue Benefits - Total</b>	<b>85,984,000</b>		<b>1,959,000</b>	<b>87,943,000</b>
<b>Grand Total</b>	<b>356,403,000</b>		<b>10,229,000</b>	<b>366,632,000</b>

**Notes:**

1. Anticipated spend in 2025-26 before uprating
2. Basic pension increased by 4.1% per triple lock. Additional pension increased by 1.7%. Assumed 3.5% overall
3. Per UK triple lock
4. Higher rate mobility component to be uprated by 1.7%, same as in the UK all other components to be uprated by 2.2% per IOM CPI
5. Starting amount includes extra £1.2m in relation to the uplifts in the income thresholds
6. Includes £100k uplift to cover the cost of increasing certain maxima
7. All costs of uprating to the nearest whole thousand



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### APPENDIX 3 – REVENUE EXPENDITURE IN DETAIL BY DEPARTMENT, OFFICE OR BOARD

#### A3.1 Department for Enterprise (DfE) – Financial Summary

TABLE 27 – DfE – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Chief Executive's Office	(1,390)	(2,130)	2,076	-	2,076
Strategy & Policy	2,332	2,095	2,543	172	2,371
Digital Agency	1,375	1,316	1,280	-	1,280
Visit Agency	2,250	2,541	2,887	97	2,790
Finance Agency	949	1,025	1,117	-	1,117
Motorsport	7,220	8,771	10,827	4,718	6,109
Ship Registry	519	356	3,241	3,217	24
Civil Aviation Administration	(134)	(54)	2,826	2,964	(138)
Central Registry	(14,419)	(13,537)	2,392	16,510	(14,118)
Enterprise Support	532	708	722	-	722
Business Agency	823	966	1,009	-	1,009
Fund Reclaims	(92)	-	-	-	-
<b>NET EXPENDITURE</b>	<b>(35)</b>	<b>2,057</b>	<b>30,920</b>	<b>27,678</b>	<b>3,242</b>

TABLE 28 – DfE – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Taxation Income	25	-	-	-	-	-	-
Operating Income	27,347	27,370	27,678	28,508	29,363	30,244	31,152
Other Non-Trading Income	(78)	-	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>27,294</b>	<b>27,370</b>	<b>27,678</b>	<b>28,508</b>	<b>29,363</b>	<b>30,244</b>	<b>31,152</b>
<b>EXPENDITURE</b>							
Employee Costs	12,644	14,207	13,926	14,205	14,489	14,778	15,074
Infrastructure Costs	745	888	880	888	897	906	915
Transport Costs	1	-	-	-	-	-	-
Supplies & Services	16,676	12,971	16,114	16,276	16,439	16,603	16,769
Other	(2,807)	1,361	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>27,259</b>	<b>29,427</b>	<b>30,920</b>	<b>31,369</b>	<b>31,825</b>	<b>32,287</b>	<b>32,758</b>
<b>NET EXPENDITURE</b>	<b>(35)</b>	<b>2,057</b>	<b>3,242</b>	<b>2,861</b>	<b>2,462</b>	<b>2,043</b>	<b>1,606</b>



### Appendix 3 – Net Revenue Expenditure by Department, Office or Board

#### DfE – Financial Summary (continued)

**TABLE 29 – DfE – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>13,125</b>	<b>16,786</b>	<b>(28,691)</b>	<b>1,220</b>
Transfer from Cabinet Office (Welcome Centre)	460	54	(67)	447
Transfer to Cabinet Office	-	(3)	-	(3)
Transfer from Attorney General's Chambers	68	1	-	69
Budget adjustments	-	-	2,000	2,000
Pay Uplift	273	-	-	273
Non-Pay Uplift	-	156	-	156
Income Uplift	-	-	(920)	(920)
<b>2025-26 BUDGET</b>	<b>13,926</b>	<b>16,994</b>	<b>(27,678)</b>	<b>3,242</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.2 Department of Education, Sport and Culture (DESC) – Financial Summary

TABLE 30 – DESC – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Primary Education	36,906	40,105	38,978	-	38,978
Secondary Education	41,743	44,199	46,263	2,954	43,309
University College IOM	12,166	12,615	14,632	1,806	12,826
Education Grants	-	16,046	20,691	312	20,379
Culture Division	-	1,901	3,999	2,565	1,434
Sport, Recreation & Youth Services	-	7,393	9,232	2,034	7,198
Policy, Strategy & Governance	-	5,098	12,638	1,621	11,017
Education Advice & Support	-	15,249	14,668	127	14,541
Quality Assurance & Inspection	-	166	152	-	152
Fund Claims	-	(1,200)	-	-	-
Student Grants	1,685	-	-	-	-
Education Works	6,519	-	-	-	-
Education Meals	16,201	-	-	-	-
Youth & Community	16,764	-	-	-	-
Education Improvement	151	-	-	-	-
<b>NET EXPENDITURE</b>	<b>132,135</b>	<b>141,572</b>	<b>161,253</b>	<b>11,419</b>	<b>149,834</b>

TABLE 31 – DESC – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Third Party Contributions	110	114	43	45	46	47	49
Operating Income	8,959	9,810	10,657	10,977	11,306	11,645	11,995
Grant Income	5	28	11	11	11	11	12
Other Non-Trading Income	938	694	708	730	752	774	797
<b>TOTAL INCOME</b>	<b>10,012</b>	<b>10,646</b>	<b>11,419</b>	<b>11,763</b>	<b>12,115</b>	<b>12,477</b>	<b>12,853</b>
<b>EXPENDITURE</b>							
Employee Costs	107,429	115,425	117,798	120,153	122,556	125,007	127,507
Infrastructure Costs	8,079	8,199	8,355	8,439	8,523	8,608	8,694
Transport Costs	326	309	235	238	240	243	245
Supplies & Services	8,964	10,437	10,717	10,824	10,932	11,041	11,152
Other	17,349	17,848	24,148	25,390	27,144	28,916	29,205
<b>TOTAL EXPENDITURE</b>	<b>142,147</b>	<b>152,218</b>	<b>161,253</b>	<b>165,044</b>	<b>169,395</b>	<b>173,815</b>	<b>176,803</b>
<b>NET EXPENDITURE</b>	<b>132,135</b>	<b>141,572</b>	<b>149,834</b>	<b>153,281</b>	<b>157,280</b>	<b>161,338</b>	<b>163,950</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### DESC – Financial Summary (continued)

**TABLE 32 – DESC – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>112,546</b>	<b>40,105</b>	<b>(11,065)</b>	<b>141,586</b>
Pay Uplift	2,252	-	-	2,252
Non-Pay Uplift	-	401	-	401
Income Uplift	-	-	(354)	(354)
Transfer to Cabinet Office	-	(51)	-	(51)
Budget adjustments	3,000	-	-	3,000
Childcare Strategy	-	3,000	-	3,000
<b>2025-26 BUDGET</b>	<b>117,798</b>	<b>43,455</b>	<b>(11,419)</b>	<b>149,834</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.3 Department of Environment, Food and Agriculture (DEFA) – Financial Summary

**TABLE 33 – DEFA – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Corporate Services	910	825	979	179	800
Planning & Building Control	83	852	1,975	1,677	298
Forestry, Amenity and Lands	10,024	3,119	4,747	1,716	3,031
Environment Policy	2,376	2,585	3,201	584	2,617
Regulation	3,852	3,339	3,538	389	3,149
Climate Change	724	864	927	-	927
Agriculture and Food	-	6,767	7,674	91	7,583
Office of Fair Trading	-	810	976	51	925
Road Transport Licensing Committee	-	112	186	73	113
<b>NET EXPENDITURE</b>	<b>17,969</b>	<b>19,273</b>	<b>24,203</b>	<b>4,760</b>	<b>19,443</b>

**TABLE 34 – DEFA – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Taxation Income	141	163	121	125	128	132	136
Third Party Contributions	357	364	390	402	414	426	439
Operating Income	3,851	3,635	4,161	4,286	4,414	4,547	4,683
Other Non-Trading Income	43	30	88	91	94	96	99
<b>TOTAL INCOME</b>	<b>4,392</b>	<b>4,192</b>	<b>4,760</b>	<b>4,904</b>	<b>5,050</b>	<b>5,201</b>	<b>5,357</b>
<b>EXPENDITURE</b>							
Employee Costs	11,592	13,058	13,171	13,435	13,703	13,977	14,257
Infrastructure Costs	1,234	1,343	1,254	1,267	1,279	1,292	1,305
Transport Costs	155	67	59	59	60	61	61
Supplies & Services	7,374	8,687	2,508	2,533	2,559	2,584	2,610
Agency & Contracted Services	-	-	1	1	1	1	1
Other	2,006	310	7,210	7,210	7,210	7,210	7,210
<b>TOTAL EXPENDITURE</b>	<b>22,361</b>	<b>23,465</b>	<b>24,203</b>	<b>24,505</b>	<b>24,812</b>	<b>25,125</b>	<b>25,444</b>
<b>NET EXPENDITURE</b>	<b>17,969</b>	<b>19,273</b>	<b>19,443</b>	<b>19,601</b>	<b>19,762</b>	<b>19,924</b>	<b>20,087</b>



### Appendix 3 – Net Revenue Expenditure by Department, Office or Board

#### DEFA – Financial Summary (continued)

**TABLE 35 – DEFA – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>12,848</b>	<b>11,004</b>	<b>(4,613)</b>	<b>19,239</b>
Pay Uplift	269	-	-	269
Non-Pay Uplift	-	41	-	41
Income Uplift	-	-	(147)	(147)
Transfer from Attorney General's Chambers	54	1	-	55
Transfer to Cabinet Office	-	(14)	-	(14)
<b>2025-26 BUDGET</b>	<b>13,171</b>	<b>11,032</b>	<b>(4,760)</b>	<b>19,443</b>





### Appendix 3 – Net Revenue Expenditure by Department, Office or Board

#### A3.4 Department of Health and Social Care (DHSC) – Financial Summary

**TABLE 36 – DHSC – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
DHSC Corporate Services	3,201	(4,556)	11,703	128	11,575
NI Contributions	(53,607)	(52,669)	-	71,000	(71,000)
Mandate	302,975	346,823	357,513	-	357,513
Additional Mandate	51,897	25,203	-	-	-
Fund Claims	(4,110)	-	-	-	-
<b>NET EXPENDITURE</b>	<b>300,356</b>	<b>314,801</b>	<b>369,216</b>	<b>71,128</b>	<b>298,088</b>

**TABLE 37 – DHSC – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Taxation Income	53,712	52,669	71,128	73,532	75,136	66,540	68,244
Operating Income	4	154	-	-	-	-	-
<b>TOTAL INCOME</b>	<b>53,716</b>	<b>52,823</b>	<b>71,128</b>	<b>73,532</b>	<b>75,136</b>	<b>66,540</b>	<b>68,244</b>
<b>EXPENDITURE</b>							
Employee Costs	2,484	2,888	3,843	3,919	3,998	4,078	4,159
Infrastructure Costs	3	3	3	3	3	3	3
Supplies & Services	762	16,092	3,276	3,309	3,342	3,376	3,410
Agency & Contracted Service	265	270	272	276	279	281	284
Other	(4,314)	(23,655)	4,309	4,392	4,480	4,573	4,673
Mandate	302,975	346,823	357,513	372,286	387,661	403,663	420,318
Additional Mandate	51,897	25,203	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>354,072</b>	<b>367,624</b>	<b>369,216</b>	<b>384,185</b>	<b>399,763</b>	<b>415,974</b>	<b>432,847</b>
<b>NET EXPENDITURE</b>	<b>300,356</b>	<b>314,801</b>	<b>298,088</b>	<b>310,653</b>	<b>324,627</b>	<b>349,434</b>	<b>364,603</b>

**TABLE 38 – DHSC – Reconciliation from 2024-25**

Budget Movement from 2024-25 to 2025-26				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
<b>2024-25 BUDGET</b>	<b>3,641</b>	<b>350,366</b>	<b>(52,793)</b>	<b>301,214</b>
Pay Uplift	76	-	-	76
Non-Pay Uplift	-	7	-	7
Income Uplift	-	-	(18,335)	(18,335)
Transfer from Attorney General Chambers	126	1	-	127
Contingency	-	4,309	-	4,309
Manx Care Mandate Uplift	-	10,690	-	10,690
<b>2025-26 BUDGET</b>	<b>3,843</b>	<b>365,373</b>	<b>(71,128)</b>	<b>298,088</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.5 Manx Care – Financial Summary

**TABLE 39 – Manx Care – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Adult Services	37,831	42,747	51,989	10,594	41,395
Child & Families	17,635	18,716	19,370	204	19,166
Mental Health Service	27,991	30,305	30,255	49	30,206
CEO Office	37,101	24,875	3,754	-	3,754
Nobles Hospital	146,774	160,396	150,557	3,610	146,947
UK Referrals & Patient Transport	26,088	29,098	26,672	-	26,672
Primary Healthcare Services	61,452	65,890	70,578	2,314	68,264
Corporate Services	-	-	22,315	1,206	21,109
Mandate	(302,975)	(346,823)	(357,513)	-	(357,513)
Additional Mandate	(51,897)	(25,204)	-	-	-
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>17,977</b>	<b>17,977</b>	<b>-</b>

**TABLE 40 – Manx Care – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Third Party Contributions	1,771	2,156	1,630	1,663	1,696	1,730	1,764
Operating Income	13,910	15,420	16,276	16,602	16,934	17,273	17,618
Other Non-Trading Income	229	171	71	72	74	76	77
<b>TOTAL INCOME</b>	<b>15,910</b>	<b>17,747</b>	<b>17,977</b>	<b>18,337</b>	<b>18,704</b>	<b>19,079</b>	<b>19,459</b>
<b>EXPENDITURE</b>							
Employee Costs	218,639	230,715	239,721	249,900	260,517	271,589	283,136
Infrastructure Costs	2,458	2,200	2,111	2,154	2,197	2,241	2,286
Transport Costs	5,493	6,234	5,266	5,372	5,480	5,589	5,701
Supplies & Services	34,695	37,168	18,442	18,811	19,187	19,571	19,962
Agency & Contracted Service	106,927	108,346	107,918	112,313	116,870	121,594	126,493
Other	2,570	5,110	2,032	2,073	2,114	2,158	2,199
Mandate	(302,975)	(346,823)	(357,513)	(372,286)	(387,661)	(403,663)	(420,318)
Additional Mandate	(51,897)	(25,203)	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>15,910</b>	<b>17,747</b>	<b>17,977</b>	<b>18,337</b>	<b>18,704</b>	<b>19,079</b>	<b>19,459</b>
<b>NET EXPENDITURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### Manx Care – Financial Summary (continued)

**TABLE 41 – Manx Care – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>231,709</b>	<b>(214,084)</b>	<b>(17,625)</b>	<b>-</b>
Transfer to Cabinet Office		(29)		(29)
Pay Uplift	8,012	-	-	8,012
Non-Pay Uplift	-	3,059	-	3,059
Income Uplift	-	-	(352)	(352)
Mandate Uplift	-	(10,690)	-	(10,690)
<b>2025-26 BUDGET</b>	<b>239,721</b>	<b>(221,744)</b>	<b>(17,977)</b>	<b>-</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.6 Department of Home Affairs (DHA) – Financial Summary

**TABLE 42 – DHA – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Chief Executives Office	1,620	1,859	4,342	17	4,325
Civil Defence	227	172	233	6	227
Fire & Rescue Service	6,288	6,929	6,431	124	6,307
Communications Division	2,106	2,062	2,675	651	2,024
IOM Constabulary	20,212	20,816	21,168	302	20,866
Prison & Probation Service	10,350	10,817	10,475	273	10,202
<b>NET EXPENDITURE</b>	<b>40,803</b>	<b>42,655</b>	<b>45,324</b>	<b>1,373</b>	<b>43,951</b>

**TABLE 43 – DHA – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Third Party Contributions	67	1	113	116	119	123	127
Operating Income	944	1,157	964	993	1,023	1,053	1,085
Other Non-Trading Income	329	310	296	305	315	324	334
<b>TOTAL INCOME</b>	<b>1,340</b>	<b>1,468</b>	<b>1,373</b>	<b>1,414</b>	<b>1,457</b>	<b>1,500</b>	<b>1,546</b>
<b>EXPENDITURE</b>							
Employee Costs	36,700	39,120	39,231	40,014	40,814	41,630	42,463
Infrastructure Costs	2,103	1,776	1,623	1,640	1,656	1,673	1,690
Transport Costs	1	-	-	-	-	-	-
Supplies & Services	5,670	4,826	4,470	4,515	4,560	4,605	4,651
Other	(2,331)	(1,599)	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>42,143</b>	<b>44,123</b>	<b>45,324</b>	<b>46,169</b>	<b>47,030</b>	<b>47,908</b>	<b>48,804</b>
<b>NET EXPENDITURE</b>	<b>40,803</b>	<b>42,655</b>	<b>43,951</b>	<b>44,755</b>	<b>45,573</b>	<b>46,408</b>	<b>47,258</b>

**TABLE 44 – DHA – Reconciliation from 2024-25**

Budget Movement from 2024-25 to 2025-26				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
<b>2024-25 BUDGET</b>	<b>38,213</b>	<b>5,954</b>	<b>(1,331)</b>	<b>42,836</b>
Pay Uplift	764	-	-	764
Non-Pay Uplift	-	60	-	60
Income Uplift	-	-	(42)	(42)
Vulnerable Persons Unit Bid	254	-	-	254
Probation Service Bid	-	79	-	79
<b>2025-26 BUDGET</b>	<b>39,231</b>	<b>6,093</b>	<b>(1,373)</b>	<b>43,951</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.7 Department of Infrastructure (DOI) – Financial Summary

**TABLE 45 – DOI – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Corporate Support & Compliance	10,624	10,549	27,638	12,770	14,868
Airport Division	9,185	9,334	13,045	4,761	8,284
Highway Services Division	(3,149)	(2,692)	16,275	18,950	(2,675)
Public Estates & Housing	27,777	27,605	36,106	14,959	21,147
Transport Services Division	9,829	7,071	11,370	5,377	5,993
Isle of Man Railways	-	3,649	5,317	2,279	3,038
Harbours	(2,172)	(2,052)	4,883	7,414	(2,531)
Flood and Coastal Protection	1,394	1,533	1,548	11	1,537
<b>NET EXPENDITURE</b>	<b>53,488</b>	<b>54,997</b>	<b>116,182</b>	<b>66,521</b>	<b>49,661</b>

**TABLE 46 – DOI – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Taxation Income	14,209	15,589	16,039	16,520	17,016	17,526	18,052
Third Party Contributions	2,994	2,564	3,043	3,135	3,229	3,326	3,425
Operating Income	44,070	45,690	43,286	44,585	45,922	47,300	48,719
Other Non-Trading Income	3,153	3,541	4,153	4,277	4,405	4,537	4,673
<b>TOTAL INCOME</b>	<b>64,426</b>	<b>67,384</b>	<b>66,521</b>	<b>68,517</b>	<b>70,572</b>	<b>72,689</b>	<b>74,869</b>
<b>EXPENDITURE</b>							
Employee Costs	47,077	51,796	52,927	53,987	55,066	56,168	57,291
Infrastructure Costs	41,272	41,798	41,829	42,246	42,669	43,096	43,526
Transport Costs	10,496	10,230	6,363	6,426	6,491	6,556	6,621
Supplies & Services	12,965	14,259	14,484	14,629	14,775	14,923	15,072
Agency & Contracted Services	4,929	6,042	553	560	566	571	577
Other	1,175	(1,744)	26	25	25	25	25
<b>TOTAL EXPENDITURE</b>	<b>117,914</b>	<b>122,381</b>	<b>116,182</b>	<b>117,873</b>	<b>119,592</b>	<b>121,339</b>	<b>123,112</b>
<b>NET EXPENDITURE</b>	<b>53,488</b>	<b>54,997</b>	<b>49,661</b>	<b>49,356</b>	<b>49,020</b>	<b>48,650</b>	<b>48,243</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### DOI – Financial Summary (continued)

**TABLE 47 – DOI – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>51,396</b>	<b>68,105</b>	<b>(64,458)</b>	<b>55,043</b>
Removal of Housing Deficiency	-	(7,537)	-	(7,537)
Airport Training Bid	102	-	-	102
Reallocation of Highways MCW from Capital	250	2,050	-	2,300
Pay Uplift	1,030	-	-	1,030
Non-Pay Uplift	-	652	-	652
Income Uplift	-	-	(2,063)	(2,063)
Transfer to Cabinet Office	-	(16)	-	(16)
Transfer from Attorney General's Chambers	149	1	-	150
<b>2025-26 BUDGET</b>	<b>52,927</b>	<b>63,255</b>	<b>(66,521)</b>	<b>49,661</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.8 The Treasury – Financial Summary

**TABLE 48 – The Treasury – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£'000	Actual Gross Spend 2023-24	Probable Gross Spend 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Financial Governance Division	13,278	15,673	15,831	10,578	5,253
Financial Advisory Service	4,289	4,875	4,996	330	4,666
Customs & Excise Division	3,525	5,334	5,342	473,552	(468,210)
Income Tax Division	5,870	6,747	7,205	384,040	(376,835)
Assurance Advisory Division	768	948	936	94	842
Manx Radio Subvention	1,128	1,334	1,361	-	1,361
Treasury Grants	5,674	7,868	7,640	-	7,640
Government Contingency	1,614	3,180	19,690	-	19,690
Lottery Duty Distribution	1,595	1,500	1,400	-	1,400
Non-Contributory Benefits	84,102	83,334	87,943	-	87,943
National Insurance Operating Account	326,313	271,394	329,742	329,742	-
Social Security Administration	3,238	4,239	5,765	229	5,536
<b>NET EXPENDITURE</b>	<b>451,394</b>	<b>406,426</b>	<b>487,851</b>	<b>1,198,565</b>	<b>(710,714)</b>

#### Note

Treasury Grants include £5.1 million for Manx National Heritage and £2.1 million for the Isle of Man Financial Services Authority.

**TABLE 49 – The Treasury – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Customs & Excise	441,658	457,381	473,552	489,305	501,718	513,080	525,921
Income Tax	324,915	367,682	384,040	407,104	435,362	449,247	462,724
Other Treasury Income	16,041	12,203	11,231	11,568	11,915	12,272	12,640
NI Operating Account	326,313	264,759	329,742	343,517	350,693	358,070	365,563
<b>TOTAL INCOME</b>	<b>1,108,927</b>	<b>1,102,025</b>	<b>1,198,565</b>	<b>1,251,494</b>	<b>1,299,688</b>	<b>1,332,669</b>	<b>1,366,848</b>
<b>EXPENDITURE</b>							
Employee Costs	19,525	23,833	26,046	26,614	27,194	27,787	28,394
Infrastructure Costs	8	9	9	9	9	9	9
Supplies & Services	5,566	8,542	7,663	8,459	8,249	9,033	9,001
Agency & Contracted Services	3,380	3,655	4,087	8,128	8,169	8,211	8,253
Sinking Fund	3,393	3,500	3,500	3,500	3,500	3,500	3,500
Social Security Clients	390,610	351,240	441,492	451,221	460,296	469,321	478,833
Other	28,912	15,647	5,054	14,069	14,707	14,797	15,193
<b>TOTAL EXPENDITURE</b>	<b>451,394</b>	<b>406,426</b>	<b>487,851</b>	<b>512,000</b>	<b>522,124</b>	<b>532,658</b>	<b>543,183</b>
<b>NET EXPENDITURE</b>	<b>(657,533)</b>	<b>(695,599)</b>	<b>(710,714)</b>	<b>(739,494)</b>	<b>(777,564)</b>	<b>(800,011)</b>	<b>(823,665)</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### The Treasury – Financial Summary (continued)

**TABLE 50 – The Treasury – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>26,874</b>	<b>431,404</b>	<b>(1,151,543)</b>	<b>(693,265)</b>
Pay Uplift	555	-	-	555
Non-Pay Uplift	-	85	-	85
Income Uplift	-	-	(47,471)	(47,471)
Revenue Benefits Uprating	-	198	-	198
NI Operating Account Movements	-	14,416	-	14,416
Treasury Grants Movements	-	(201)	-	(201)
Transfer to Cabinet Office	(1,854)	(135)	-	(1,989)
Healthcare Contingency	-	10,144	-	10,144
Budget Adjustments	471	5,894	449	6,814
<b>2025-26 BUDGET</b>	<b>26,046</b>	<b>461,805</b>	<b>(1,198,565)</b>	<b>(710,714)</b>





## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.9 Cabinet Office – Financial Summary

**TABLE 51 – Cabinet Office – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Office of Human Resources	6,650	8,299	9,024	135	8,889
Crown & External Relations	3,217	2,716	2,926	3	2,923
Government Technology Services	20,937	23,146	23,153	120	23,033
Public Health Directorate	1,686	1,992	1,975	-	1,975
Passports, Immigration and Nationality	(443)	-	-	-	-
Chief Operating Officer Division	868	1,188	2,342	-	2,342
Business Change	1,298	1,405	1,406	-	1,406
Health and Care Transformation	-	-	-	-	-
Policy Development	2,262	2,305	2,174	-	2,174
AML/CFT Policy Office	-	867	638	-	638
<b>NET EXPENDITURE</b>	<b>36,475</b>	<b>41,918</b>	<b>43,638</b>	<b>258</b>	<b>43,380</b>

**TABLE 52 – Cabinet Office – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Taxation Income	(1)	-	-	-	-	-	-
Third Party Contributions	122	124	120	124	127	131	135
Operating Income	1,748	131	135	139	143	148	152
Other Non-Trading Income	19	1	3	3	3	3	3
<b>TOTAL INCOME</b>	<b>1,888</b>	<b>256</b>	<b>258</b>	<b>266</b>	<b>273</b>	<b>282</b>	<b>290</b>
<b>EXPENDITURE</b>							
Employee Costs	24,529	25,271	27,097	27,638	28,191	28,755	29,330
Infrastructure Costs	213	180	175	178	179	181	183
Transport Costs	343	5	6	6	6	6	6
Supplies & Services	20,038	17,833	16,354	16,518	16,683	16,850	17,018
Agency & Contracted Services	6	6	6	6	6	6	6
Other	(6,766)	(1,121)	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>38,363</b>	<b>42,174</b>	<b>43,638</b>	<b>44,346</b>	<b>45,065</b>	<b>45,798</b>	<b>46,543</b>
<b>NET EXPENDITURE</b>	<b>36,475</b>	<b>41,918</b>	<b>43,380</b>	<b>44,080</b>	<b>44,792</b>	<b>45,516</b>	<b>46,253</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### Cabinet Office – Financial Summary (continued)

**TABLE 53 – Cabinet Office – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>25,036</b>	<b>16,321</b>	<b>(317)</b>	<b>41,040</b>
Transfer from Enterprise	-	3	-	3
Transfer to Enterprise (Welcome Centre)	(460)	(54)	67	(447)
Transfer from Infrastructure	-	16	-	16
Transfer from Manx Care	-	29	-	29
Transfer from Education, Sport and Culture	-	51	-	51
Transfer from Environment, Food & Agriculture	-	14	-	14
OHR review funding	1,854	135	-	1,989
Pay Uplift	532	-	-	532
Non-Pay Uplift	-	161	-	161
Income Uplift	-	-	(8)	(8)
Budget adjustments	135	(135)	-	-
<b>2025-26 BUDGET</b>	<b>27,097</b>	<b>16,541</b>	<b>(258)</b>	<b>43,380</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.10 Executive Government – Financial Summary

**TABLE 54 – Executive Government – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Industrial Relations	293	321	446	-	446
Veterans Welfare Society	83	106	128	-	128
Information Commissioner	257	235	433	152	281
General Registry	2,942	2,646	6,191	2,820	3,371
Attorney General	6,885	7,479	8,656	75	8,581
International Development	413	2,500	2,500	-	2,500
Public Service Employees Pension Reserve	40,596	46,199	40,446	-	40,446
Tynwald Auditor General	126	462	555	-	555
Tynwald Commissioner for Administration	-	-	37	-	37
<b>NET EXPENDITURE</b>	<b>51,595</b>	<b>59,948</b>	<b>59,392</b>	<b>3,047</b>	<b>56,345</b>

**TABLE 55 – Executive Government – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Taxation Income	150	156	151	155	160	165	170
Third Party Contributions	108	73	75	78	80	82	85
Operating Income	2,771	3,152	2,812	2,896	2,983	3,073	3,165
Other Non-Trading Income	8	96	9	9	9	10	10
<b>TOTAL INCOME</b>	<b>3,037</b>	<b>3,477</b>	<b>3,047</b>	<b>3,138</b>	<b>3,232</b>	<b>3,330</b>	<b>3,430</b>
<b>EXPENDITURE</b>							
Employee Costs	52,334	58,739	54,622	54,465	54,278	54,059	53,805
Infrastructure Costs	6	11	37	38	38	39	39
Supplies & Services	1,574	2,175	2,233	2,255	2,278	2,301	2,324
Other	718	2,500	2,500	2,500	2,500	2,500	2,500
<b>TOTAL EXPENDITURE</b>	<b>54,632</b>	<b>63,425</b>	<b>59,392</b>	<b>59,258</b>	<b>59,094</b>	<b>58,899</b>	<b>58,668</b>
<b>NET EXPENDITURE</b>	<b>51,595</b>	<b>59,948</b>	<b>56,345</b>	<b>56,120</b>	<b>55,862</b>	<b>55,569</b>	<b>55,238</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### Executive Government – Financial Summary (continued)

**TABLE 56 – Executive Government – Reconciliation from 2024-25**

<b>Budget Movement from 2024-25 to 2025-26</b>				
<b>£000</b>	<b>Gross Pay</b>	<b>Gross Non-Pay</b>	<b>Gross Income</b>	<b>Net Budget</b>
<b>2024-25 BUDGET</b>	<b>55,334</b>	<b>4,721</b>	<b>(2,952)</b>	<b>57,103</b>
Transfer from Clerk of Tynwald	36	1	-	37
Transfer to Environment, Food, Agriculture	(54)	(1)	-	(55)
Transfer to Enterprise	(68)	(1)	-	(69)
Transfer from Health and Social Care	(126)	(1)	-	(127)
Transfer from Infrastructure	(149)	(1)	-	(150)
Pay Uplift	(927)	-	-	(927)
Non-Pay Uplift	-	22	-	22
Income Uplift	-	-	(95)	(95)
Budget adjustments	48	23	-	71
Employment Law Revenue Bid	528	7	-	535
<b>2025-26 BUDGET</b>	<b>54,622</b>	<b>4,770</b>	<b>(3,047)</b>	<b>56,345</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.11 Legislature (Parliament) - Financial Summary

**TABLE 57 – Legislature – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Legislature	5,018	5,234	5,602	11	5,591
<b>NET EXPENDITURE</b>	<b>5,018</b>	<b>5,234</b>	<b>5,602</b>	<b>11</b>	<b>5,591</b>

**TABLE 58 – Legislature – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Fees & Charges	49	49	11	11	11	12	12
<b>TOTAL INCOME</b>	<b>49</b>	<b>49</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>
<b>EXPENDITURE</b>							
Employee Costs	4,711	4,733	5,047	5,148	5,251	5,356	5,464
Supplies & Services	807	550	555	561	566	572	577
Other	(451)	-	-	-	-	-	-
<b>TOTAL EXPENDITURE</b>	<b>5,067</b>	<b>5,283</b>	<b>5,602</b>	<b>5,709</b>	<b>5,817</b>	<b>5,928</b>	<b>6,041</b>
<b>NET EXPENDITURE</b>	<b>5,018</b>	<b>5,234</b>	<b>5,591</b>	<b>5,698</b>	<b>5,806</b>	<b>5,916</b>	<b>6,029</b>

**TABLE 59 – Legislature – Reconciliation from 2024-25**

Budget Movement from 2024-25 to 2025-26				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
<b>2024-25 BUDGET</b>	<b>4,984</b>	<b>550</b>	<b>(10)</b>	<b>5,524</b>
Pay Uplift	99	-	-	99
Non-Pay Uplift	-	6	-	6
Income Uplift	-	-	(1)	(1)
Transfer to Tynwald Commissioner for Administration	(36)	(1)	-	(37)
<b>2025-26 BUDGET</b>	<b>5,047</b>	<b>555</b>	<b>(11)</b>	<b>5,591</b>

**TABLE 60 – Legislature – Breakdown of Employee Costs**

BREAKDOWN OF EMPLOYEE COSTS					
	Actual 2023-24	Probable 2024-25	Budget		
			2025-26	2026-27	2027-28
Staff	1,446	1,472	1,607	1,639	1,672
Member's Emoluments	3,233	3,225	3,440	3,509	3,579
Tynwald Commissioner for Administration	32	36	-	-	-
<b>NET EXPENDITURE</b>	<b>4,711</b>	<b>4,733</b>	<b>5,047</b>	<b>5,148</b>	<b>5,251</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.12 Statutory Boards and Bodies (Revenue Funded) – Financial Summary

**TABLE 61 – Statutory Boards and Bodies – Net Expenditure by Division**

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2023-24	Net Probable 2024-25	Gross Spend 2025-26	Gross Income 2025-26	Net 2025-26
<b>DIVISION</b>					
Communications and Utilities Regulatory Authority	(914)	(715)	1,140	1,497	(357)
Financial Services Authority	-	-	10,869	10,869	-
Gambling Supervision Commission	(527)	(221)	4,971	5,073	(102)
Public Sector Pension Authority	1,720	1,784	2,210	-	2,210
Financial Intelligence Unit	1,103	1,369	1,626	-	1,626
<b>NET EXPENDITURE</b>	<b>1,382</b>	<b>2,217</b>	<b>20,816</b>	<b>17,439</b>	<b>3,377</b>

**TABLE 62 – Statutory Boards and Bodies – Income & Expenditure by Category**

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan			
				2026-27	2027-28	2028-29	2029-30
<b>INCOME</b>							
Taxation Income	11,495	11,162	12,869	14,530	15,589	16,742	17,999
Operating Income	2,301	2,097	2,228	2,325	2,449	2,583	2,727
Other Non-Trading Income	-	842	-	-	-	-	-
Grant Income	639	2,674	2,342	1,383	618	-	-
<b>TOTAL INCOME</b>	<b>14,435</b>	<b>16,775</b>	<b>17,439</b>	<b>18,238</b>	<b>18,656</b>	<b>19,325</b>	<b>20,726</b>
<b>EXPENDITURE</b>							
Employee Costs	12,270	15,364	16,888	17,223	17,568	17,919	18,279
Infrastructure Costs	397	525	527	533	539	544	549
Supplies & Services	3,558	3,094	3,393	3,429	3,462	3,498	3,531
Other	(408)	9	8	8	8	8	8
<b>TOTAL EXPENDITURE</b>	<b>15,817</b>	<b>18,992</b>	<b>20,816</b>	<b>21,193</b>	<b>21,577</b>	<b>21,969</b>	<b>22,367</b>
<b>NET EXPENDITURE</b>	<b>1,382</b>	<b>2,217</b>	<b>3,377</b>	<b>2,955</b>	<b>2,921</b>	<b>2,644</b>	<b>1,641</b>

**TABLE 63 – Statutory Boards and Bodies – Reconciliation from 2024-25**

Budget Movement from 2024-25 to 2025-26				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
<b>2024-25 BUDGET</b>	<b>16,119</b>	<b>3,725</b>	<b>(17,350)</b>	<b>2,494</b>
Pay Uplift	324	-	-	324
Non-Pay Uplift	-	35	-	35
Income Uplift	-	-	(417)	(417)
FSA budget adjustments	201	252	(453)	-
GSC budget adjustments	244	(240)	781	785
FIU budget adjustments	-	156	-	156
<b>2025-26 BUDGET</b>	<b>16,888</b>	<b>3,928</b>	<b>(17,439)</b>	<b>3,377</b>



## Appendix 3 – Net Revenue Expenditure by Department, Office or Board

### A3.13 Inter-Departmental Transfers

To enable greater clarity of departmental transfers, the table below consolidates and provides a description of the nature of the transfers.

**Table 64 – Inter-Departmental Transfers**

Inter-Departmental Transfers											
£'000	AGC	CO	DOI	DFE	COT	DEFA	DESC	DHSC	TSY	Manx Care	TCA
IT Contract Transfer		14				(14)					
IT Contract Transfer		29								(29)	
IT Contract Transfer		3		(3)							
IT Contract Transfer		16	(16)								
IT Contract Transfer		51					(51)				
Transfer of TCA					(37)						37
Transfer of Welcome Centre		(447)		447							
Policy Staff Transfer	(69)			69							
Policy Staff Transfer	(55)					55					
Policy Staff Transfer	(127)							127			
Policy Staff Transfer	(150)		150								
OHR Review Funding Transfer		1,989							(1,989)		
	<b>(401)</b>	<b>1,655</b>	<b>134</b>	<b>513</b>	<b>(37)</b>	<b>41</b>	<b>(51)</b>	<b>127</b>	<b>(1,989)</b>	<b>(29)</b>	<b>37</b>

Note:

AGC – Attorney General's Chambers

CO – Cabinet Office

DOI – Department of Infrastructure

DFE – Department for Enterprise

COT – Clerk of Tynwald's Office

DEFA – Department of Environment, Food and Agriculture

DESC - Department of Education, Sport and Culture

DHSC - Department of Health and Social Care

TSY – Treasury

TCA – Tynwald Commissioner for Administration



### Appendix 3 – Net Revenue Expenditure by Department, Office or Board

#### A3.14 Statutory Boards (Non-Revenue Funded) – Financial Summary

Table 66 – Manx Utilities Authority – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY					
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan	
				2026-27	2027-28
<b>INCOME</b>					
Operating Income	156,966	150,589	162,385	164,256	166,159
<b>TOTAL INCOME</b>	<b>156,966</b>	<b>150,589</b>	<b>162,385</b>	<b>164,256</b>	<b>166,159</b>
<b>EXPENDITURE</b>					
Employee Costs	25,781	25,403	27,969	28,529	29,099
Infrastructure Costs	17,732	20,800	18,897	20,637	19,497
Transport Costs	1,633	1,323	1,615	1,673	1,731
Supplies & Services	67,518	58,333	67,726	67,170	67,170
Loan Charges	23,473	14,631	12,737	12,341	12,074
Other	21,545	21,781	23,055	23,640	24,265
<b>TOTAL EXPENDITURE</b>	<b>157,682</b>	<b>142,271</b>	<b>151,999</b>	<b>153,990</b>	<b>153,836</b>
<b>NET EXPENDITURE</b>	<b>716</b>	<b>(8,318)</b>	<b>(10,386)</b>	<b>(10,266)</b>	<b>(12,323)</b>

Table 67 – Isle of Man Post Office – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY					
£000	Actual 2023-24	Probable 2024-25	Provisional Budget 2025-26	Indicative financial plan	
				2026-27	2027-28
<b>INCOME</b>					
Operating Income	21,764	21,226	20,965	19,226	19,125
Non-Trading Income	942	1,060	915	770	625
<b>TOTAL INCOME</b>	<b>22,706</b>	<b>22,286</b>	<b>21,880</b>	<b>19,996</b>	<b>19,750</b>
<b>EXPENDITURE</b>					
Employee Costs	10,744	10,430	10,790	10,612	10,826
Infrastructure Costs	871	911	796	788	805
Transport Costs	1,884	2,038	2,344	2,405	2,538
Supplies & Services	5,561	5,115	5,159	3,458	3,507
<b>TOTAL EXPENDITURE</b>	<b>19,060</b>	<b>18,494</b>	<b>19,089</b>	<b>17,263</b>	<b>17,676</b>
Exceptional Items	1,066	571	525	380	333
<b>NET (INCOME)/EXPENDITURE</b>	<b>(2,580)</b>	<b>(3,221)</b>	<b>(2,266)</b>	<b>(2,353)</b>	<b>(1,741)</b>





## APPENDIX 4 – FULL CAPITAL PROGRAMME

**Table 68 – Full Capital Programme - detail**

Amounts shown in italics are for future cash flow projections only. Approval is not being sought for these amounts. “Committed” expenditure only is shown within this table. Schemes currently in the design and feasibility stage are included within Appendix 5.

### Capital Financing Reserve

Discrete Schemes £000 Department	Total Cost	Total Tynwald Approval to 31 March 2025	Total Spend to 31 March 2025	2025/26	2026/27	2027/28	2028/29	2029/30	New Tynwald Approval
Cabinet Office	1,701	1,576	938	763	-	-	-	-	125
Department for Enterprise	11,250	11,250	9,531	1,719	-	-	-	-	-
Department of Education, Sport & Culture	1,932	1,632	143	1,789	-	-	-	-	300
Department of Environment, Food & Agriculture	605	605	465	80	30	30	-	-	-
Department of Health and Social Care	7,765	6,065	335	4,000	3,315	115	-	-	1,700
Department of Home Affairs	3,383	3,383	1,995	1,338	50	-	-	-	-
Department of Infrastructure	109,894	105,731	87,802	14,375	6,972	538	149	58	4,163
The Treasury	66,719	66,719	21,372	16,190	7,650	7,507	7,000	7,000	-
<b>Total Discrete</b>	<b>203,249</b>	<b>196,961</b>	<b>122,581</b>	<b>40,254</b>	<b>18,017</b>	<b>8,190</b>	<b>7,149</b>	<b>7,058</b>	<b>6,288</b>
Rolling Schemes £000 Department				2025/26	2026/27*	2027/28*	2028/29*	2029/30*	New Tynwald Approval
Cabinet Office				250	250	250	250	250	250
Department of Education, Sport & Culture				525	525	525	525	525	525
Department of Environment, Food & Agriculture				495	520	-	-	-	495
Department of Health and Social Care				1,250	1,250	1,250	1,250	1,250	1,250
Department of Home Affairs				1,657	1,688	1,742	1,784	1,784	1,657
Department of Infrastructure				32,921	29,114	29,114	29,114	29,114	32,921
The Treasury				10,000	10,000	10,000	10,000	10,000	10,000
<b>Total Rolling</b>				<b>47,098</b>	<b>43,347</b>	<b>42,881</b>	<b>42,923</b>	<b>42,923</b>	<b>47,098</b>
				<i>* Italics are subject to future annual Tynwald Approval.</i>					
<b>Total Capital Programme</b>	<b>203,249</b>	<b>196,961</b>	<b>122,581</b>	<b>87,352</b>	<b>61,364</b>	<b>51,071</b>	<b>50,072</b>	<b>49,981</b>	<b>53,386</b>



	Total Estimated Cost	Total Tynwald Approval to 31 March 2025	Total Spend to 31 March 2025	2025/26	2026/27	2027/28	2028/29	2029/30	New Tynwald Approval
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Discrete Schemes</b>									
<b>Cabinet Office</b>									
DOI Network Migration	895	895	834	61	-	-	-	-	-
OHR Learning Management System Project	125	-	-	125	-	-	-	-	125
Smart Services	681	681	104	577	-	-	-	-	-
<b>Cabinet Office Total</b>	<b>1,701</b>	<b>1,576</b>	<b>938</b>	<b>763</b>	-	-	-	-	<b>125</b>
<b>Department for Enterprise</b>									
Fibre Optic Network	11,100	11,100	9,531	1,569	-	-	-	-	-
PRO - Climate Control System	150	150	-	150	-	-	-	-	-
<b>Department for Enterprise Total</b>	<b>11,250</b>	<b>11,250</b>	<b>9,531</b>	<b>1,719</b>	-	-	-	-	-
<b>Department of Education, Sport &amp; Culture</b>									
Ballasalla Mobile	300	-	-	300	-	-	-	-	300
Villa Marina & Gaiety Theatre Light and Sound Equipment Upgrade	1,632	1,632	143	1,489	-	-	-	-	-
<b>Department of Education, Sport &amp; Culture Total</b>	<b>1,932</b>	<b>1,632</b>	<b>143</b>	<b>1,789</b>	-	-	-	-	<b>300</b>
<b>Department of Environment, Food &amp; Agriculture</b>									
Peel Marina - River Neb Catchment	605	605	465	80	30	30	-	-	-
<b>Department of Environment, Food &amp; Agriculture Total</b>	<b>605</b>	<b>605</b>	<b>465</b>	<b>80</b>	<b>30</b>	<b>30</b>	-	-	-
<b>Department of Health and Social Care</b>									
Radcliffe Villas	6,065	6,065	335	2,300	3,315	115	-	-	-
Radiology Equipment Replacement - MRI	1,700	-	-	1,700	-	-	-	-	1,700
<b>Department of Health and Social Care Total</b>	<b>7,765</b>	<b>6,065</b>	<b>335</b>	<b>4,000</b>	<b>3,315</b>	<b>115</b>	-	-	<b>1,700</b>
<b>Department of Home Affairs</b>									
Sexual Assault Referral Centre	3,383	3,383	1,995	1,338	50	-	-	-	-
<b>Department of Home Affairs Total</b>	<b>3,383</b>	<b>3,383</b>	<b>1,995</b>	<b>1,338</b>	<b>50</b>	-	-	-	-
<b>Department of Infrastructure</b>									
Airfield Drainage	5,000	5,000	-	2,900	2,050	50	-	-	-
Ash Dieback Mitigation - Highways	166	166	115	51	-	-	-	-	-
Ash Dieback and Dutch Elm Disease Management – Government Estate	200	-	-	100	100	-	-	-	200
Ballacubbon Housing	5,311	5,311	-	2,100	3,100	111	-	-	-
Ballasalla Bypass Junction	1,929	1,929	793	1,108	28	-	-	-	-
Central Government Offices	771	771	215	260	296	-	-	-	-
Changing Places Toilet Facilities	147	-	-	74	73	-	-	-	147



	Total Estimated Cost	Total Tynwald Approval to 31 March 2025	Total Spend to 31 March 2025	2025/26	2026/27	2027/28	2028/29	2029/30	New Tynwald Approval
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Discrete Schemes</b>									
<b>Department of Infrastructure (continued)</b>									
Court House Ventilation	683	-	-	181	165	142	137	58	683
Dalmeny Structural Refurbishment	118	118	109	9	-	-	-	-	-
Douglas Harbour - King Edward VIII Pier Upgrade	6,610	6,610	6,059	551	-	-	-	-	-
East Quay Peel	2,500	2,500	2,489	11	-	-	-	-	-
Government House Refurbishment	380	-	-	380	-	-	-	-	380
IOM Ferry Terminal - Liverpool *	70,676	70,676	70,676	-	-	-	-	-	-
Jurby Development Initiative	1,837	1,837	1,097	740	-	-	-	-	-
MCW - Waste Unit	145	145	105	40	-	-	-	-	-
Modernisation works to Visitor Facilities, Sea Terminal	1,000	1,000	329	671	-	-	-	-	-
NSC and Regional Pitches Maintenance	866	-	-	866	-	-	-	-	866
Quarry Plant Replacement	5,030	5,030	4,496	534	-	-	-	-	-
Ramsey Shipyard	1,055	1,055	40	500	400	115	-	-	-
Rationalisation of Units in Jurby Ind Estate	198	198	33	165	-	-	-	-	-
Refurbishment of Victoria Pier Linkspan	1,087	-	-	195	760	120	12	-	1,087
Secondary Waste Incinerator	3,000	3,000	1,050	1,950	-	-	-	-	-
St Ninian's High School Roof	800	-	-	800	-	-	-	-	800
Transport Model	385	385	196	189	-	-	-	-	-
<b>Department of Infrastructure Total</b>	<b>109,894</b>	<b>105,731</b>	<b>87,802</b>	<b>14,375</b>	<b>6,972</b>	<b>538</b>	<b>149</b>	<b>58</b>	<b>4,163</b>
<b>The Treasury</b>									
Capital Inflation	17,251	17,251	7,251	2,000	2,000	2,000	2,000	2,000	-
Capital Projects Contingency Fund	35,300	35,300	5,437	9,863	5,000	5,000	5,000	5,000	-
Passports System	1,101	1,101	172	350	350	229	-	-	-
Social Security Transformation	1,259	1,259	381	300	300	278	-	-	-
The Enterprise Financial Systems Programme	3,120	3,120	2,106	1,014	-	-	-	-	-
Treasury Operational Change Programme	1,666	1,666	-	1,666	-	-	-	-	-
VIPS - Customs & Excise System Replacement	7,022	7,022	6,025	997	-	-	-	-	-
<b>The Treasury Total</b>	<b>66,719</b>	<b>66,719</b>	<b>21,372</b>	<b>16,190</b>	<b>7,650</b>	<b>7,507</b>	<b>7,000</b>	<b>7,000</b>	<b>-</b>
<b>Discrete Total</b>	<b>203,249</b>	<b>196,961</b>	<b>122,581</b>	<b>40,254</b>	<b>18,017</b>	<b>8,190</b>	<b>7,149</b>	<b>7,058</b>	<b>6,288</b>

\*Final costs subject to confirmation and separate Tynwald vote



	2025/26	2026/27*	2027/28*	2028/29*	2029/30*	New Tynwald Approval
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Rolling Schemes</b>						
<b>Cabinet Office</b>						
Minor Capital Works	250	250	250	250	250	250
<b>Cabinet Office Total</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Department of Education, Sport &amp; Culture</b>						
DDA Works to Department Sites- Construction	225	225	225	225	225	225
MCW - National Sports Centre	150	150	150	150	150	150
MCW - Regional Pools- Ongoing Scheme	150	150	150	150	150	150
<b>Department of Education, Sport &amp; Culture Total</b>	<b>525</b>	<b>525</b>	<b>525</b>	<b>525</b>	<b>525</b>	<b>525</b>
<b>Department of Environment, Food &amp; Agriculture</b>						
MCW - Rural Infrastructure	450	450	-	-	-	450
Public Analyst Lab	45	70	-	-	-	45
<b>Department of Environment, Food &amp; Agriculture Total</b>	<b>495</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>495</b>
<b>Department of Health and Social Care</b>						
Asset Replacement Scheme	1,000	1,000	1,000	1,000	1,000	1,000
Strategic Development Fund	250	250	250	250	250	250
<b>Department of Health and Social Care Total</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>
<b>Department of Home Affairs</b>						
Communications Development Programme	718	749	803	845	845	718
Equipment Replacement Programme - Fire	300	300	300	300	300	300
Equipment Replacement Programme - Police	189	189	189	189	189	189
Prison Minor Capital Works	450	450	450	450	450	450
<b>Department of Home Affairs Total</b>	<b>1,657</b>	<b>1,688</b>	<b>1,742</b>	<b>1,784</b>	<b>1,784</b>	<b>1,657</b>
<b>Department of Infrastructure</b>						
Ambulance Fleet Replacement	370	-	-	-	-	370
Climate Change Adaption	6,775	4,775	4,775	4,775	4,775	6,775
DHA Vehicle Acquisition	1,300	1,300	1,300	1,300	1,300	1,300
Heritage Rail Budget	2,250	2,250	2,250	2,250	2,250	2,250
House Purchase Assistance Scheme	1,876	1,876	1,876	1,876	1,876	1,876
MCW - Airport Minor Capital	1,500	1,500	1,500	1,500	1,500	1,500
MCW - DfE.	150	150	150	150	150	150
MCW - DHA.	225	225	225	225	225	225



	2025/26	2026/27*	2027/28*	2028/29*	2029/30*	New Tynwald Approval			
	£'000	£'000	£'000	£'000	£'000	£'000			
<b>Rolling Schemes</b>									
<b>Department of Infrastructure (continued)</b>									
MCW - DHSC	500	500	500	500	500	500			
MCW - Education and Children	2,000	2,000	2,000	2,000	2,000	2,000			
MCW - Flood Asset Improvements	225	225	225	225	225	225			
MCW - Government Estate	500	500	500	500	500	500			
MCW - Improvements	625	625	625	625	625	625			
MCW - Nobles Hospital (Compliance)	713	713	713	713	713	713			
MCW - Nobles Hospital (Plant & Machinery)	620	620	620	620	620	620			
MCW - Public Transport	1,000	1,000	1,000	1,000	1,000	1,000			
MCW - Villa/Gaiety	200	200	200	200	200	200			
MCW - Wildlife Park	100	100	100	100	100	100			
MCW Housing Planned Works	2,375	2,375	2,375	2,375	2,375	2,375			
Plant & Vehicle Replacement	3,200	3,200	3,200	3,200	3,200	3,200			
Public Transport - Bus Fleet Replacement	1,437	-	-	-	-	1,437			
Strategic Highway Refurbishment	4,325	4,325	4,325	4,325	4,325	4,325			
Strategic Structural Maintenance	655	655	655	655	655	655			
<b>Department of Infrastructure Total</b>	<b>32,921</b>	<b>29,114</b>	<b>29,114</b>	<b>29,114</b>	<b>29,114</b>	<b>32,921</b>			
<b>The Treasury</b>									
Climate Change Mitigation Initiatives	5,000	5,000	5,000	5,000	5,000	5,000			
Digital Projects Fund	5,000	5,000	5,000	5,000	5,000	5,000			
<b>The Treasury Total</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>			
<b>Rolling Total</b>	<b>47,098</b>	<b>43,347</b>	<b>42,881</b>	<b>42,923</b>	<b>42,923</b>	<b>47,098</b>			
		<i>* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.</i>							
<b>Total - Capital Financing Reserve</b>	<b>203,249</b>	<b>196,961</b>	<b>122,581</b>	<b>87,352</b>	<b>61,364</b>	<b>51,071</b>	<b>50,072</b>	<b>49,981</b>	<b>53,386</b>



	Total Estimated Cost	Total Tynwald Approval to 31 March 2025	Total Spend to 31 March 2025	2025/26	2026/27	2027/28	2028/29	2029/30	Underspent from approvals to 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Completed Discrete Schemes</b>									
<b>Department for Enterprise</b>									
Company Registry System 5AML	461	461	461	-	-	-	-	-	-
Public Records Office Digital Archive	338	338	338	-	-	-	-	-	-
<b>Department of Education, Sport &amp; Culture</b>									
Covered Play and Teaching Areas- Construction	260	260	260	-	-	-	-	-	-
Mobiles for CRHS and Willaston	495	495	495	-	-	-	-	-	-
<b>Department of Health and Social Care</b>									
Accommodation for Day Care Services Eastcliffe	5,190	5,190	5,190	-	-	-	-	-	-
Acute Adult Psychiatric In-Patient Facility	10,365	10,365	10,365	-	-	-	-	-	-
Older Persons Residential & Resource Unit East	14,890	14,890	14,890	-	-	-	-	-	-
Redevelopment of Grianagh Court	1,650	1,650	1,650	-	-	-	-	-	-
Replacement LIM system, Pathology, Noble's Hospital	1,830	1,830	1,830	-	-	-	-	-	-
<b>Department of Infrastructure</b>									
Douglas Promenade	25,730	25,730	25,730	-	-	-	-	-	-
Ellerslie Workshop Recladding	12	12	12	-	-	-	-	-	-
<b>Executive Government</b>									
Courts Case management System	840	840	840	-	-	-	-	-	-
<b>IOM Gambling Supervision Commission</b>									
Technology - GSC New System	500	500	500	-	-	-	-	-	-
<b>Isle of Man Financial Services Authority</b>									
FSA Infrastructure Costs	50	50	50	-	-	-	-	-	-
Technology - FSA New System	500	500	500	-	-	-	-	-	-
<b>Public Sector Pensions Authority</b>									
New Pensions Administration System	1,034	1,034	1,034	-	-	-	-	-	-
<b>The Treasury</b>									
Benefit Payment System Upgrade (BPS)	975	975	975	-	-	-	-	-	-
Employment Theme	487	487	487	-	-	-	-	-	-
Intelligence System	-	185	-	-	-	-	-	-	(185)
Scanning (replacement of Scanfile)	100	100	100	-	-	-	-	-	-
<b>Total - Completed Discrete Schemes</b>	<b>65,707</b>	<b>65,892</b>	<b>65,707</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(185)</b>



## Consolidated Loans Fund

CONSOLIDATED LOANS FUND APPROVALS (PROJECTED)							
£'000	Actual 2023/24	Forecast 2024/25	2025/26	2026/27*	2027/28*	2028/29*	2029/30*
<b>Manx Development Corporation</b>							
Working Capital	-	-	240	240	240	-	-
<b>Total Manx Development Corporation</b>	-	-	<b>240</b>	<b>240</b>	<b>240</b>	-	-
<b>Manx National Heritage</b>							
MCW - Gallery Redisplay	110	-	-	-	-	-	-
MCW - MNH	200	200	200	200	200	200	200
MCW- Properties	200	200	200	200	200	200	200
Laxey Wheel Repairs - Phase 2	24	1,009	-	-	-	-	-
Accountancy System & Consultancy	1	124	-	-	-	-	-
Nautical Museum - Project Development Fund	90	-	-	-	-	-	-
<b>Total Manx National Heritage</b>	<b>625</b>	<b>1,533</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>
<b>Manx Utilities Authority</b>							
Electricity	5,024	5,507	11,255	9,910	25,010	11,050	7,500
Energy Transition**	1,228	1,136	1,129	-	-	-	-
Meter Replacement Programme	2,141	1,047	1,207	800	-	-	-
Regional Sewerage Treatment Strategy 2	1,472	950	11,430	17,102	7,980	-	-
Wastewater	5,906	8,942	11,057	13,700	16,381	8,450	7,950
Water	3,333	7,600	11,380	8,220	8,050	8,100	8,250
<b>Total Manx Utilities Authority</b>	<b>19,104</b>	<b>25,182</b>	<b>47,458</b>	<b>49,732</b>	<b>57,421</b>	<b>27,600</b>	<b>23,700</b>
<b>Total</b>	<b>19,729</b>	<b>26,715</b>	<b>48,098</b>	<b>50,372</b>	<b>58,061</b>	<b>28,000</b>	<b>24,100</b>
				* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.			

\*\*Design and Feasibility work for the Energy Transition programme is included in the Project Development Fund approvals in Appendix 5. Further funding to be determined once there is certainty on the overall delivery model.



### Non-Central Government Funded

£000	Total Estimated Cost	Total Spend to 31 March 2025	2025/26	2026/27	2027/28	2028/29	2029/30	Further	
<b>Manx Utilities Authority (Self-Funded)</b>									
Jurby Water Infrastructure (funded from the Economic Strategy Fund)	3,178	1,378	1,800	-	-	-	-	-	
Minor Capital Schemes (non-CLF funded)	29,636	16,908	5,098	2,982	1,225	2,382	1,051	-	
<b>Total Manx Utilities Authority</b>	<b>32,814</b>	<b>18,286</b>	<b>6,898</b>	<b>2,972</b>	<b>1,225</b>	<b>2,382</b>	<b>1,051</b>	<b>-</b>	
<b>Isle of Man Post Office (Self-Funded)</b>									
Retail Development/Strategy	236	36	200	-	-	-	-	-	
POHQ buildings infrastructure	655	-	355	300	-	-	-	-	
Provision for statutory obligations	500	-	500	-	-	-	-	-	
Sorting Machine enhancements	100	-	100	-	-	-	-	-	
Handheld Scanners	136	136	-	-	-	-	-	-	
Replacement ERP system	250	250	-	-	-	-	-	-	
Website	30	30	-	-	-	-	-	-	
Office improvements	70	70	-	-	-	-	-	-	
Other Machinery/Equipment	260	65	65	65	65	-	-	-	
Vehicle Replacement Programme	1,800	300	500	500	500	-	-	-	
<b>Total Isle of Man Post Office</b>	<b>4,037</b>	<b>887</b>	<b>1,720</b>	<b>865</b>	<b>565</b>	<b>-</b>	<b>-</b>	<b>-</b>	





## Local Authority Housing

The following tables have been produced from information provided by the Department of Infrastructure for information only. It should be noted that the Local Authority Housing programme is not part of the Central Government Capital Programme.

	Total Estimated Cost	Total Spend to 31 March 2025	2025/26	2026/27	2027/28	2028/29	2029/30	Further
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Local Authority Housing - Programmed</b>								
<b>BRADDAN PARISH COMMISSIONERS</b>								
Planned Maintenance Programme	2,578	-	-	-	-	-	-	2,578
<b>CASTLETOWN COMMISSIONERS</b>								
School Hill/West Hill Redevelopment	24,483	8,349	2,249	2,249	3,459	3,459	2,359	2,359
Planned Maintenance Programme	5,531	-	-	-	-	-	-	5,531
<b>COIL ROI EPHC (GARFF)</b>								
Planned Maintenance Programme	615	-	140	-	-	-	-	475
<b>DOUGLAS BOROUGH COUNCIL</b>								
Willaston External Refurbishment	19,945	6,397	4,793	3,157	3,138	2,366	47	47
Willaston Garden Boundary improvements	4,750	50	500	500	500	500	500	2,200
Willaston New Apartments	11,455	11,305	150	-	-	-	-	-
Planned Maintenance Programme	17,230	2,281	2,334	3,340	475	450	450	7,900
<b>ONCHAN DISTRICT COMMISSIONERS</b>								
Planned Maintenance Programme	13,967	3,194	910	1,100	-	-	-	8,763
<b>PEEL TOWN COMMISSIONERS</b>								
Planned Maintenance Programme	13,345	65	728	1,750	200	-	-	10,602
<b>PEEL &amp; WESTERN DISTRICT HOUSING COMMITTEE</b>								
Planned Maintenance Programme	2,436	425	-	-	-	-	-	2,011
<b>PORT ERIN VILLAGE COMMISSIONERS</b>								
Planned Maintenance Programme	11,100	-	208	3,208	2,480	2,300	-	2,904
<b>PORT ST MARY VILLAGE COMMISSIONERS</b>								
Planned Maintenance Programme	3,515	-	-	-	-	-	-	3,515
<b>RAMSEY TOWN COMMISSIONERS</b>								
Planned Maintenance Programme	12,846	1,347	63	-	-	-	-	11,436
<b>RAMSEY &amp; NORTHERN DISTRICTS HOUSING COMMITTEE</b>								
Planned Maintenance Programme	2,101	-	551	92	-	-	-	1,458
<b>SOUTHERN SHELTERED HOUSING JOINT BOARD</b>								
<b>FORMER CASTLETOWN &amp; MALEW EPHC</b>								
Planned Maintenance Programme - Former C&M EPHC	2,995	209	-	-	-	-	-	2,786
Planned Maintenance Programme - Former MC EPHC	2,190	71	15	50	50	-	-	2,004
<b>ADAPTATIONS</b>								
Planned Maintenance Programme	700	100	100	100	100	100	100	100
<b>TOTAL LOCAL AUTHORITY HOUSING</b>	<b>151,782</b>	<b>33,793</b>	<b>12,741</b>	<b>15,546</b>	<b>10,402</b>	<b>9,175</b>	<b>3,456</b>	<b>66,669</b>

**Local Authority Housing - Submitted and Pending Decision****ONCHAN DISTRICT COMMISSIONERS**

Springfield Court Refurbishment  
Barrule Drive External Refurbishment

**Local Authority Housing - Pending Submission****DOUGLAS BOROUGH COUNCIL**

Spring Valley - Enabling Project  
Spring Valley - Redevelopment  
Upper Pulrose Ring - Roofs and retaining Wall Refurbishment

**RAMSEY TOWN COMMISSIONERS**

Close Woirrey Demolition  
Close Woirrey / Albert Road Apartments

## Appendix 5 – Capital Programme Future Schemes

### APPENDIX 5 – CAPITAL PROGRAMME – DESIGN AND FEASIBILITY

**Table 69 – Design and Feasibility**

The following schemes have received funding approval to enable the Departments to formulate fully scoped and costed business cases that can then be considered for full project budget allocation within the quarterly approval process. The design and feasibility studies and activities are financed through bids to the Project Development Fund.

<b>Project Development Fund Approvals</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
<b>Department of Environment, Food &amp; Agriculture</b>				
Kionslieu Reservoir Works	-	100	-	100
<b>Department of Education, Sport &amp; Culture</b>				
Castle Rushen School Site Master Plan	1,600	1,600	-	3,200
Henry Bloom Noble Teaching Pod	-	150	-	150
QEII STEM Block	-	280	-	280
<b>Department for Enterprise</b>				
Central Registry, Civil Registration and Small Registers Modernisations	-	15	-	15
<b>Department of Health and Social Care</b>				
Ambulance Make Ready Centre	-	125	-	125
Manx Care Record	385	150	-	535
Older Persons Residential & Resource Unit North (Cummal Moorar)	250	-	-	250
<b>Department of Home Affairs</b>				
Blue Light Hub	-	145	-	145
<b>Department of Infrastructure</b>				
A5 Improvements	-	11	-	11
Bus Terminal at Sea Terminal	-	150	-	150
Peel Marina Dredging Phase 1B	100	-	-	100
Peel Marina & River Neb Catchment	155	175	65	395
Port St Mary High Street	-	72	-	72
Restricted area security fencing renewal	20	-	-	20
West Quay Ramsey	-	83	-	83
<b>Manx Utilities Authority</b>				
Dispatchable Generation	-	500	-	500
Onshore Wind	600	1,340	1,370	3,310
Second Interconnector	-	630	-	630
<b>Treasury</b>				
Digitisation of Passport, Immigration & Nationality Services (DPINS)	61	1,098	-	1,159
<b>Total</b>	<b>3,171</b>	<b>6,624</b>	<b>1,435</b>	<b>11,230</b>



## APPENDIX 6 – CAPITAL APPROVALS

Table 70 – Capital Approvals by Scheme

Discrete Scheme	Tynwald Approval Request £000	Description of Discrete Scheme
<b>Cabinet Office</b>		
OHR Learning Management System Project	125	Funding to procure and implement a new e-Learning system for the Isle of Man Public Service
<b>Department of Education, Sport &amp; Culture</b>		
Ballasalla Mobile	300	Funding to purchase and install a new double mobile classroom at Ballasalla Primary school
<b>Department of Health and Social Care</b>		
Radiology Equipment Replacement - MRI	1,700	Funding to purchase and install a new Magnetic Resonance Imaging (MRI) Scanner at Nobles Hospital
<b>Department of Infrastructure</b>		
Ash Dieback and Dutch Elm Disease Management - Government Estate	200	Funding to implement an enhanced tree management programme for diseased trees across the Government estate
Changing Places Toilet Facilities	147	Funding to provide Changing Places toilet facilities at the Airport and the Sea Terminal to meet the needs of both disabled residents and visitors
Court House Ventilation	683	Funding for the replacement of the ventilation systems that service the courts, related offices and holding cells.
Government House Refurbishment	380	Roof and window replacement scheme for Government House
NSC and Regional Pitches Maintenance	866	Funding for LED lighting in the NSC main and secondary sports hall LED lighting, floodlight lamp heads for the NSC athletics track and athletics track grass infield area, regional pitches maintenance, LED lighting for the NSC and bowl synthetic pitches, and NSC bowls hall and squash courts LED lighting
Refurbishment of Victoria Pier Linkspan	1,087	Funding to refurbish the Victoria Pier Linkspan (Berth No.1) to prolong the operational life of the structure and allow continued use by vessels
St Ninian's High School Roof	800	Full roof replacement scheme for St Ninian's High School to provide a safe and functional building with increased energy efficiency
<b>Discrete Schemes Total</b>	<b>6,288</b>	



Rolling Scheme	Tynwald Approval Request £000	Description of Rolling Scheme
<b>Rolling Schemes</b>		
<b>Cabinet Office</b>		
Minor Capital Works	250	Extension of the rolling scheme for a further year of expenditure to fund smaller projects
<b>Department of Education, Sport &amp; Culture</b>		
DDA Works to Department Sites- Construction	225	Works linked to Disability Discrimination Act
MCW - National Sports Centre	150	Minor capital works budget linked to the NSC
MCW - Regional Pools- Ongoing Scheme	150	Minor capital works budget linked to the regional swimming pools
<b>Department of Environment, Food &amp; Agriculture</b>		
MCW - Rural Infrastructure	450	Minor capital works budget linked to assets under the management of DEFA
Public Analyst Lab	45	Rolling scheme to support the equipment replacement programme
<b>Department of Health and Social Care</b>		
Asset Replacement Scheme	1,000	Budget to support the equipment replacement programme of smaller department assets
Strategic Development Fund	250	Budget to support the implementation of small scale change projects
<b>Department of Home Affairs</b>		
Communications Development Programme	718	Rolling scheme to support the department's communications equipment and systems
Equipment Replacement Programme - Fire	300	Ongoing scheme for the replacement of equipment for the Fire and Rescue Service
Equipment Replacement Programme - Police	189	Ongoing scheme for the replacement of equipment for the Police
Prison Minor Capital Works	450	Ongoing scheme for minor works required at the Isle of Man Prison
<b>Department of Infrastructure</b>		
Ambulance Fleet Replacement	370	Ongoing scheme for replacement vehicles
Climate Change Adaption	6,775	A 25 year programme of a number of schemes to deliver climate change adaptations across the Island. Significant business cases are presented and approved by Treasury once they are ready to be delivered
DHA Vehicle Acquisition	1,300	Ongoing scheme for the replacement of vehicles on behalf of the Department of Home Affairs (including Fire and Police)
Heritage Rail Budget	2,250	Projects to maintain and improve the heritage railways assets
House Purchase Assistance Scheme	1,876	Ongoing scheme to provide assistance to first time buyers to purchase both publicly developed and privately developed properties subject to certain scheme conditions
MCW - Airport Minor Capital	1,500	A minor capital works budget to support ongoing works and small projects at the Isle of Man Airport



Rolling Scheme	Tynwald Approval Request £000	Description of Rolling Scheme
<b>Department of Infrastructure (continued)</b>		
MCW - DfE	150	A minor capital works budget for properties owned by the Department for Enterprise. DOI maintain and uphold the properties on behalf of the DfE under a Service Level Agreement
MCW - DHA	225	A minor capital works budget for properties owned by the Department for Home Affairs. DOI maintain and uphold the properties on behalf of the DHA under a Service Level Agreement
MCW - DHSC	500	This rolling scheme includes expenditure for maintenance and replacement of building and property service related items ranging from £5,000 to £250,000
MCW - Education and Children	2,000	This rolling scheme includes expenditure for maintenance and replacement of building and property service related items ranging from £5,000 to £250,000
MCW - Flood Asset Improvements	225	A minor capital works budget to maintain flood assets (watercourses and structures) to reduce flood risk to people and property
MCW - Government Estate	500	This rolling scheme includes expenditure for maintenance and replacement of building and property service related items ranging from £5,000 to £250,000
MCW - Improvements	625	A 10 year scheme starting in 2017-18, to refurbish residential roads. Tackling small-scale neglect to prevent longer term problems for the network but, more importantly, encourage some pride in the roads outside our homes and directly result in a better place to live
MCW - Nobles Hospital (Compliance)	713	This rolling scheme ensures the hospital's services comply with relevant standards
MCW - Nobles Hospital (Plant & Machinery)	620	This rolling scheme is related to expenditure for replacement of hospital plant and machinery
MCW - Public Transport	1,000	This rolling scheme includes expenditure for maintenance and replacement of building, equipment and property service related items for the Transport Services Division. Title changed to now include Heritage Rail to now reflect a significant amount of this budget is utilised for this purpose
MCW - Villa/Gaiety	200	Minor capital works for the upkeep and maintenance of the Villa Marina and Gaiety Theatre complex
MCW - Wildlife Park	100	Minor capital works for the upkeep and maintenance of the Curragh's Wildlife Park
MCW Housing Planned Works	2,375	This capital budget is used to undertake essential works such as re-roofing, kitchen refurbishments, electrical upgrades, central heating, window/door replacements and estate improvements to the DOI's public sector housing stock of over 1,200 dwellings
Plant & Vehicle Replacement	3,200	Ongoing programme for the planned replacement of Government's plant and vehicles
Public Transport - Bus Fleet Replacement	1,437	Ongoing programme for the replacement of public transport bus vehicles



Rolling Scheme	Tynwald Approval Request £000	Description of Rolling Scheme
<b>Department of Infrastructure (continued)</b>		
Strategic Highway Refurbishment	4,325	This year on year scheme includes work on highways resurfacing and reconstruction. The scope of the work ranges in value from £10,000 to £800,000, and includes major maintenance of minor or major roads, up to a complete replacement. From 2018-19 the scheme included £100k p.a. for traffic lights renewal and £500k p.a. for micro asphalt
Strategic Structural Maintenance	655	This year on year scheme includes work on both highways and harbours structures. The scope of the work ranges in value from £30,000 to £300,000, and includes major maintenance of a structure, up to complete replacement of a structure
<b>The Treasury</b>		
Climate Change Mitigation Initiatives	5,000	Treasury budget to support climate change mitigation schemes
Digital Projects Fund	5,000	Budget to fund digital projects across Government up to the value of £500,000. Any project above £500,000 should be developed as a discrete scheme with a separate budget line in the Pink Book
<b>Rolling Schemes Total</b>	<b>47,098</b>	
<b>Total - Capital Financing Reserve</b>	<b>53,386</b>	



## **APPENDIX 7 – EXPLANATION OF RESERVES**

### **External Reserves**

#### **Enterprise Development Scheme (EDS)**

As part of the 2016 budget, the Enterprise Development Fund was created with an initial £10m, supporting the £50m Enterprise Development Scheme. The Scheme did not perform as expected, with only £3m invested in the first two years and consequently in 2018, the Department for Enterprise (DfE) and the Scheme Managers agreed to part company.

DfE revised the Scheme to manage it in house for existing applicants, and the Scheme has been largely inoperative since 2020, remaining simply as a vehicle for historic investments.

#### **Manx Currency Account**

The balance on the currency account is maintained to ensure that it more than matches the value of the total Manx currency in circulation (both notes and coins).

#### **MUA Bond Repayment Fund**

Responsibility for the management of the Manx Utilities Authority (MUA) bond issues transferred from the MUA to the Treasury on 1 April 2015. The MUA makes annual payments through its Long-Term Financial Plan into a sinking fund in order that the £260 million bond issues can be repaid upon their maturity in 2030 (£75 million) and 2034 (£185 million).

#### **Bond Repayment Sinking Fund**

This has been established to provide a fund into which repayments from General Revenue, the Isle of Man Steam Packet and Manx Utilities Authority can be made. These funds will be used to meet the redemption of the Sustainable Bond issued by the Treasury in September 2021, which becomes payable on 14 September 2051. Interest payments to bondholders will be made from this fund. Balances held within the fund will be invested to earn income in accordance with relevant investment mandates.

#### **National Insurance Fund (MNIF)**

The MNIF is comprised of both the National Insurance Investment Account (NIIA), which is invested by external investment managers on behalf of the Treasury, and the National Insurance Operating Account (NIOA), which represents the operating balance managed by the Treasury's Social Security Division. The NIOA is used to fund National Insurance funded welfare payments and also makes a significant contribution towards the cost of the Island's health service via the NHS allocation. It is expected that there will be a surplus over the period of the indicative financial plan, therefore the fund will increase in value.

#### **Reserve Fund**

The Reserve Fund represents the externally invested central funds of the Isle of Man Government, designed to provide long term stability and protection to Government's finances. The objective of the current financial plan is to grow the balances held within the Reserve Fund through external investment management.





### **Reserve Fund Bond Issue**

This element of the Reserve Fund specifically relates to the issue of new Government bonds during 2021. An amount equivalent to the proceeds of the bond issue is available to invest in Government priorities during the specified assessment period in line with the Sustainable Financing Framework.

The Sustainable Financing Framework can be found on the Treasury website.



## **Internal Reserves**

### **Academic Business Planning Fund (ABPF)**

The ABPF was established as part of the 2017-18 budget on a one year trial basis. The reserve allows the Department of Education, Sport and Culture (DESC) to transfer year end underspends into the new financial year, as agreed with the Treasury. This provides DESC with flexibility in its business planning for operations where the financial year does not fit with the academic year. This initiative has proven very successful and therefore was extended on a permanent basis.

### **Agriculture and Forestry Fund (AFF)**

The AFF was originally established in 2007 to assist the Department of Environment, Food and Agriculture (DEFA) in providing funding for additional financial support to the agriculture sector. The fund is utilised to support initiatives that are designed to provide sustainable benefits for the sector in the longer term and to provide support for the sector in the event of unexpected circumstances. The Treasury has agreed to add £4 million in 2025-26 to continue to support the Isle of Man meat plant and the agri-environment scheme.

### **Contingency Fund (CF)**

Established in 2016-17 with a £5 million injection from the Revenue Account's Operating Balance, this fund arose from a need to ensure that funding is provided to meet any unexpected, unavoidable or unplanned occurrences that are not included in the departmental revenue targets. Items granted funding from here must be of a temporary nature or self-sustainable from ongoing savings generated. Recurring expenditure is not eligible. It is proposed to add a further £5.5 million to this fund for the 2025-26 financial year.

### **Transformation Fund (TF)**

The purpose of this fund is to enable departments to implement schemes that are aimed at achieving efficiencies through cost savings and streamlining of processes. The fund incorporates the aims and purposes of the previous Digital Strategy and Invest to Save funds. It is proposed to add a further £2.5 million to this fund for the 2025-26 financial year.

### **Economic Strategy Fund (ESF)**

In support of the Island's Economic Strategy, the Treasury allocated £100 million to the ESF in the 2023-24 financial year to help deliver this strategy.

### **Healthcare Transformation Fund (HCTF)**

The HCTF is designed to provide financing for the implementation of healthcare project initiatives that are of a transformational nature. It is intended that any surplus National Insurance receipts due for allocation into the NHS are redirected into this fund to support future projects. Following completion of Sir Jonathan Michael's Independent Review of the Isle of Man Health and Social Care System, delivered to Tynwald in 2019, this fund is being utilised to provide support to the Health and Care Transformation Team with the ongoing process of establishing Manx Care and other healthcare transformation projects. The Treasury has approved a further transfer into the fund in 2025-26 of £4 million to ensure that there are adequate resources available.

**Legal Costs Reserve (LCR)**

The Isle of Man Government has previously been subject to several large and complex legal cases which have placed a strain on the resources of the departments involved. Given the ad-hoc nature of these cases, this reserve provides funding to meet the costs of agreed and exceptional legal cases. The Treasury has approved a transfer of £0.75 million to the fund in 2025-26 in order to maintain the balance.

**Medical Indemnity Fund (MED)**

Established in 1994, this reserve acts as a cash-limited self-insurance fund to meet valid claims for damages on behalf of patients against health and care staff working in the Island's hospitals. A transfer of £3 million is recommended into the fund in 2025-26 in order to be able to meet future demands.

**Seized Assets Fund (SAF)**

The purpose of this fund has been to enable the proceeds of drug seizures and other crimes to be applied to counter criminal activities as well as to promote and implement community safety initiatives including grant assistance to counter the undesirable effects of drugs and alcohol.

On 1 November 2017, the Fund became a statutory Fund by virtue of The Statute Law Revision Act 2017, which inserted Section 222 ZA to the Proceeds of Crime Act 2008. Statutory responsibility for approvals is held by the board of the Financial Intelligence Unit Board subject to Treasury concurrence.

**Project Development Fund (PDF)**

This fund was established as part of the 2022-23 budget. Departments are able to make bids for funding to complete initial feasibility and development work in relation to capital projects before detailed business cases are submitted. This allows departments to present accurate costing and timeline information to Treasury to assist with the consideration of capital project business cases. A further £5 million is being transferred to this fund for 2025-26.

**Housing and Communities Fund (HCF)**

The HCF was established in the prior year to support the work of the Housing and Communities Board. A further £1 million of funding is being allocated to the fund for 2025-26.

**Housing Deficiency Fund (HDF)**

The HDF is being established as part of the 2025-26 budget. The fund will be used to fund the ongoing local authority social housing deficiency, with the initial funding coming from the Department of Infrastructure revenue budget, where this has been suffered in previous years.

**Climate Change Fund (CCF)**

This fund was established in 2022-23 with an initial balance of £25 million being transferred from general reserves to support climate change initiatives on the Island. A further £11 million was added to this fund in 2023-24 through the transfer of the balance from the Environmental Protection Fund, to create a single climate change fund.

**Housing Reserve Fund (HRF)**

Established in 2002, the Housing Reserve Fund was designed to provide finance for housing related projects, in particular the delivery of the Government's social housing policy. Amounts from this fund are transferred into the Capital Fund to meet the cost of any housing projects that are approved by Tynwald.

**Land and Property Acquisition Reserve (LPAAR)**

This reserve was established in 2000 to provide additional funding to meet the costs of acquiring land for land bank and other purposes. The reserve enables Government to react swiftly when land and buildings required for public services become available. Land bank transactions, both planned and unplanned, are made through the Capital Account. The expenditure on unplanned land and building transactions are met by transfers from the Land and Property Acquisition Reserve.



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