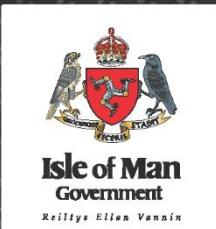


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2026-27 BUDGET

2026-27 CLAARE ARGIDOIL

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1. INTRODUCTION FROM THE TREASURY MINISTER – BUDGET 2026-27

GOAN-FOSHLEE VEIH SHIRVEISHAGH YN TASHEY - CLAARE ARGIDOIL 2026-27

This budget had stability and security as its bywords when I received it. This was in line with the 2025 refresh to the Island Plan priorities, emphasising measures to strengthen security at our ports, energy supply and off-Island connectivity, alongside the long-standing focus on economic growth, public sector efficiency, financial discipline, town and village vibrancy and housing.

The substantial increase in the personal tax allowance announced in January is the reason why confidence has been added as an additional budget byword. This measure will increase most people's take-home pay, taking about 3,600 people out of the tax net, and is aimed at boosting disposable income and the local economy.

Government revenue spending for 2026/27 is budgeted at £1.47 billion, an additional investment in public services of £83m this coming year. In particular this year's budget adds an extra £45m for healthcare to make the annual budget £412 million, growing to a planned £483m over the 5-year Medium Term Financial Strategy period, and £123m more than it was in 2022/23.

There is also £4.4m more for the childcare strategy, vocational training assistance and apprenticeships, an additional £5.8m to bolster Island security, £2.8m for the continued provision of vital infrastructure and transport services. I can report that 75% of departmental revenue bid funding has been approved, as is shown in the bid documents which are published among budget documents for the first time this year.

Capital projects of £90.2m in 2026-27 are included in the budget to maintain national infrastructure and to invest for community safety and in digital systems which will improve public service delivery and support the wider Government efficiencies programme. But controlling public expenditure and improving Government efficiency are key.

For instance regarding healthcare:

- Manx Care had not received what it had bid despite the substantial increase in healthcare funding and that the healthcare contingency would now be a drawdown from a Treasury controlled fund rather than a departmental revenue contingency budget;
- The healthcare Financial Recovery Plan aimed to deliver £6m recurrent Cost Improvement Plan savings, in addition to the 1% Cost Improvement Programme implied efficiency in the funding formula; and
- The DHSC, Manx Care Board and officers are identifying in-control and not in-control factors driving the recurring healthcare deficit to determine the appropriate level of sustainable funding and to develop a Sustainable Health and Care Funding Model for the future.

More generally quarterly management accounts and monthly scrutiny panels continue to drive service-delivery efficiencies, alongside the introduction of priority-based budgeting that will help to focus spending on strategic objectives and to first reduce and then eliminate the need to draw down reserves to finance public expenditure.

Hon Mr Chris Thomas MHK



2. OVERALL FINANCIAL SUMMARY FOR REVENUE AND CAPITAL

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2.1 Government Revenue Forecast 2026-27 to 2030-31

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 2026-27, together with indicative financial projections for the following four years to 2030-31.

TABLE 1 – Government Revenue Forecast 2026-27 to 2030-31

GOVERNMENT REVENUE FORECAST 2026-27 TO 2030-31							
Budget 2025-26	Probable 2025-26	£'000	Provisional Budget 2026-27	Indicative financial projection			
				2027-28	2028-29	2029-30	2030-31
1,389,024 (1,387,759)	1,430,080 (1,422,611)	Income Expenditure	1,469,843 (1,468,205)	1,525,170 (1,524,393)	1,578,713 (1,577,831)	1,634,817 (1,633,555)	1,693,319 (1,691,618)
1,265	7,469	Surplus/(Deficit)	1,638	777	882	1,262	1,701

2.2 Government Capital Forecast 2026-27 to 2030-31

The summary Capital Account for the financial year 2026-27 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 2030-31.

The Capital Programme is presented on an estimated delivery basis, as explained further within Section 3.7 with details of the combined position between the Capital Financing Reserve (CFR) and the Consolidated Loans Fund (CLF).

TABLE 2 – Government Capital Forecast 2026-27 to 2030-31

GOVERNMENT CAPITAL FORECAST 2026-27 TO 2030-31							
Budget 2025-26	Probable 2025-26	£'000	Provisional Budget 2026-27	Indicative financial projection			
				2027-28	2028-29	2029-30	2030-31
11,799 5,185 (32,000) (60,000)	12,162 4,825 (34,827) (49,967)	CLF Receipts and Repayments CFR Receipts CLF Payments and Advances CFR Payments	15,480 5,185 (35,000) (50,000)	17,868 4,496 (40,000) (50,000)	20,629 3,185 (30,000) (50,000)	23,016 3,185 (20,000) (50,000)	25,011 3,185 (28,000) (50,000)
(75,016)	(67,807)	Surplus/(Deficit)	(64,335)	(67,636)	(56,186)	(43,799)	(49,804)
28,784 10,000 19,000 21,000	19,421 10,000 19,000 25,000	Capital Balance B/F Surplus / (Deficit) on Capital Account Transfer from General Revenue to CLF Transfer from General Revenue to CFR Transfer from General Reserve	5,614 - 10,000 61,000	12,279 - 27,000 31,000	2,643 - 38,000 20,000	4,457 - 52,000 -	12,658 - 56,000 -
3,768	5,614	Capital Balance C/F	12,279	2,643	4,457	12,658	18,854



3. THE FIVE YEAR FINANCIAL PLAN YN PLAN ARGIDOIL QUEIG BLEEANEY

3.1 Summary

The budget for 2026-27 is presented along with the indicative financial plan for the subsequent years through to 2030-31.

The plan continues to be based on a more stable economic environment with assumptions on inflation remaining in line with medium term forecast trends.

The Island Plan and the Economic Strategy continue to shape and focus Government spending plans.

The five overall themes of the Island Plan remain:

- 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

The latest Island Plan Update also outlined six strategic priorities:

- Energy Security
- Financial Discipline
- Travel Connectivity
- Security
- More Homes Occupied
- The Economy

The budget and the indicative financial plan aim to balance these priorities, with financial discipline at the core. Treasury remains committed to responsibly growing Government income whilst closely monitoring expenditure to build a sustainable financial base. This is required to drive a reduction in the reliance on the use of reserves to fund ongoing Government spending. This in turn will allow external reserve balances to strengthen.

Treasury sets out this financial plan in the full knowledge that it is demanding but essential. It is incumbent on the Government as a whole to take responsibility for financial discipline to deliver public services in a financially sustainable way and protect the Island's reserves.

The Government Efficiency and Change Programme is aiming to deliver at least £50 million in efficiency savings over a five year period. Treasury is supportive of this work and believes it will help achieve the medium term financial plan; however it is not considered prudent to factor in potential savings and any efficiencies will be considered as mitigations assisting Departments to meet any future possible cost pressures within their allocated budgets.



3.2 Economic Assessment

This impact assessment has been prepared by the Economic Advisory Function of Treasury, based on measures for inclusion in the 2026-27 Isle of Man Budget.

The key fiscal measure under consideration includes an increase in the Income Tax Personal allowance by £2,250 to £17,000. Other measures emphasise greater restraint in revenue spending in non-healthcare Government Departments and a strategy to reduce reliance on reserves.

Economic Outlook

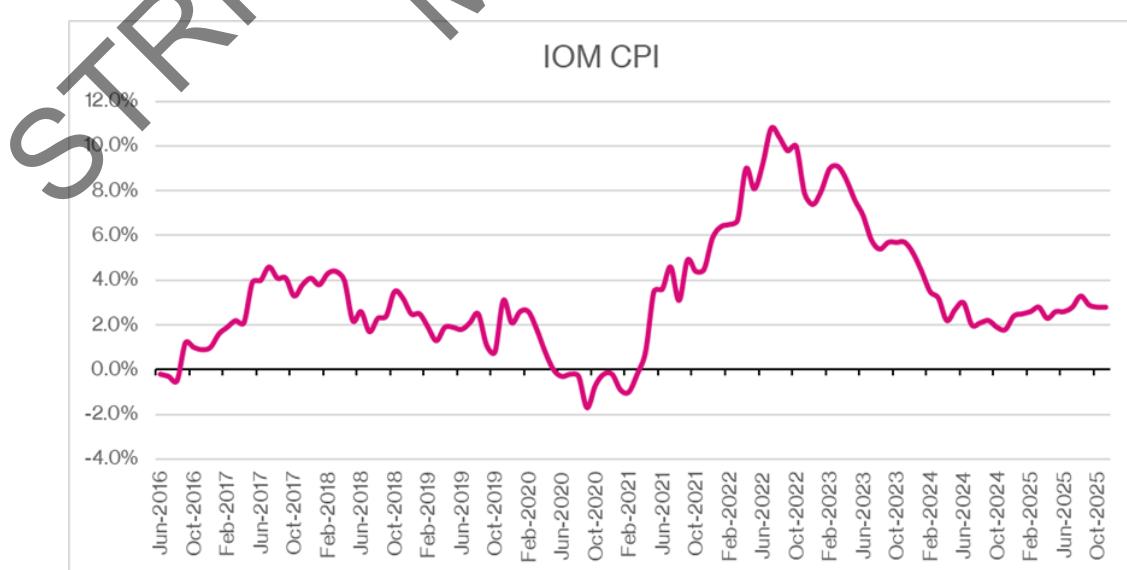
Global Economy

Since the 2025-26 Budget was prepared, the global economy has seen a further period of volatility, notably in the areas of tech development, geopolitics, and international trade. The start of the second Trump Presidency in the US has been marked with a significant shaking-up of the world trade order, with 'Liberation Day' tariffs being raised against some the United States' main trade partners. UK and the EU economic sentiment has been negatively affected by these moves, and while both have negotiated trade deals with the US, the situation remains disadvantageous compared to the previous status quo. At time of writing, the US is signalling further tariffs on the UK and some European countries due to tensions over Greenland.

Against this backdrop of evolving international relations, markets have been buoyed by the promise of transformative applications of Artificial Intelligence. The tech-heavy US NASDAQ index rose around 22% over the course of 2025, while the UK FTSE100 rose around 20%. This strong market performance has gone hand-in-hand with extensive investments in AI infrastructure, including most notably datacentres and artificial intelligence microchip technology. There remains a risk of a stock market correction, which could have knock-on impacts on Government's externally-invested reserves.

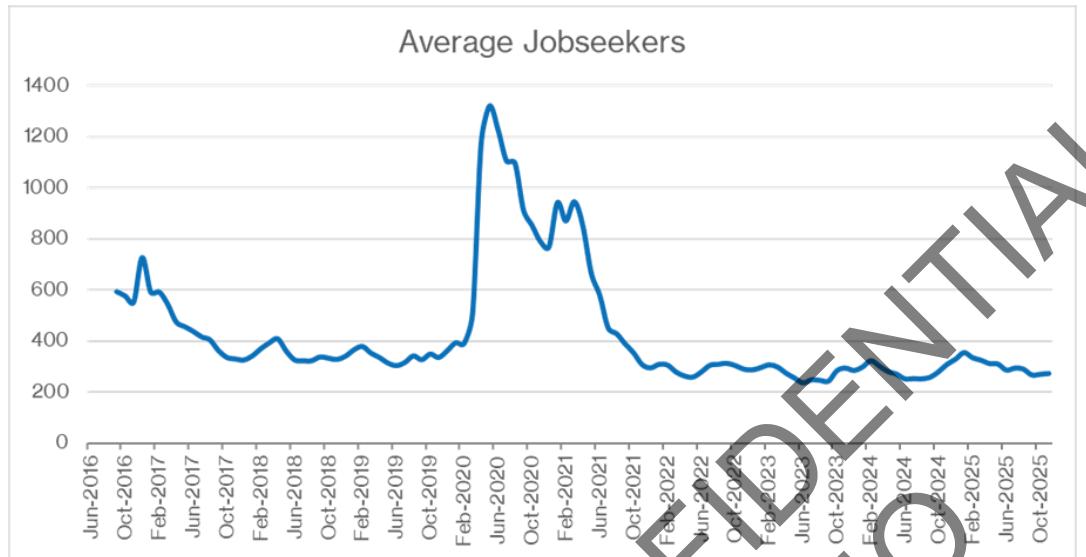
Local Economy

Economic indicators have been relatively static over the past year, with few major fluctuations apparent. CPI Inflation has fallen gradually, broadly following the UK CPI path with somewhat lower rates of annual increase. Inflation rose slightly in the autumn, driven by food (and to a lesser extent energy prices) but has now started to fall back again. Second-round effects show some indications of subsiding.



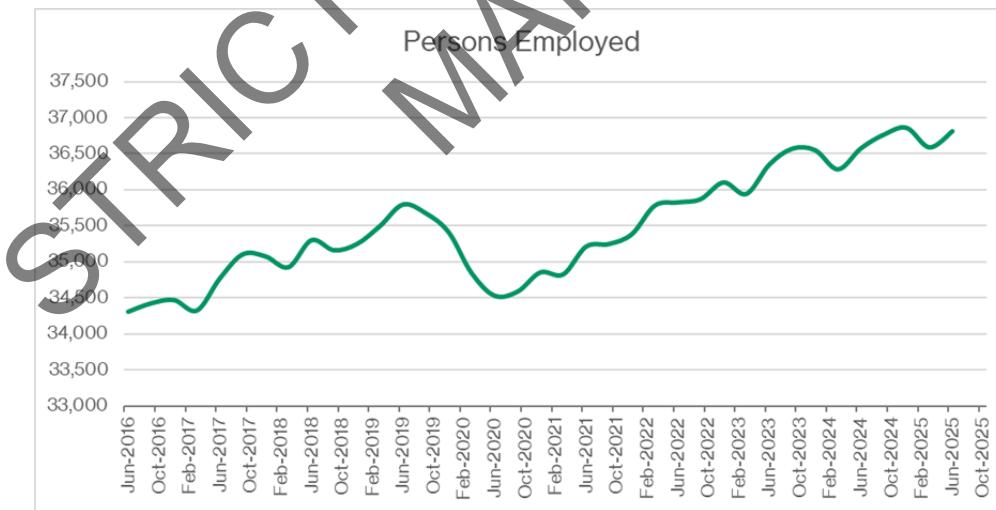


In the Labour market, registered unemployment remains very low, at fewer than 300 individuals. Advertised job vacancies have notably fallen during 2025 and are now substantially lower than during the post-COVID period of jobs growth. This trend is indicative of a weakening labour market, although vacancies still exceed the number of registered unemployed.



A combination of market trends and regulatory action have prompted a reduction in the number of jobs in the eGaming sector, which continues to see declining job figures. Jobs in other sectors are more stable, with varied small reductions but also some small increases in the Finance sector and wider economy.

The upcoming Minimum Wage increase to £12.86 in April 2026 will represent a cost increase for many employers, with a potential knock-on impact on wider pay scales. It is not possible at this stage to accurately forecast the impact on the labour market of this change: while empirical evidence generally suggests impact will be small, there are nonetheless concerns from some in industries around business viability in those sectors that rely on low-pay workers.



Tax receipts grew strongly in 2025, being driven in part by interest rates as well as wage growth. As interest rates and inflation fall, these effects are all expected to reduce over the next year which will limit the expected income growth going forward.



In December 2025 Moody's rating agency provided their review of the Island's credit rating which was held at Aa3 stable, the same as the United Kingdom. The report forecasts annual economic growth for the coming years of between 2.5% and 3% and noted the Island's high level of reserves and low debt level. The report also notes the generally conservative management of public finances and planned fiscal consolidation which contributes positively to the Island's fiscal strength.

Budget Measures

The headline budget measure from an individual taxpayer perspective is the increasing of the personal allowance by £2,250 to £17,000. For a Median Wage earner (c£40k), the annual benefit of this measure and the uplifting of NI thresholds is around £520. The effect decreases as the personal allowance taper takes effect above £100k. This increase should generate a small uptick in local consumer spending although it should be expected there may be some leakage off-Island as well as increased savings which will not directly affect the local economy.

In relation to wider budget measures, the budget is focused on maintaining fiscal discipline to meet a medium-term strategy of reducing the draw on Government reserves. This is a positive step in terms of maintaining fiscal headroom to deal with unexpected events, however, there remain risks as to whether the targets will be met in the event of negative shocks such as a global economic contraction or significant market impact on reserve values and returns.

There do not appear to be any major risks of overheating the local construction economy at the current rate of capital activity. Nonetheless, the precise phasing of the capital programme should ideally take into account other major construction work, such as the ongoing development of Douglas quayside, the Villiers site and other homebuilding projects.

3.3 Priority Based Budgeting

The Isle of Man Treasury is introducing Priority-Based Budgeting (PBB) to manage rising government costs, ensure spending is directed toward the Island's most important strategic objectives, and reduce reliance on reserves by creating a more disciplined, outcomes-focused approach to public finances. Under PBB, departments must align budgets with clearly defined priorities, demonstrate efficiency and value for money, and take greater accountability for their results, supported by independent scrutiny and regular review panels. This shift aims to address ongoing budget pressures, cut the structural deficit, and ultimately rebuild reserves in line with the Medium-Term Financial Plan, while also supporting targeted investment through strategic funds such as the Economic Strategy Fund. By moving away from historic "business as usual" budgeting, PBB strengthens financial resilience, improves transparency, and ensures taxpayers' money is used effectively to deliver essential services and long-term sustainability for the Island.

3.4 Revenue Account

Basis of preparation

The 2026 Budget presents an indicative financial plan for the next five years. This sets out departmental funding allocations that, if adhered to, will reduce the reliance on general reserves and facilitate strong and sustainable finances for the Island. There are many assumptions that underpin the budget targets and allocations. Most notably these include stable economic and inflationary conditions with a steady growth in taxation and other income sources.



As detailed in Section 4.3.2, the Island has committed to introduction of the Pillar 2 Global Minimum Tax. There remains a level of uncertainty in how the new tax will impact on the economy, however initially £31 million per annum has been included in forecasts and Treasury considers the forecasted income included in the plan to be prudent. Any income over and above the estimated total would be treated as a windfall in the initial years. The view remains that the longer term revenues will not be apparent for some time to come.

The NHS Allocation for 2026-27 has been revised downwards due to the availability of more up to date statistical information. In total this decreases the allocation from a forecast £73.4 million in the 2025-26 Pink Book to £68.4 million.

A fundamental aspect of the plan is expenditure control and ensuring that any growth is below that of income. There are constant pressures on public expenditure and therefore delivery to budget will require cost control mechanisms and cashable efficiencies. Treasury led scrutiny panels have enhanced financial monitoring across Government following implementation in 2024-25.

Government contingency funding continues to be included under the control of the Treasury to provide a buffer against increasing costs, with an allocation of £16.3 million for 2026-27.

Capital spending delivery has continually been lower than estimated and this budget has reduced the estimated spend from £60 million to £50 million in each year for CFR funded projects. However it should be noted that provision is made for the full delivery of the Capital Programme should it exceed this estimate. There continues to be a number of other capital initiatives including a replacement for Castle Rushen High School, the Island Infrastructure Scheme, the Energy Efficiency Scheme and large Manx Utilities projects. A need for significantly higher levels of capital investment would require the need to consider other forms of funding. Although the Island's Energy Transition Strategy has yet to be fully defined the costs will be significant and the potential funding requirement and strategy do not form part of this plan but are to be developed separately.

In summary, the five-year plan should be regarded as a strategic plan rather than a definitive forecast. It does not provide a detailed assessment of how every possible individual or combined risk might affect the Island's finances. The plan is underpinned by a range of strategies, governance controls, and mitigation measures, and its success will depend on the effective implementation of these elements to achieve longer term objectives.

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

The table includes a budget for 2026-27 and indicative financial projections for the financial years 2027-28 to 2030-31.

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



TABLE 3A – Five Year Financial Plan

£'000	FINANCIAL PLAN 2026-27 TO 2030-31					Indicative financial plan			
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional Budget 2026-27		2027-28	2028-29	2029-30	2030-31
GROSS INCOME									
Treasury Income									
Customs and Excise	521,648	473,552	468,586	496,224	514,417	533,498	553,507	574,486	
Income and Other Taxes	388,531	384,040	419,000	413,370	433,782	450,933	468,856	487,585	
Other Treasury Income	5,276	11,231	7,212	13,361	13,628	13,901	14,179	14,462	
Other Income									
Departmental Fees and Charges	149,762	150,611	154,030	151,402	154,413	157,484	160,687	163,883	
Employee Pension Contributions	43,652	39,848	46,162	48,450	49,419	50,407	51,415	52,443	
SUB-TOTAL	1,108,869	1,059,282	1,094,990	1,122,807	1,165,659	1,206,223	1,248,644	1,292,859	
NI Operating Account	328,462	329,742	335,090	347,036	359,511	372,490	386,173	400,460	
TOTAL INCOME	1,437,331	1,389,024	1,430,080	1,469,843	1,525,170	1,578,713	1,634,817	1,693,319	
GROSS EXPENDITURE									
Employee Costs									
Employer Pension Contribution	491,717	507,240	519,314	543,398	558,917	575,328	592,293	609,833	
Pension Costs (net departmental)	53,425	62,629	57,432	61,837	63,707	65,675	67,715	69,825	
89,872	80,292	101,292	98,873	99,467	100,009	100,533	101,037		
Total Pension Costs	143,297	142,921	158,724	160,710	163,174	165,684	168,248	170,862	
Non-Employee Costs	343,152	345,276	357,721	376,255	385,009	395,732	404,394	414,124	
NHS Allocation	(52,674)	(71,000)	(71,000)	(68,400)	(70,300)	(72,400)	(74,500)	(66,600)	
Total Non-Employee Costs	290,478	274,276	286,721	307,855	314,709	323,332	329,894	347,524	
NI Funded Payments									
Revenue Funded Welfare Payments	330,382	353,549	362,325	375,197	383,192	391,507	399,980	398,580	
Bond Repayment Sinking Fund	86,472	87,943	90,262	95,706	97,582	99,495	101,447	103,438	
Transfer to Capital Financing Reserve	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	
Transfer to Consolidated Loans Fund	64,000	19,000	19,000	10,000	27,000	38,000	52,000	56,000	
Housing Reserve Fund Expenditure	15,000	10,000	10,000	-	-	-	-	-	
In year contribution to internal funds	2,391	4,735	4,375	4,735	4,046	2,735	2,735	2,735	
Internal Fund Expenditure	-	13,137	-	-	-	-	-	-	
37,853	41,750	54,000	43,950	32,950	31,950	30,950	30,950	30,950	
Total Expenditure pre Reserves Transfers	1,465,090	1,458,051	1,508,221	1,545,051	1,585,070	1,631,531	1,681,047	1,723,422	
Transfer from internal funds	(37,853)	(41,750)	(54,000)	(43,950)	(32,950)	(31,950)	(30,950)	(30,950)	
Transfer from Housing Reserve Fund	(2,391)	(4,735)	(4,375)	(4,735)	(4,046)	(2,735)	(2,735)	(2,735)	
Transfer from the NI Account	(1,919)	(23,807)	(27,235)	(28,161)	(23,681)	(19,017)	(13,807)	1,881	
Total Transfer from reserves	(42,163)	(70,292)	(85,610)	(76,846)	(60,677)	(53,702)	(47,492)	(31,804)	
Net Expenditure post Reserves Transfer	1,422,927	1,387,759	1,422,611	1,468,205	1,524,393	1,577,829	1,633,555	1,691,618	
Surplus	14,404	1,265	7,469	1,638	777	884	1,262	1,702	



3.5 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

£'000	MOVEMENT ON THE OPERATING ACCOUNT					Indicative financial plan			
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional Budget 2026-27					
	2027-28	2028-29	2029-30	2030-31					
Operating Account Brought Forward	(247,029)	(237,365)	(204,275)	(170,556)	(170,368)	(171,041)	(171,607)	(171,795)	
<i>Transfer to/from External Reserve Fund</i>	50,000	41,750	54,000	43,950	32,950	31,950	30,950	30,950	
Transfers to Reserves									
Internal Funds:									
Agricultural & Forestry Fund	(2,000)	(4,000)	(4,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
Contingency Fund	(1,500)	(5,500)	(5,500)	(15,500)	(5,500)	(5,500)	(5,500)	(5,500)	
Climate Change Fund	-	-	-	-	-	-	-	-	
Economic Strategy Fund	-	-	-	-	-	-	-	-	
Healthcare Transformation Fund	(3,500)	(4,000)	(4,000)	(5,000)	(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)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	
Legal Costs Reserves	(4,150)	(750)	(750)	(900)	(900)	(900)	(900)	(900)	
Medical Indemnity Fund	(3,000)	(3,000)	(3,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	
Transformation Fund	(1,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	
Project Development Fund	(5,000)	(5,000)	(5,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	
Sub-Total Transfers to Reserves	(21,650)	(27,750)	(27,750)	(45,400)	(34,400)	(33,400)	(32,400)	(31,400)	
Surplus on the General Revenue Account	14,404	1,265	7,469	1,638	777	884	1,262	1,701	
Operating Account Carried Forward	(204,275)	(222,100)	(170,556)	(170,368)	(171,042)	(171,607)	(171,795)	(170,544)	



3.6 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, Isle of Man Steam Packet Group, Manx Development Corporation and Manx National Heritage) 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 after reserve fund interest is projected, on a reducing basis, for 2026-27 to 2029-30 but then a surplus is forecast from 2030-31 for the remaining period of the indicative financial plan.

The structural deficit in 2024-25 was £10.7m compared to the budgeted structural deficit of £89.7m. This improvement was driven by the release of the FERSA provision during 2024-25 and greater than anticipated Income Tax receipts. Government finances continued to be under pressure with above inflation cost pressures in areas such as insurance and contract costs, as well as the impact of pay awards, both being higher than budgeted allocations. Even though income receipts were in excess of budgeted levels, this was not sufficient to offset the increased expenditure levels.

The forecast structural deficit for 2025-26 is lower than budgeted for the year, being £72.5m against the budgeted position of £86.8m. 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 whilst further structural reforms and increased productivity and efficiency measures are achieved.

Although 2025-26 has continued to see 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. Financial discipline and budget control will remain key to meeting the challenges in the medium term financial plan.

The proposed budget and indicative financial plan includes provision to fully fund the estimated £50m per year Capital Financing Reserve programme from revenue by 2029-30 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.

Government reserves are expected to remain broadly stable in the short term, being supported by improved investment returns. This is driven by the implementation of the new investment strategy which aims at maximising the returns on Government's reserves and allowing for balances to begin to increase. It is anticipated that this will be tempered by the requirement to make drawdowns to fund Government operations, however these drawdowns are forecast to reduce.



TABLE 4 – Structural Deficit - Summary Position

Based on the estimated delivery of the Capital Programme

£'000	SUMMARY POSITION (ESTIMATED CAPITAL DELIVERY)								
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional budget 2026-27	Indicative financial plan				
					2027-28	2028-29	2029-30	2030-31	
Gross Income	1,437,331	1,389,024	1,430,080	1,469,843	1,525,170	1,578,713	1,634,817	1,693,319	
Less NI	(328,462)	(329,742)	(335,090)	(347,036)	(359,511)	(372,490)	(386,173)	(400,460)	
Less Reserve Fund Interest	(12,949)	(10,578)	(641)	(10,789)	(11,005)	(11,225)	(11,449)	(11,678)	
Operating Income	1,095,920	1,048,704	1,094,349	1,112,018	1,154,654	1,194,998	1,237,195	1,281,181	
Expenditure	1,465,090	1,458,051	1,508,221	1,545,051	1,585,070	1,631,531	1,681,047	1,723,422	
Less NI	(330,382)	(353,549)	(362,325)	(375,197)	(383,192)	(391,507)	(399,980)	(398,580)	
Less Capital Transfers	(81,391)	(33,735)	(33,375)	(14,735)	(31,046)	(40,735)	(54,735)	(58,735)	
Less Internal Fund expenditure	(37,853)	(41,750)	(54,000)	(43,950)	(32,950)	(31,950)	(30,950)	(30,950)	
Operating Expenditure	1,015,464	1,029,017	1,058,521	1,111,169	1,137,882	1,167,339	1,195,382	1,235,157	
Operating Surplus (Deficit)	80,456	19,687	35,828	849	16,772	27,659	41,813	46,024	
Capital Financing Reserve Expenditure	(50,888)	(60,000)	(49,967)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	
Transfer to Operating Account from Reserves	(40,244)	(46,485)	(58,375)	(48,685)	(36,996)	(34,685)	(33,685)	(33,685)	
Structural Surplus (Deficit)	(10,676)	(86,798)	(72,514)	(97,836)	(70,224)	(57,026)	(41,872)	(37,661)	
Estimated returns on non-NIIA reserves	46,976	13,781	33,989	30,532	22,703	24,238	27,881	28,967	
Reserve Fund Interest	12,949	10,578	641	10,789	11,005	11,225	11,449	11,678	
Structural Surplus (Deficit) excluding NIIA	49,249	(62,439)	(37,884)	(56,515)	(36,516)	(21,563)	(2,542)	2,984	
NI Surplus / (Deficit)	(1,919)	(23,807)	(27,235)	(28,161)	(23,681)	(19,017)	(13,807)	1,881	
Estimated returns on NIIA reserves	49,434	26,376	55,579	57,029	46,389	53,551	64,869	67,942	
Overall Net Surplus/(Deficit) after interest	96,764	(59,870)	(9,540)	(27,647)	(13,808)	12,971	48,520	72,807	



3.7 Capital Programme

Capital Programme delivery continues to rest upon affordability and sustainability. Actual capital expenditure outturn continues to track below full budgeted capital programme levels. Typical levels of capital delivery remain around £60 million to £90 million per year.

The overall anticipated capital expenditure for 2026-27 is approximately £85 million which remains relatively consistent with prior years. This is the combined position between the Capital Financing Reserve (CFR), used for the Central Government Capital Programme, and the Consolidated Loans Fund (CLF), which is used to lend to non-Central Government entities. This is compared to a Capital Programme of approximately £132 million for 2026-27 on a full delivery basis.

Table 5 presents the combined Capital Programme on an estimated delivery basis and shows the illustrative position based on that basis. The expected delivery is based on prior experience rather than delivery of the full Capital Programme presented within Appendix 4. It has been assumed that £50 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 earlier years of the financial plan is higher than in the later years due to the planned regional sewage works.

The transfers to the CFR and CLF from reserves are based on the estimated Capital Programme amounts, rather than full delivery. This is considered a realistic approach to the capital budgeting process over the medium term financial plan as it factors in prospective spend into the later years in line with expectations of further capital schemes coming forward during intervening annual budget cycles.

3.7.1 Review of the Capital Programme

A focus on delivery of existing projects and maintenance programmes is key to the Capital Programme for 2026-27. A number of new discrete capital projects are included within the Capital Programme for 2026-27, however many of these have moved from being rolling schemes in previous budgets. The reason for this has been to provide the service areas with the ability to develop longer term strategies over areas such as plant, equipment and vehicle replacement. Although the overall amount of new schemes might appear modest, it is expected that further schemes will be brought to Tynwald for approval during the 2026-27 year as part of the capital approval process following the design and feasibility work.

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

3.7.2 Capital Approval Process

Departments are able to seek Tynwald approval for capital schemes during the financial year. This process follows on from the completion of PDF work and is 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

£'000	CONSOLIDATED LOANS FUND OPERATING ACCOUNT (ESTIMATED DELIVERY)								
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional Budgets 2026-27	2027-28	2028-29	2029-30	2030-31	
Income									
MNH Receipts	1,510	1,625	1,625	1,612	1,645	1,678	1,711	1,744	
MUA Receipts	4,511	8,490	8,490	11,783	14,100	16,788	19,102	21,023	
Capital Receipts	480	158	158	158	158	158	158	158	
Investment Income	1,851	1,526	1,889	1,927	1,965	2,005	2,045	2,086	
Total Income	8,352	11,799	12,162	15,480	17,868	20,629	23,016	25,011	
Expenditure									
Capital Programme	23,652	32,000	34,827	35,000	40,000	30,000	20,000	28,000	
Total Expenditure	23,652	32,000	34,827	35,000	40,000	30,000	20,000	28,000	
Capital Cash Brought Forward									
Surplus/(deficit)	(5,073)	(3,419)	(5,373)	1,962	3,442	2,310	2,939	5,955	
Transfer (to)/from General Revenue	(15,300)	(20,201)	(22,665)	(19,520)	(22,132)	(9,371)	3,016	(2,989)	
Transfer (to)/from General Reserves	15,000	10,000	10,000	-	-	-	-	-	
Capital Cash Carried Forward	(5,373)	2,380	1,962	3,442	2,310	2,939	5,955	2,966	



Estimated CFR Delivery Basis

	CAPITAL FINANCING RESERVE (ESTIMATED DELIVERY)					Indicative financial plan			
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional Budgets 2026-27		2027-28	2028-29	2029-30	2030-31
£'000									
Income									
Capital Receipts	79	450	450	450	450	450	450	450	450
Housing Reserve Fund	2,391	4,735	4,375	4,735	4,046	2,735	2,735	2,735	2,735
Total Income	2,470	5,185	4,825	5,185	4,496	3,185	3,185	3,185	3,185
Expenditure									
Capital Programme	50,888	60,000	49,967	50,000	50,000	50,000	50,000	50,000	50,000
Total Expenditure	50,888	60,000	49,967	50,000	50,000	50,000	50,000	50,000	50,000
Capital Financing Reserve B/F	9,212	32,203	24,794	3,652	8,837	333	1,518	6,703	
Surplus/(deficit)	(48,418)	(54,815)	(45,142)	(44,815)	(45,504)	(46,815)	(46,815)	(46,815)	(46,815)
Transfer (to)/from General Revenue	64,000	19,000	19,000	10,000	27,000	38,000	52,000	56,000	
Transfer (to)/from General Reserves	-	5,000	5,000	40,000	10,000	10,000	-	-	-
Capital Financing Reserve C/F	24,794	1,388	3,652	8,837	333	1,518	6,703	15,888	

Note

- 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.



3.8 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

£ million	RESERVES ESTIMATED VALUE WITH INVESTMENT RETURNS & STABLE MARKET							
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
					2027-28	2028-29	2029-30	2030-31
National Insurance Fund	1,070.0	1,055.1	1,099.7	1,126.5	1,147.9	1,180.5	1,228.7	1,295.1
Reserve Fund	559.5	428.1	488.6	408.1	360.5	338.7	344.6	355.7
Reserve Fund (Bond Issue)	75.4	77.9	79.2	83.2	86.5	90.4	95.1	100.1
Other Reserves	250.7	290.9	283.8	332.9	382.2	434.5	414.5	467.4
Estimated Value	1,955.6	1,852.0	1,951.3	1,950.7	1,977.1	2,044.1	2,082.9	2,218.3

External fund balances are presented in the above table at projected market value rather than book value and it should be noted that market values may fluctuate against market and economic conditions. Returns on investments have been calculated based on the assumption that mandated returns will be achieved during the period of the indicative financial plan. 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 and an explanation of reserves is provided in Appendix 7. The Other Reserves balance factors in the settlement of the £75 million MUA Bond during 2029-30.



4. REVENUE – INCOME

CHEET-STIAGH – CHEET-STIAGH GLEN

4.1 2025-26 Performance – Treasury Income

TABLE 7 – 2025-26 Year End Forecast (Treasury Income)

2025-26 Budget Against Probable					
£'000	Budget 2025-26	Transfers	Revised Budget	Probable 2025-26	Variance
INCOME					
Customs & Excise	473,552	-	473,552	468,586	(4,966)
Income & Other Taxes	384,040	-	384,040	419,000	34,960
NI Operating Account	329,742	-	329,742	335,090	5,348
Other Treasury Income	11,231	-	11,231	7,212	(4,019)
Total Treasury Income	1,198,565	-	1,198,565	1,229,888	31,323

Treasury income for the 2025-26 year is forecast to be above the level budgeted. This continues to be sustained by returns on savings from current interest rates and the wage growth in the economy leading to increased levels of tax and national insurance collection.

Section 4.3 explains in further detail the position regarding both indirect taxation in Customs and Immigration and direct taxation receipts within Income Tax.

4.2 2026-27 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

£'000	Budget Income Projections						
	Budget 2025-26	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Customs & Excise	473,552	468,586	496,224	514,417	533,498	553,507	574,486
Income & Other Taxes	384,040	419,000	413,370	433,782	450,933	468,856	487,585
NI Operating Account	329,742	335,090	347,036	359,511	372,490	386,173	400,460
Other Treasury Income	11,231	7,212	13,361	13,628	13,901	14,179	14,462
Total Treasury Income	1,198,565	1,229,888	1,269,991	1,321,339	1,370,823	1,422,715	1,476,993

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

4.3 2026-27 Budget Proposals

The following sections present the proposals for the various areas of Government income in respect of the 2026-27 financial year.



4.3.1 Customs & Immigration

The revenues raised by Customs & Immigration include shared duties under the 1979 Customs and Excise Agreement (known as “common duties” under the Agreement); and non-shared duties.

Shared Duties

The shared duties include Value Added Tax (VAT), the Soft Drinks Industry Levy (SDIL), Pool Betting and Lottery Duty, Excise duties (alcohol, tobacco and hydrocarbon oil - HCO), Plastic Packaging Tax and Customs (Import) duties. The Isle of Man (IoM) is obliged 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.

Under the Agreement, the IoM is entitled to the shared duties (collected in either the UK or the IoM) that relate to products and services consumed in the Island. As the place of consumption is not recorded in respect of most shared duties, a calculation method, which must be agreed between the two governments, is required. This calculation method is referred to as The Final Expenditure Revenue Sharing Arrangement (FERSA).

FERSA

FERSA is the current framework for determining the IoM’s entitlement to shared duties.

Under FERSA, HCO and Lottery Duty are shared based on actual consumption, as this can be accurately measured. The remaining shared duties are shared based on an estimate of the revenues collected from IoM consumption. This estimate is made using information captured in a series of household and business expenditure surveys, which the Island is required to undertake at least every five years.

Under FERSA, the Island’s revenue share agreed in a survey year is settled and cannot be changed. During non-survey (or indexed) years, the Island’s revenue share is provisional, based on a growth forecast that is agreed by both governments. The provisional revenue shares the Island receives in the indexed years are adjusted (by way of a payment to or from the Island) once actual growth is concluded at the next survey year.

The 2023-24 FERSA, signed in April 2025, provides certainty of the Island’s provisional income for the next five years. Under this agreement, VAT will be indexed at 4.57% per annum, while other shared duties will be indexed at 2.76% per annum. To ensure prudent financial management, a cumulative provision of 3% is included in annual budget planning. For the financial years 2029–30 and 2030–31, the same growth assumptions will apply in the absence of a new agreement.

Non-shared duties

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



4.3.2 Income Tax

TABLE 9 – Tax Rates and Allowances

TAXATION RATES AND ALLOWANCES			
INDIVIDUAL TAX	2026-27	2025-26	2024-25
Lower rate	10%	10%	10%
Higher rate	21%	21%	22%
Higher rate threshold:			
Single Person	£6,500	£6,500	£6,500
Jointly Assessed Couples	£13,000	£13,000	£13,000
Personal Allowances:			
Single Person	£17,000*	£14,750*	£14,500*
Jointly Assessed Couples	£34,000*	£29,500*	£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
COMPANY TAX**			
Standard Rate	0%	0%	0%
Banking Business	10%	10%	10% or 15%
Land & Property in the Island (Incl. Property Dev)	20%	20%	20%
Retail Trade (Small companies limit of £500,000)	10%	10%	10% or 15%
Petroleum extraction in the Island	20%	20%	20%
PILLAR 2 GLOBAL MINIMUM TAX			
Domestic Top-Up Tax	15%	-	-

* 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, Pillar 2 Global Minimum Tax measures have been introduced for in-scope multinational enterprise groups, comprising of Domestic Top-up Tax that applies in respect of profits arising within the Island and Multinational Top-up Tax in respect of profits arising outside the Island.

Individual Tax

For the 2026-27 tax year, the lower rate of income tax remains at 10% and the higher rate at 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 £14,750 to £17,000 for a resident individual and from £29,500 to £34,000 for a jointly assessed couple.

Allowances are fully transferrable between spouses 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 £134,000 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 remain at a rate of 21%.

Individuals will continue to have the option to make a Tax Cap election for a five or ten year period. From 6 April 2026, the income tax liability for an individual under a new tax cap election remains at £220,000 and £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%

Pillar 2 Global Minimum Tax

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%. This is achieved via:

- Domestic Top-up Tax, which tops up to a 15% effective tax rate the profits of Isle of Man located entities of the group
- Multinational Top-up Tax which applies where the Ultimate Parent Entity of the group, or in certain situations an intermediate parent, is located in the Isle of Man and tops up to a 15% effective rate any otherwise low-taxed profits arising in subsidiaries of that ultimate (or intermediate) Parent Entity.

Deductions granted during the financial year 2023-24

During the financial year 2023-24, 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 2023-24

Deduction Type	Number of Claims	Total Amount Claimed (£ million)	Average Relief per Claim (£)	Cost of Tax Relief (£ million)
Mortgage Interest	11,009	33.17	285	3.14
Loan Interest	10,315	15.12	139	1.43
Charitable deed of covenant	215	0.35	158	0.03
Charitable giving	2,330	3.56	142	0.33
Private medical insurance	701	1.35	174	0.12
Nursing Expenses	473	4.98	451	0.21

National Insurance Contributions

Net National Insurance Contributions (NICs) in respect of workers and employers, after the allocation of a prescribed percentage to the Health Service, are paid into the Manx National Insurance Fund which covers the cost of contributory benefits for bereavement, incapacity, unemployment, maternity and the state retirement pension. In the Isle of Man, the Fund also covers 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 2026-27 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 £125 to £129 per week from April 2026 to reflect the equivalent increase announced as part of the 2025 UK Budget.

The Primary and Secondary Thresholds at which both employees and employers start to pay Class 1 NIC will increase from £168 per week to £176 per week and the Upper Earnings Limit will increase from £1,032 to £1,082 per week from April 2026.

Self-Employed Contributors

For the 2026-27 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 £176 per week (Lower Profits Limit). The Upper Profits Limit for Class 4 NIC will increase to £1,082 per week and any profits over this amount will continue to be charged at 1%.

From April 2026 Class 2 NIC will increase to £6.75 per week for self-employed and £8.30 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 2026, this level will increase to £9,152 for the year (Small Earnings Exception Limit).

The Class 2 contribution payable by a volunteer development worker while employed as such will increase from £6.25 to £6.45 per week for the 2026-27 tax year.

The table below summarises the contribution rates for 2026-27 for workers and employers:

TABLE 11 – Contribution Rates

Employed Contributors		
Total Weekly Earnings	Class 1 Employee NIC	Class 1 Employer NIC
Up to £176.00	Nil	Nil
£176.01 - £1,082.00	11%	12.8%
£1,082.01 and over	1%	12.8%

Self-Employed Contributors	
Total Weekly Profits	Self-Employed Class 2 and 4 NIC
Below £176.00	Nil
£176.00	£6.75 per week
£176.01 - £1,082.00	As above + 8%
£1,082.01 and over	As above + 1%



Other Contributors

From April 2026, the voluntary Class 3 NIC rate will increase from £19.70 per week to £20.65 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 been subject to a general uplift of 2% for the 2026-27 financial year.

Fee policy rests with the individual departments and bodies. Detailed breakdowns of the individual fees and charges are therefore 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.

Starting in April 2026, certain departmental fees and charges will be set to rise annually based on the Isle of Man CPI rate from the preceding September following the introduction of a automatic uprating fee order.

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 2026-27.

The transition of the external investment portfolio and appointment of the new investment managers was completed during the first quarter of 2025-26, this has allowed for the new investment strategy to be implemented.

The appointment of the new investment managers marks a diversification of investment management and asset allocation with a focus on adherence to the principles of responsible investment and best in class management.

The performance and delivery mandates continue to require investment managers to achieve certain levels of growth within the portfolio under their management to meet set benchmarks. 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.

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.

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



5. REVENUE – EXPENDITURE
CHEET-STIAGH – BAARAIL

TABLE 12A – Revenue Net Expenditure Targets by Department

2026-27 NET REVENUE BUDGETS BY DEPARTMENT			
Department	Gross Income	Gross Expenditure	Net Expenditure/(Income)
Enterprise	28,697	34,788	6,091
Education, Sport & Culture	11,648	165,615	153,967
Environment, Food & Agriculture	4,881	24,336	19,455
Health & Social Care	68,531	411,667	343,136
Home Affairs	1,286	52,757	51,471
Infrastructure	67,851	117,940	50,089
Treasury	13,361	163,572	150,211
Cabinet Office	263	44,543	44,280
Executive Government	3,223	70,214	66,991
Statutory Boards	33,418	39,907	6,489
Legislature	5	5,781	5,776
Departmental Targets	233,164	1,131,120	897,956
Customs and Excise	496,224	-	(496,224)
Income and Other Taxes	413,370	-	(413,370)
NI Operating Account	347,036	347,036	-
Employees Pension Contributions	48,450	48,450	-
Transfer to Capital Financing Reserve	-	10,000	10,000
TOTAL	1,538,244	1,536,606	(1,638)

Notes

- Gross income and expenditure figures for 2026-27 include National Insurance Contributions NHS allocation of £68.4 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 £16.3 million.

Table 12B – Full Departmental Movement from 2025-26 to 2026-27

To enable greater clarity of departmental movements, the below table consolidates and provides a brief description of the nature of the movements from 2025-26 to 2026-27. A more detailed table for each department can be found in Appendix 3 sections A3.1 to A3.12.

BUDGET MOVEMENT - DEPARTMENTAL SUMMARY												
Department	Net Expenditure/ (Income) 2025-26 Budget	Income Uplift	Pay Uplift	Non-Pay Uplift	Departmental Bids	Budget Adjustments	NI Operating Account Movements	Movement in NHS Allocation	Manx Care Mandate	Inter-departmental Transfers	Net Expenditure/ (Income) 2026-27 Budget	
Enterprise	3,242	(554)	281	171	2,832	(99)	-	-	-	218	6,091	
Education, Sport & Culture	149,834	(228)	2,356	434	416	1,181	-	-	-	(26)	153,967	
Environment, Food & Agriculture	19,443	(95)	259	37	206	(102)	-	-	-	(293)	19,455	
Health & Social Care	298,088	-	77	36	-	(4,335)	-	2,597	46,673	-	343,136	
Home Affairs	43,951	(28)	785	61	3,761	1,165	-	-	-	1,776	51,471	
Manx Care	-	(522)	22,338	22,362	-	2,495	-	-	(46,673)	-	-	
Infrastructure	49,661	(1,330)	1,059	632	1,455	(375)	-	-	-	(1,013)	50,089	
Treasury	(710,714)	(71,426)	521	84	-	4,901	17,251	-	-	-	(759,383)	
Cabinet Office	43,380	(5)	542	166	1,019	(200)	-	-	-	(622)	44,280	
Executive Government	56,345	(61)	10,261	24	395	141	-	-	-	(114)	66,991	
Statutory Boards	3,377	(332)	339	39	3,053	(62)	-	-	-	75	6,489	
Legislature	5,591	-	100	6	113	(33)	-	-	-	(1)	5,776	
Departmental Targets	(37,802)	(74,581)	38,918	24,052	13,250	4,677	17,251	2,597	-	-	(11,638)	
NI Op. Acc.	-	-	-	-	-	-	-	-	-	-	-	
Trf to CLF	10,000	-	-	-	-	(10,000)	-	-	-	-	-	
Trf to CFR	19,000	-	-	-	-	(9,000)	-	-	-	-	10,000	
Trf to Int. Funds	7,537	-	-	-	-	(7,537)	-	-	-	-	-	
TOTAL	(1,265)	(74,581)	38,918	24,052	13,250	(21,860)	17,251	2,597	-	-	(1,638)	

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 2025-26 Performance – Departmental Income

Table 13 provides a summary of the 2025-26 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 – 2025-26 Expenditure – Budget vs Probable

EXPENDITURE - 2025-26 BUDGET VERSUS PROBABLE					
£000	Budget 2025-26	Transfers	Revised Budget	Probable 2025-26	Variance
Government Departments					
Cabinet Office	43,380	-	43,380	42,223	1,157
Enterprise	3,242	218	3,460	3,422	38
Education, Sport & Culture	149,834	-	149,834	149,806	28
Environment, Food & Agriculture	19,443	(293)	19,150	19,124	26
Health & Social Care	298,088	-	298,088	309,911	(11,823)
Home Affairs	43,951	614	44,565	45,129	(564)
Infrastructure	49,661	(614)	49,047	48,464	583
Treasury	146,878	-	146,878	124,790	22,088
Sub-Total	754,477	(75)	754,402	742,869	11,533
Other Bodies					
Executive Government	56,345	1	56,346	70,441	(14,095)
Statutory Boards	3,377	75	3,452	5,212	(1,760)
Sub-Total	59,722	76	59,798	75,653	(15,855)
Legislature	5,591	(1)	5,590	5,361	229
TOTAL VOTED SERVICES	819,790	-	819,790	823,883	(4,093)
SURPLUS (Income over expenditure)	1,265	-	1,265	7,469	6,204

5.2 2026-27 Budget - Overview

Government's total expenditure after the use of reserves for 2026-27 is budgeted to be £1.46 billion and is analysed in detail by each Department at Appendix 3. Overall the net surplus for Government is budgeted to be £1.6 million.

A general uplift to both pay and non-pay costs has been applied for the 2026-27 year within the financial headroom of the Medium Term Financial Plan. These uplifts are intentionally lower than current inflation rates and are intended to embed efficiencies across Government to effectively control and reduce overall Government expenditure in real terms.

Departments and Statutory Boards were requested to only submit revenue funding bids to Treasury .

The Government efficiency and change programme has not been factored into the financial plan as a stand alone measure. Treasury supports the initiative but treats any efficiencies as measures to help manage cost pressures within existing budgets, rather than as budgeted income or cost reductions. Should the financial plan be achieved, the budgeted uplifts for pay and non-pay included within this budget are anticipated to generate circa £5.6m savings compared to an uplift in line with September 2025 CPI.



5.3 Pay Costs

As noted above, a general uplift of 2% has been applied to pay budgets for 2026-27. 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
2025-26 Agreed Budget		407,200	14,223	47,387	38,427	507,237	62,628	569,865
Approved Adjustments	1	30,869	135	3,958	1,199	36,161	(791)	35,370
Budget 2026-27		438,069	14,358	51,345	39,626	543,398	61,837	605,235

Notes

- 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	2026-27	2027-28	2028-29	2029-30	2030-31
<u>Department</u>										
Enterprise	12,020	189	1,457	1,391	360	15,417	15,726	16,041	16,362	16,689
Education, Sport & Culture	89,828	2,871	11,091	13,648	813	118,251	120,616	123,028	125,489	127,999
Environment, Food & Agriculture	10,286	79	1,218	1,438	272	13,293	13,558	13,829	14,106	14,388
Health & Social Care	3,082	-	340	367	103	3,892	3,971	4,050	4,131	4,214
Manx Care	181,263	6,199	21,142	25,402	28,523	262,529	273,666	285,279	297,389	310,016
Home Affairs	32,122	1,241	4,074	4,754	3,695	45,886	46,695	47,629	48,582	49,553
Infrastructure	38,184	3,401	3,923	5,253	2,529	53,290	54,357	55,444	56,553	57,684
Treasury	22,083	146	2,289	2,909	432	27,859	28,214	28,566	28,917	29,265
Cabinet Office	20,027	207	2,390	2,797	1,703	27,124	27,373	27,921	28,479	29,049
<u>Executive Government</u>										
Industrial Relations	345	-	44	48	5	442	451	460	469	478
Veterans' Welfare Society	84	2	8	12	9	115	118	121	123	126
Information Commissioner	608	-	72	85	-	765	780	795	811	827
General Registry	4,063	13	451	521	154	5,202	5,305	5,411	5,519	5,630
Attorney General's Chambers	6,253	-	728	853	56	7,890	8,047	8,207	8,372	8,540
Tynwald Auditor General	296	-	38	5	128	467	476	486	496	505
Tynwald Commissioner for Administration	34	-	4	-	-	38	38	39	40	41
<u>Other Boards</u>										
Communications & Utilities Regulatory Authority	837	-	56	71	11	975	994	1,014	1,034	1,055
Financial Services Authority	7,182	-	822	939	321	9,264	9,450	9,639	9,831	10,028
Gambling Supervision Commission	3,567	-	487	536	102	4,692	4,786	4,881	4,979	5,078
Financial Intelligence Unit	1,072	-	102	110	77	1,361	1,388	1,415	1,444	1,473
Public Sector Pension Authority	973	-	112	156	22	1,263	1,289	1,315	1,341	1,368
Legislature	3,860	10	497	542	311	5,220	5,326	5,433	5,541	5,652
TOTAL	438,069	14,358	51,345	61,837	39,626	605,235	622,624	641,003	660,008	679,658

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 4.2% uplift based on healthcare inflation and growth factors.



5.4 Public Sector Pensions

The level of additional revenue expenditure that will be required during 2026-27 is expected to be around £51 million with further revenue expenditure being required each year into the future. This expenditure is included within the 2026-27 budget and the indicative financial plan as presented and does not represent an additional funding gap following previous reforms made in 2020 to the schemes. The first agreed cost-sharing adjustments have been approved by Tynwald and the effects of the employer contribution reductions have been factored in to the below liability positions. This has resulted in a rebasing of the employer contribution budgets in the department, boards and bodies totalling £5.8 million, which has resulted in an equal and opposite increase in the below central revenue liability. For the avoidance of doubt this has not resulted in an overall additional cost, simply a reallocation. The PSPA have been instructed to investigate further measures to ensure the long term sustainability and affordability of the public sector pension scheme through regular reviews.

TABLE 15 – Pension Account

£ million	Pension Account						
	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
Pension Costs	143	159	161	163	166	168	171
Less Employee Contributions	(44)	(46)	(48)	(49)	(50)	(51)	(52)
Less Department Contributions	(53)	(57)	(62)	(64)	(66)	(68)	(70)
Revenue liability	46	56	51	50	50	49	49



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

£ million	NATIONAL INSURANCE ACCOUNT							
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
					2027-28	2028-29	2029-30	2030-31
Income								
NI Contributions	278.6	286.8	292.1	304.5	317.4	330.8	344.9	359.6
Agency Income	49.9	43.0	43.0	42.5	42.1	41.7	41.3	40.9
Expenditure	328.5	329.8	335.1	347.0	359.5	372.5	386.2	400.5
NI Funded Welfare Payments	272.8	278.7	287.5	302.9	308.9	315.0	321.3	327.8
Administration Costs	4.9	3.9	3.9	3.9	4.0	4.1	4.1	4.2
Extra Allocation NI Interest to DHSC	52.7	71.0	71.0	68.4	70.3	72.4	74.5	66.6
NI Operating Account Surplus/(Deficit)	330.4	353.6	362.4	375.2	383.2	391.5	399.9	398.6
NI Fund (est Value) B/F	969.4	992.4	1,025.1	1,053.4	1,082.2	1,104.9	1,139.5	1,190.7
Investment Income	49.4	30.8	55.6	57.0	46.4	53.6	64.9	67.9
Transfer to/(from) Fund	8.2	-	-	-	-	-	-	-
NI Operating Account Movement	(1.9)	(23.8)	(27.3)	(28.2)	(23.7)	(19.0)	(13.7)	1.9
NI Fund (est Value) C/F	1,025.1	999.4	1,053.4	1,082.2	1,104.9	1,139.5	1,190.7	1,260.5

The current year expenditure from the National Insurance Account is forecast to be above the level that was budgeted. This is mainly due to welfare payments running at a higher level than included in the 2025-26 budget due to the effect of the current “Triple Lock” mechanism of annually uprating the State Pension. 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 welfare payments are forecast to exceed the additional income leading to the operating account deficit also being forecast to higher than budgeted.

Expenditure on revenue funded benefits for 2025-26 is forecast to be approximately £2.3 million above budget. Some benefit categories, such as Disability Living Allowance and Income Support have seen higher than budgeted levels of claims and payments leading to an overall expectation that total revenue funded benefits will be above the planned levels by the year end.

The annual uprating of benefits is expected to increase the spending in this area by £13.8 million or 3.6% 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 £6.5 million and £3.5 million respectively.

For the financial year 2026-27 Treasury will continue to follow the UK policy on state pensions. The UK Government has confirmed that the pensions triple lock arrangement in relation to state pensions will remain in place until the end of the current UK Parliament.

The calculation of the NHS Allocation was temporarily amended as part of the measures included in the 2025-26 Budget. This temporary increase is in place up to the 2029-30 tax year inclusive. This calculation was amended 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%.



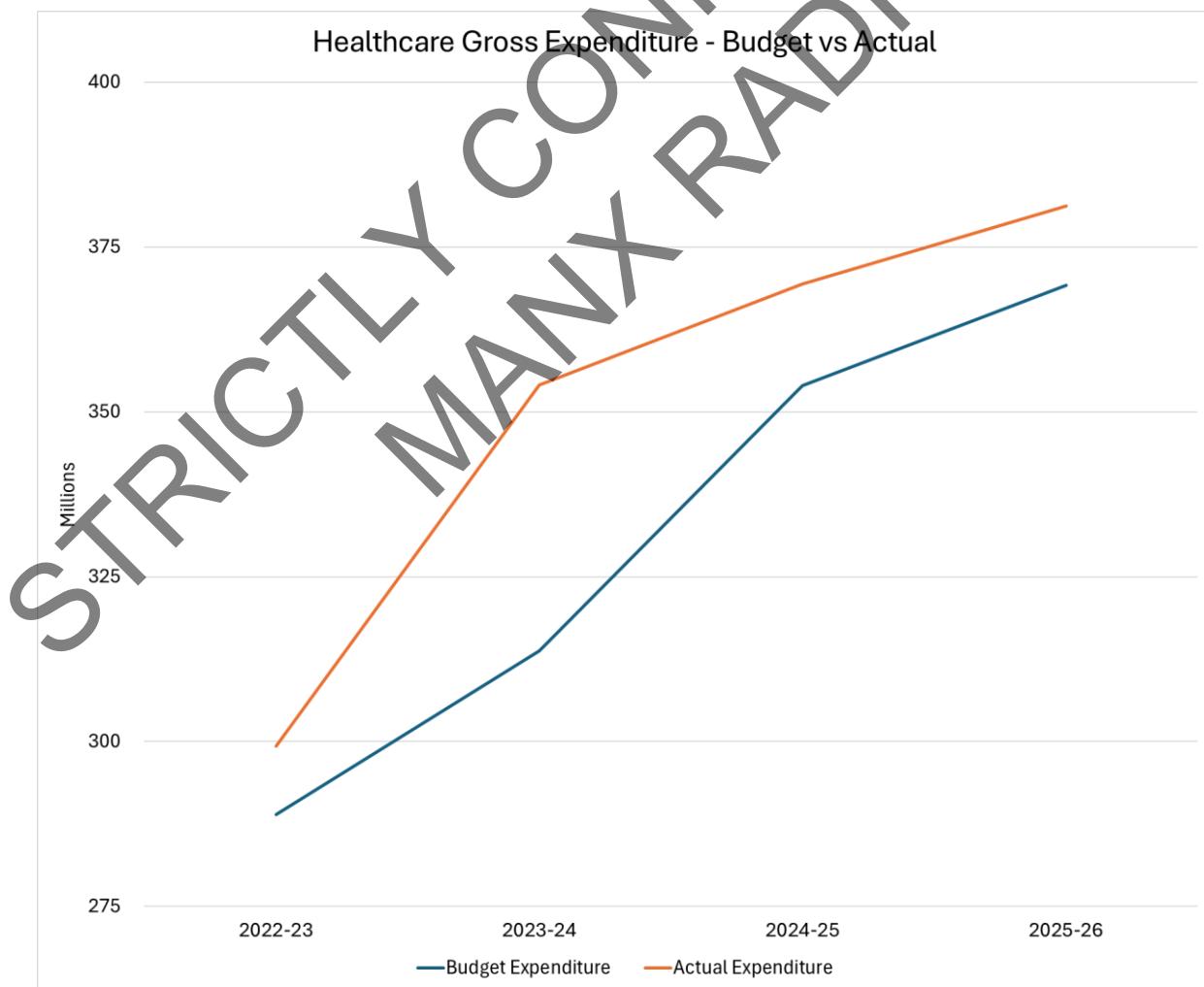
The National Insurance investment income is forecast to grow over the period of the indicative financial plan. This is due to the anticipated impact of the new investment strategy and market conditions stabilising. The actual income generated will be dependent on the future market conditions.

5.6 Non-Pay Costs

Non-pay budgets for 2026–27 have been uplifted by 1% to help offset inflationary pressures. It is anticipated that inflation will settle at around 2% over the financial year and therefore departments will still need to deliver additional savings and efficiencies to manage the anticipated cost increases.

5.7 Healthcare Funding

Healthcare and the funding associated with its provision has been a key aspect of the overall budget setting process during the years since the inception of Manx Care. This is underlined by the fact that the budget for providing health and social care services has increased from £289 million in 2022-23 to £404.1 million being budgeted for 2026-27. Mandate costs do not include a number of shared services provided to Manx Care, including financial shared services, financial business partnering, payroll administration and information technology services. The below graph presents the budget versus outturn for the Department of Health and Social Care (DHSC) up to 2025-26 (note the 2025-26 actual figure is based on the forecast probables).





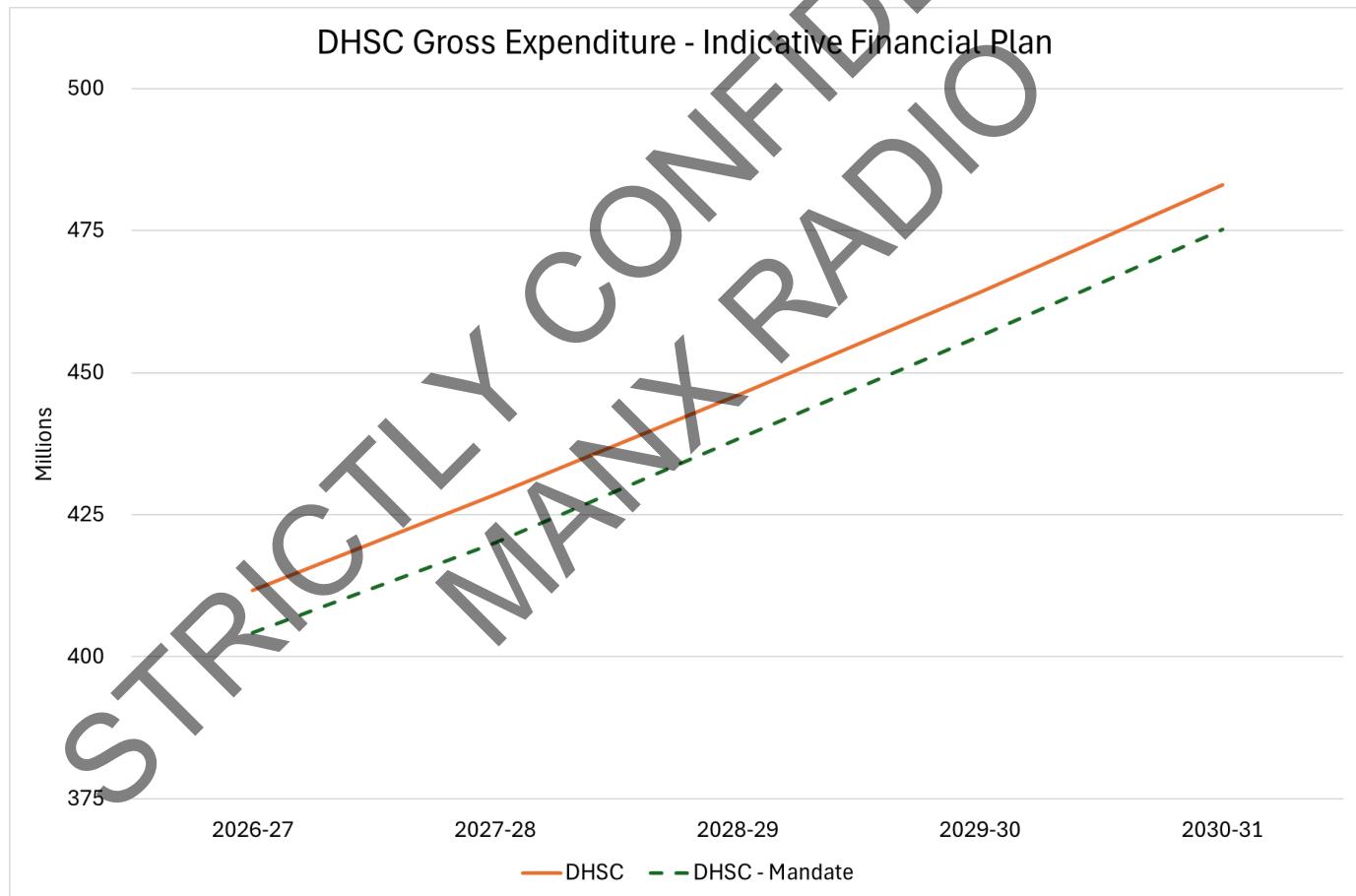
Five year Indicative Plan

The budget is an annual process, however an indicative five year financial plan is included to provide a forecast for all departmental spending over the following four years up to and including the 2030-31 financial year.

At the December 2025 sitting of Tynwald, a recent review of the governance relationship between Manx Care and DHSC was debated. It has been accepted that strategic longer term financial planning is essential for the effective delivery of healthcare and associated improvements in public health. Alongside strengthened partnership between Manx Care and the DHSC is the recommendation to develop a five to ten year strategy/plan for health and social care on the Isle of Man underpinned by a 3-year financial settlement.

The proposed funding plan is based on a stable economic environment with assumptions on inflation remaining in line with medium term forecast trends. Rigorous financial governance and controls are necessary to keep to this plan

The below graph shows the forecast healthcare funding over the period of the current five year plan.

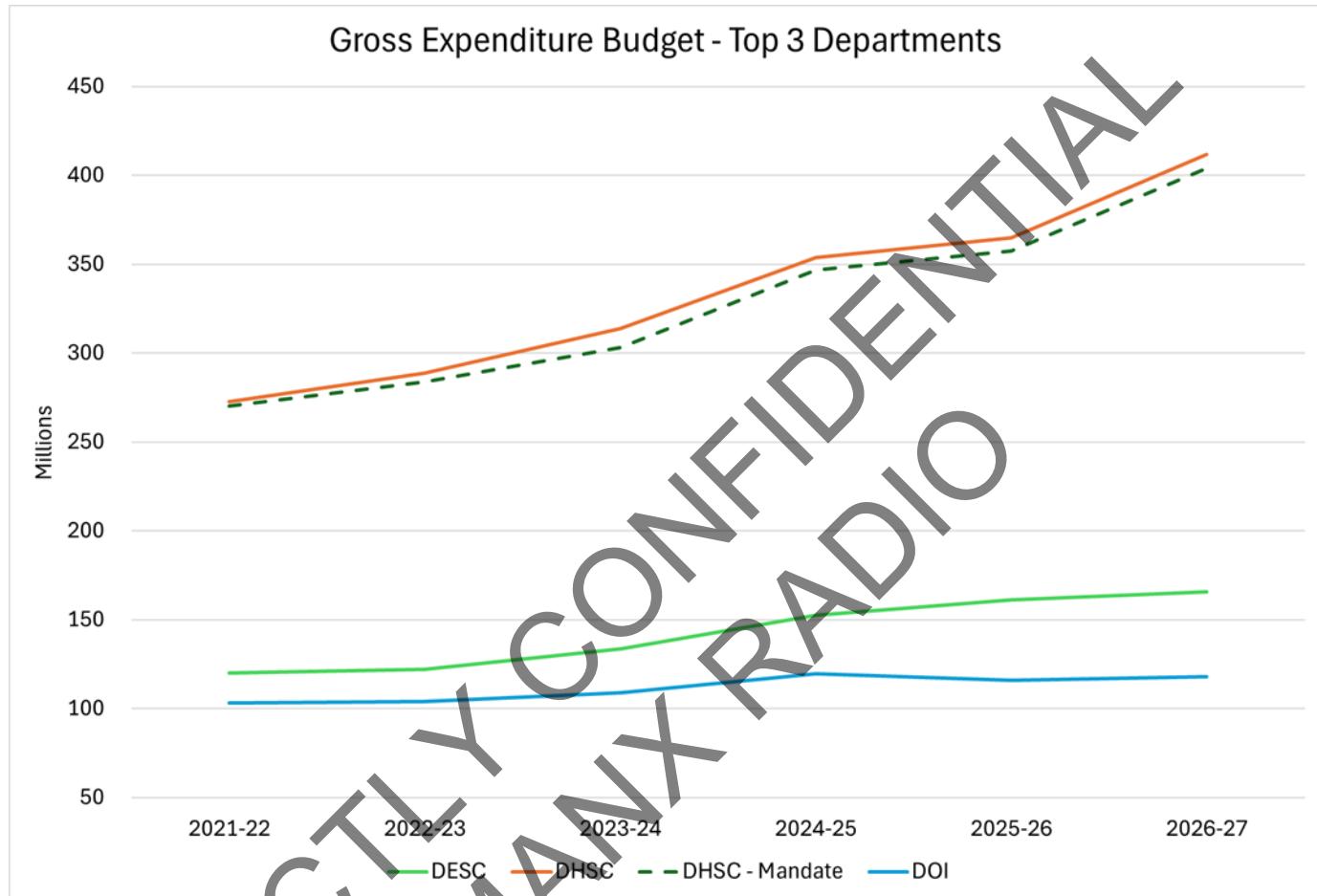


Appendix A3.4 provides the above detail in table format showing the Department of Health and Social Care forecast and the indicative Mandate up to and including the 2030-31 financial year. If the Department adheres to this financial plan, then the value of the Mandate will grow from the £404.1 million provided for 2026-27 to £475 million by 2030-31.



Departmental Comparability

The below graph provides an analysis of the top three departmental budgets, being the DHSC, Department of Infrastructure (DOI) and Department of Education, Sport and Culture (DESC) over the same five year period. The graph provides some context with regard to the growing pressures being seen in healthcare funding and the impact this is having on overall Government spending.





5.8 Contingency Funding

The Treasury hold a revenue contingency budget, which can only be accessed via submission and approval of robust business cases from Departments or Boards encountering unanticipated costs that cannot be absorbed within the planned budget. The level of contingency has been set at £16.3 million for 2026-27.

In addition to the contingency funding held within the revenue budget there was £11.1 million held within the Contingency Fund at the beginning of the 2025-26 financial year. This fund is maintained to cover the revenue requirements for unplanned or unanticipated costs in excess of the amounts held within the general revenue account. An amount of £10 million has been allocated within the Contingency Fund specifically for potential Manx Care cost pressures. Access to this £10 million will require the Department of Health and Social Care to submit specific business cases which, as per the terms of reference of the fund will be subject to Treasury and Council of Ministers approval.

The current forecasts show that approximately £9 million of the Contingency Fund will be utilised during 2025-26 following an additional £5.5 million being added to this fund during the year. The balance to be carried forward at 1 April 2026 is estimated to be £10.5 million.

This budget includes an additional £15.5 million of funding for the Contingency Fund during 2026-27, with £10 million of this being specifically for potential Manx Care cost pressures.

Provision for contingency is also made within the Capital Programme. This is via the Capital Inflation and Capital Projects Contingency Fund. Both schemes are intended to provide funding to capital projects that face emergency or unforeseen costs and pressures as well to provide assistance with minor timing variances, with the Capital Inflation scheme being specifically for inflation pressures. It is proposed to set Capital Projects Contingency at £8.9 million and Capital Inflation at £2.4 million for 2026-27 respectively. Any claims by departments to access either schemes must be supported by a robust and current business case that will be subject to detailed scrutiny by Treasury.



5.9 Grants Payable

The following grants will be made by Government in 2026-27:

TABLE 17 – Grants Payable 2026-27

£000	GRANTS PAYABLE				
	2025-26	2026-27			
	Total Budget	Treasury Grants	Other Grants	Lottery Duty	Total Budget
Financial Services Authority	2,342	2,202	-	-	2,202
Manx Radio (Subvention)	1,361	1,388	-	-	1,388
Laxey Glen Mills	45	46	-	-	46
Culture Vannin	441	173	-	330	503
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	5,141	5,244	-	-	5,244
	13,620	9,053	3,220	1,400	13,673

The amount paid to the Financial Services Authority is budgeted to reduce in the medium term financial plan. This is due to the Authority progressing with the move towards a predominately industry funded model.

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

The amount payable to Culture Vannin has been increased to celebrate Blein ny Gaelgey – the Year of the Manx Language.

The established allocation of lottery duty will be reformed and made fairer and more transparent for the financial years 2027-28 and onward following further consultation with the organisations involved.



6. THE CAPITAL PROGRAMME

YN CLAARE BUN-ARG/DOIL

6.1 Overview

The Capital Programme covers both the construction and maintenance of the Island's strategic assets in terms of both built environment and digital systems.

Projects range from the construction of critical infrastructure to periodic and routine replacement of assets such as emergency services equipment and Government fleet vehicles that have come to the end of their useful life.

Maintenance and improvement of existing assets is also 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 digital projects to ensure that Government systems and equipment are modern and allow for the effective delivery of public services.

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 2029-30 and going forward, with previous years' shortfalls being supported from general reserves. This is highlighted within the receipts noted within Table 2. In the final two years of the current financial plan the transfer from general revenue into the CFR is ahead of the estimated delivery cost, this has been done intentionally as it is considered prudent to strengthen the CFR when possible to do so. Funds from the sale of assets having previously been funded via the CFR, known as capital receipts are also returned to the fund.

The CLF continues to facilitate lending to entities that are outside of the Central Government Capital Programme. Settlements made in relation to the loans advanced from the CLF are referred to as loan charges, which represent both the principal repayment and interest charge elements of the lending. These receipts are returned to the CLF and support future schemes. Given the recent stepped reductions in the Bank of England base rate and with further anticipated reductions in 2026 it is considered reasonable to reduce the rate of interest applicable for the 2026-27 financial year to 4.5%. 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.

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

Capital budgets for 2026-27 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 members of 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.



Approval is sought for the total cost of discrete schemes within the Capital Programme where further funding or new funding is required. This allows Departments to engage with contractors and suppliers in the knowledge that the project cost has been approved across multiple financial years.

Departments continue to provide the indicative spend phasing of their new capital projects and updated phasing where necessary for active ongoing capital schemes to show the expected cash flow requirements across the remaining project life. This helps inform industry of forthcoming works and assists Treasury in planning for the overall Capital Programme funding requirement each year.

Following the initial approval for a discrete capital project by Tynwald, there is therefore 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.

As noted the above process only applies to discrete capital projects. Rolling schemes, such as ongoing capital maintenance schemes and minor capital works are subject to annual approval by Tynwald due to their nature.

The Project Development Fund continues to be available and will be increased by a further £2 million for the 2026-27 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. This is to facilitate cost accuracy 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 2025-26 Performance

The actual expected annual capital spend via the CFR is lower than budgeted for 2025-26. The projected overall spend for the current year is £50 million compared to the overall budget of £87.4 million, which represents an expected budget utilisation for 2025-26 to be around 57%.

6.3 2026-27 Budget

The total proposed Central Government funded Capital Programme for 2026-27 is £132.3 million (£90.2 million from the CFR and £42.1 million from the CLF).

Across the period of the indicative financial plan, the Central Government funded Capital Programme totals £524.7 million (£298.3 million from the CFR and £226.4 million from the CLF).

The CFR financed programme includes £71.1 million of proposed new funding with approval for (£30.7 million related to discrete schemes and £40.4 million in rolling schemes).

The 2026-27 CLF includes new approvals totalling £30.6 million and there are £11.5 million of brought forward approvals relating to existing schemes for the 2026-27 financial year.

2025-26 performance forecasts suggest that the delivery will be lower than the estimated delivery budgeted and continues to track below the full estimated cost of the capital programme. Having said this it 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

£'000 (Projections)	TOTAL CAPITAL PROGRAMME (ESTIMATED DELIVERY)					Indicative financial plan			
	Actual 2024-25	Budget 2025-26	Probable 2025-26	Provisional Budgets 2026-27					
	2027-28	2028-29	2029-30	2030-31					
Consolidated Loans Fund Operating Account	(5,373)	2,380	1,962	3,442	2,310	2,939	5,955	2,966	
Capital Financing Reserve	24,794	1,388	3,652	8,837	333	1,518	6,703	15,888	
Total Capital Programme	19,421	3,768	5,614	12,279	2,643	4,457	12,658	18,854	

Manx Utilities continue to have some of their capital programme funded via loans through the CLF and this is forecast to continue into the future.

The Capital Programme for 2026-27 will continue to see a majority being delivered by the Department of Infrastructure as a direct result of their responsibility for the management and maintenance of most of the Government's infrastructure assets and central social 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 2026-27, in accordance with Section 4 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 2026	Total Spend to 31 March 2026	2026/27	2027/28	2028/29	2029/30	2030/31	New Tynwald Approval
Cabinet Office	125	125	5	120	-	-	-	-	-
Department for Enterprise	150	150	85	65	-	-	-	-	-
Department of Education, Sport & Culture	4,265	1,632	1,015	1,137	1,288	825	-	-	2,633
Department of Environment, Food & Agriculture	3,651	605	545	1,210	1,860	36	-	-	3,046
Department of Health and Social Care	8,588	6,065	2,635	5,838	115	-	-	-	2,523
Department of Home Affairs	2,507	-	-	475	490	512	565	465	2,507
Department of Infrastructure	126,659	107,110	89,395	27,589	9,418	199	58	-	19,549
Executive Government	840	840	530	310	-	-	-	-	-
The Treasury	60,197	59,697	12,956	13,134	8,907	8,400	8,400	8,400	500
Total Discrete	206,982	176,224	107,166	49,878	22,078	9,972	9,023	8,865	30,758
Rolling Schemes £'000 Department				2026/27	2027/28*	2028/29*	2029/30*	2030/31*	New Tynwald Approval
Cabinet Office				250	250	250	250	250	250
Department of Education, Sport & Culture				715	515	465	150	150	715
Department of Environment, Food & Agriculture				520	-	-	-	-	520
Department of Health and Social Care				1,850	1,850	1,850	1,850	1,850	1,850
Department of Home Affairs				1,199	1,262	1,304	1,304	1,304	1,199
Department of Infrastructure				25,829	25,829	25,829	25,829	25,829	25,829
The Treasury				10,000	10,000	10,000	10,000	10,000	10,000
Total Rolling				40,363	39,706	39,698	39,383	39,383	40,363
<i>* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.</i>									
Total Capital Programme	206,982	176,224	107,166	90,241	61,784	49,670	48,406	48,248	71,121



TABLE 19B – CLF 2026-27 Capital Approvals

CONSOLIDATED LOAN FUND APPROVALS (PROJECTED)						
£'000	Total Expenditure 2026/27	Tynwald Approved C1	To be Approved C2	Future Approvals C3	Loan Sanction C4	Years C5
Manx Development Corporation						
Working Capital	240	-	240	-	-	3
Total Manx Development Corporation	240	-	240	-	-	
Manx National Heritage						
MCW - MNH	200	-	200	-	-	10
MCW- Properties	200	-	200	-	-	10
Total Manx National Heritage	400	-	400	-	-	
Manx Utilities Authority						
Electricity	10,834	-	10,834	-	-	20
Energy Transition	1,129	-	1,129	-	-	20
Meter Replacement Programme	990	990	-	-	-	10
Regional Sewerage Treatment Strategy 2	10,458	10,458	-	-	-	30
Wastewater	6,854	-	6,854	-	-	30
Water	11,140	-	11,140	-	-	30
Total Manx Utilities Authority	41,405	11,448	29,957	-	-	
Total	42,045	11,448	30,597	-	-	

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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

£'000	CAPITAL ACCOUNT SUMMARY					
	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
			2027-28	2028-29	2029-30	2030-31
RECEIPTS						
MNH Receipts	1,625	1,612	1,568	1,246	1,080	912
MUA Receipts	608	608	608	608	608	608
Capital Receipts	4,375	4,735	4,046	2,735	2,735	2,735
Drawdown from Housing Reserve	8,490	11,783	13,599	17,010	17,010	17,904
Investment Income	1,889	1,927	1,965	2,005	2,045	2,086
TOTAL INCOME	16,987	20,665	21,786	23,604	23,478	24,245
PAYMENTS						
CAPITAL FINANCING RESERVE						
Departments						
Cabinet Office	498	370	250	250	250	250
Enterprise	1,719	65	-	-	-	-
Education, Sports and Culture	1,789	1,852	1,803	1,290	150	150
Environment, Food and Agriculture	575	1,730	1,860	36	-	-
Health and Social Care	4,000	7,688	1,965	1,850	1,850	1,850
Home Affairs	1,995	1,674	1,752	1,816	1,869	1,769
Infrastructure	32,308	50,996	27,558	23,628	23,487	23,429
Housing Reserve Funded Schemes	4,375	2,422	7,689	2,400	2,400	2,400
Treasury	2,708	23,134	18,907	18,400	18,400	18,400
Executive Government	-	310	-	-	-	-
Other Bodies						
Statutory Board FIU	-	-	-	-	-	-
Statutory Board FSA	-	-	-	-	-	-
Statutory Board GSC	-	-	-	-	-	-
Statutory Board PSPA	-	-	-	-	-	-
TOTAL CAPITAL FINANCING RESERVE	49,967	90,241	61,784	49,670	48,406	48,248
CONSOLIDATED LOANS FUND						
Other Bodies						
Manx National Heritage	400	400	400	400	400	400
Manx Development Corporation	240	240	240	-	-	-
Manx Utilities Authority	34,187	41,405	75,859	40,090	27,425	39,125
TOTAL CONSOLIDATED LOANS FUND	34,827	42,045	76,499	40,490	27,825	39,525
TOTAL BUDGETED EXPENDITURE	84,794	132,286	138,283	90,160	76,231	87,773



As part of financial year end processes Treasury does from time to time bring forward Capital Supplementary Authorities to Tynwald 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.

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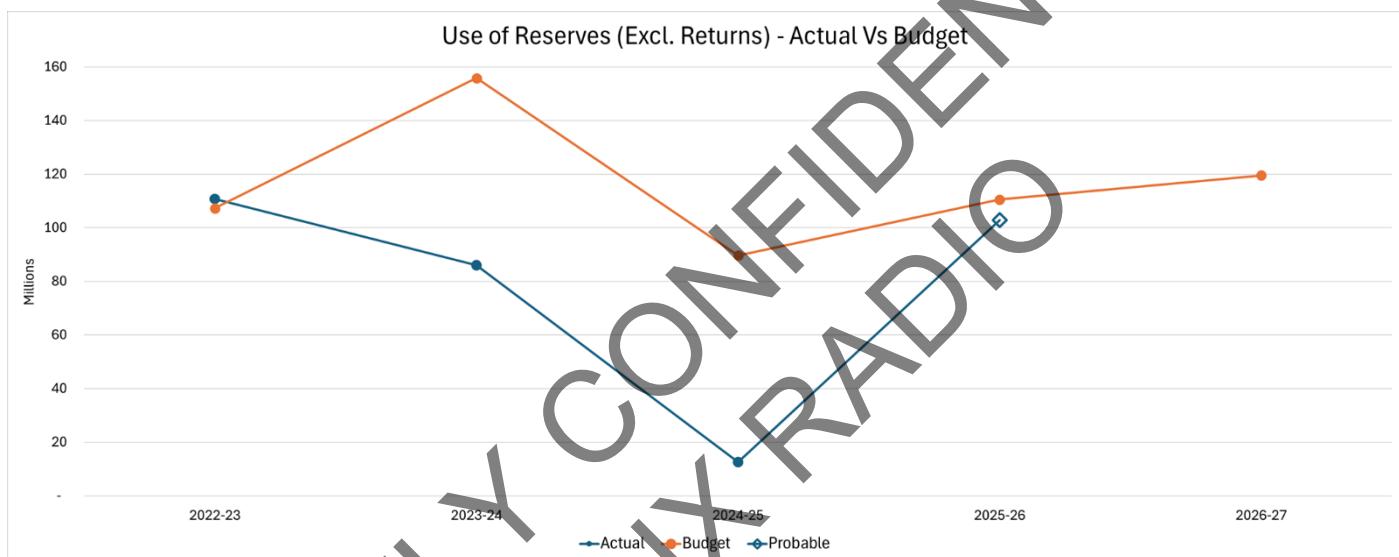
7. THE RESERVES

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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 either, difficult to predict due to their unforeseen nature, include a high level of cost volatility year on year or are for specific short-term projects relevant to the internal fund purpose. Including these items within the revenue budget would distort the annual forecasts and would create a risk of setting inappropriate budget levels for Departments.

As the below graph details, the actual use of reserves has generally been lower than those budgeted for since the being of the current administration. This can be attributed to a number of factors ranging from over achievement of income to reduced capital spend against budget. These factors can ultimately result in delaying, or in some instances, removing the need to drawdown from external reserves.



The 2026-27 budget relies on the forecast budgeted utilisation of £126.0 million of internal and external reserves, compared to an estimated fund use of £110.6 million for the 2025-26 financial year. This use of overall reserves can be used as a proxy for Government's underlying operating deficit. The medium term plan sets out to reduce the reliance on the reserves going forward through the next five years. Funding for the Capital Programme is included on a maximum exposure basis, being the estimated delivery basis of £50 million per year for the Capital Financing Reserve programme as this is considered to be the most responsible approach to budgetary forecasting.

For the first three years of the financial plan the level of revenue funding available to contribute towards capital expenditure remains lower than the planned Capital Programme leading to a requirement to draw from reserves. In 2026-27 a planned contribution of £10 million from General Revenue to the Capital Financing Reserve is planned, however the budgeted spending is £50 million. This deficit reduces over the next few years until the Capital Programme is fully funded from General Revenue in 2029-30.

Investment returns on externally invested reserves have been revised following the implementation of the new investment strategy and are expected to align with the mandated return on investment. The forecast has 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 £ million	Budget 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31		
Internal Fund Transfers to Operating Account from Reserves								
Internal Funds Expenditure Transfer to Operating Account	37.9	41.8	54.0	44.0	33.0	32.0	31.0	31.0
Housing Reserve Fund Expenditure Transfer to Operating Account	2.4	4.7	4.4	4.7	4.0	2.7	2.7	2.7
Sub-Total Transfer To Operating Account	40.3	46.5	58.4	48.7	37.0	34.7	33.7	33.7
Other Operating Account Movements (To)/From Reserves								
Reserve Fund Interest	12.9	10.6	0.6	10.8	11.0	11.2	11.4	11.7
Operating Account (Surplus)/Deficit	(14.4)	(1.3)	(7.5)	(1.6)	(0.8)	(0.9)	(1.3)	(1.7)
Sub-Total Transfers (to)/from Operating Account	(1.5)	9.3	(6.9)	9.2	10.2	10.3	10.1	10.0
Capital Accounts Movements								
Capital Financing Reserve Transfer From External Reserves	-	5.0	5.0	40.0	10.0	10.0	-	-
Capital Financing Reserve Expenditure (net External Res transfer)	50.9	55.0	45.0	10.0	40.0	40.0	50.0	50.0
Capital Financing Reserve Transfer from Operating Account	(64.0)	(19.0)	(19.0)	(10.0)	(27.0)	(38.0)	(52.0)	(56.0)
Consolidated Loans Fund Transfer from Operating Account	(15.0)	(10.0)	(10.0)	-	-	-	-	-
Sub-Total Transfers (To)/From Capital Accounts	(28.1)	31.0	21.0	40.0	23.0	12.0	(2.0)	(6.0)
Sub-Total Use of Reserves for Operating & Capital	10.7	86.8	72.5	97.9	70.2	57.0	41.8	37.7
Estimated returns on non-NIIA reserves	(47.0)	(13.8)	(34.0)	(30.5)	(22.7)	(24.2)	(27.9)	(29.0)
Sub-Total Use of Reserves Including est. Returns on Reserves	(36.3)	73.0	38.5	67.3	47.5	32.8	13.9	8.7
National Insurance Account Movements (to)/from Revenue								
NI (Surplus) / Deficit	1.9	23.8	27.2	28.2	23.7	19.0	13.8	(1.9)
Sub-Total Transfers (to)/from National Insurance Account	1.9	23.8	27.2	28.2	23.7	19.0	13.8	(1.9)
Estimated returns on NIIA reserves	(49.4)	(26.4)	(55.6)	(57.0)	(46.4)	(53.6)	(64.9)	(67.9)
Sub-Total Use of NI Reserves Including est. Returns on Reserves	(47.5)	(2.6)	(28.4)	(28.8)	(22.7)	(34.6)	(51.1)	(69.8)
Total Use of/(Transfer to) Reserves	(83.8)	70.4	10.1	38.6	24.8	(1.8)	(37.2)	(61.1)

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

For the 2026-27 budget, the Treasury has recommended the following transfers to the internal funds:

- **Agriculture and Forestry Fund** - £5 million in order to support the Isle of Man Meat Plant and the Agri-Environment Scheme.
- **Contingency Fund** - £15.5 million to provide funding for unanticipated and unforeseen costs that may arise within Departments, Board and Bodies.
- **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.
- **Healthcare Transformation Fund** – £5 million is proposed to be added to this fund in order to continue to support the ongoing work within the Healthcare Transformation team.
- **Legal Costs Reserve** – A further £0.9 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** – £5 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 £2 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** – A further £8.5 million is to be transferred to fund Housing Deficiency payments in 2026-27.
- There are no plans for additional transfers to the **Climate Change Fund** which currently retains a large, unspent balance.

7.4 2025-26 Reserves Performance

The projected probable income and expenditure for 2025-26 in respect of each of the internally and externally managed funds is presented in Table 22.



TABLE 22 – Probable Income and Expenditure 2025-26

THE RESERVES - PROBABLE INCOME & EXPENDITURE 2025-26						
£'000	Balance brought forward at 01/04/25	Projected Income & Expenditure 2025-26				
		Transfers (to)/from the Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfer to Revenue & Capital Accounts	Other Expenses
Managed External Invested Funds:						
Enterprise Development Scheme	624	-	1,000	-		(2)
Manx Currency Account - Notes	33,575	-	-	504		(84)
MUA Bond Repayment Fund	79,104	-	12,500	2,571		(198)
National Insurance Investment Account	956,863	-	-	31,098		(2,392)
Reserve Fund	525,440	(54,000)	-	15,322	(25,000)	(3)
Reserve Fund Bond Issue	70,892	-	-	1,241	-	-
Total - External Funds	1,666,498	(54,000)	13,500	50,736	(25,000)	(2,679)
Invested Funds:						
Academic Business Planning Fund	594	-	-	2	-	-
Agriculture & Forestry Fund	(541)	4,000	-	(2)	(2,500)	-
Contingency Fund	11,149	5,500	2,800	33	(9,000)	-
Transformation Fund	7,205	2,500	2,800	21	(2,000)	-
Economic Strategy Fund	92,631	-	-	371	(4,000)	-
Healthcare Transformation Fund	9,654	4,000	-	39	(9,400)	-
Legal Costs Reserve	2,435	750	-	10	(1,700)	-
Medical Indemnity Fund	5,941	3,000	-	24	(5,000)	-
Seized Assets Fund	10,966	-	20,877	44	(5,000)	-
Project Development Fund	11,497	5,000	-	46	(1,300)	-
Housing & Communities Fund	3,996	1,000	-	16	(600)	-
Housing Deficiency Fund	-	2,000	7,537	38	(8,500)	-
Climate Change Fund	29,542	-	-	118	(5,000)	-
Funds for Revenue reimbursement	185,069	27,750	34,014	760	(54,000)	-
Internal element of external Funds:						
Manx Currency Account - Other	64,812	-	-	2,106	-	-
Enterprise Development Fund	7,262	-	-	-	(313)	-
Sinking Fund	53,899	-	21,039	1,887	(6,500)	(808)
Internal element of external Funds	125,973	-	21,039	3,993	(6,813)	(808)
Funds used for capital reimbursement:						
Housing Reserve Fund	8,927	-	1,700	-	(4,375)	-
Land & Property Acquisition Reserve	7,092	-	-	28	(4,400)	-
Capital Financing Reserve	24,793	46,375	19,000	450	(49,967)	-
Sub-total: Funds for capital reimbursement	40,812	46,375	20,700	478	(58,742)	-
Total - Internal Funds	351,854	74,125	75,753	5,231	(119,555)	(808)
TOTAL	2,018,352	20,125	89,253	55,967	(144,555)	(3,487)
						2,035,655



7.5 2026-27 Reserves Projected Income and Expenditure

The projected income and expenditure for 2026-27 is presented in the table below.

TABLE 23 – Projected Income and Expenditure 2026-27

THE RESERVES - PROJECTED INCOME & EXPENDITURE 2026-27							
£'000	Balance brought forward at 01/04/26	Projected Income & Expenditure					Balance carried forward at 31/03/27
		Transfers (to)/from the Operating Account	Contributions Seizures & Other	Realised Investment Income	Transfer to Revenue & Capital Accounts	Other Expenses	
Managed External Invested Funds:							
Enterprise Development Scheme	1,622	-	500	-	-	(4)	2,118
Manx Currency Account - Notes	33,995	-	-	1,020	-	(85)	34,930
MUA Bond Repayment Fund	93,977	-	16,500	3,867	-	(235)	114,109
National Insurance Investment Account	985,569	-	-	34,495	-	(2,464)	1,017,600
Reserve Fund	461,759	(43,950)	-	14,027	(61,000)	(1,154)	369,682
Reserve Fund Bond Issue	72,133	-	-	2,525	-	(180)	74,478
Total - External Funds	1,649,055	(43,950)	17,000	55,934	(61,000)	(4,122)	1,612,917
Invested Funds:							
Academic Business Planning Fund	596	-	-	2	-	-	598
Agriculture & Forestry Fund	957	5,000	-	4	(3,000)	-	2,961
Contingency Fund	10,482	15,500	-	42	(13,300)	-	12,724
Transformation Fund	10,526	2,500	-	42	(1,200)	-	11,868
Economic Strategy Fund	89,002	-	-	356	(5,000)	-	84,358
Healthcare Transformation Fund	4,293	5,000	-	17	(4,000)	-	5,310
Legal Costs Reserve	1,495	900	-	6	(900)	-	1,501
Medical Indemnity Fund	3,965	5,000	-	16	(2,500)	-	6,481
Seized Assets Fund	26,887	-	-	108	(1,250)	-	25,745
Project Development Fund	15,243	2,000	-	61	(1,200)	-	16,104
Housing & Communities Fund	4,412	1,000	-	18	(600)	-	4,830
Housing Deficiency Fund	1,075	8,500	-	34	(8,500)	-	1,109
Climate Change Fund	24,660	-	-	99	(2,500)	-	22,259
Funds for Revenue reimbursement	193,593	45,400	-	805	(43,950)	-	195,848
Internal element of external Funds:							
Manx Currency Account - Other	66,918	-	-	4,350	-	-	71,268
Enterprise Development Fund	6,949	-	-	-	-	-	6,949
Sinking Fund	69,517	-	19,121	2,433	(6,500)	(1,043)	83,528
Internal element of external Funds	143,384	-	19,121	6,783	(6,500)	(1,043)	161,745
Funds used for capital reimbursement:							
Housing Reserve Fund	6,252	-	1,700	-	(4,735)	-	3,217
Land & Property Acquisition Reserve	2,720	-	-	11	(500)	-	2,231
Capital Financing Reserve	40,651	-	14,735	450	(50,000)	-	5,836
Funds for capital reimbursement	49,623	-	16,435	461	(55,235)	-	11,284
Total - Internal Funds	386,600	45,400	35,556	8,049	(105,685)	(1,043)	368,877
TOTAL	2,035,655	1,450	52,556	63,983	(166,685)	(5,165)	1,981,794

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				
		Provisional Budget 2026-27 £'000	Indicative Financial Plan			
			2027-28	2028-29	2029-30	2030-31
Managed External Invested Funds:						
Enterprise Development Scheme		4	-	-	-	-
Manx Currency Account - Notes		85	100	100	100	100
MUA Bond Repayment Fund		235	200	200	200	200
Bond Repayment Sinking Fund		7,543	7,543	7,543	7,543	7,543
National Insurance Investment Account		2,464	2,464	2,464	2,464	2,464
Reserve Fund		62,334	21,000	10,000	-	-
Total - External Funds		72,665	31,307	20,307	10,307	10,307
Invested Funds:						
Agriculture & Forestry Fund		3,000	3,000	3,000	3,000	3,000
Contingency Fund		13,300	3,300	3,300	3,300	3,300
Transformation Fund		1,200	1,200	1,200	1,200	1,200
Economic Strategy Fund		5,000	5,000	5,000	5,000	5,000
Healthcare Transformation Fund		4,000	3,000	2,000	1,000	1,000
Legal Costs Reserve		900	900	900	900	900
Medical Indemnity Fund		2,500	2,500	2,500	2,500	2,500
Seized Assets Fund		1,250	1,250	1,250	1,250	1,250
Project Development Fund		1,200	1,200	1,200	1,200	1,200
Housing & Communities Fund		600	600	600	600	600
Housing Deficiency Fund		8,500	8,500	8,500	8,500	8,500
Climate Change Fund		2,500	2,500	2,500	2,500	2,500
Funds for Revenue reimbursement		43,950	32,950	31,950	30,950	30,950
Internal element of external Funds:						
Manx Currency Account - Other		-	750	750	750	750
Internal element of external Funds			750	750	750	750
Funds used for capital reimbursement:						
Housing Reserve Fund		4,735	4,046	2,735	2,735	2,735
Land & Property Acquisition Reserve		500	500	500	500	500
Capital Financing Reserve		50,000	50,000	50,000	50,000	50,000
Funds for capital reimbursement		55,235	54,546	53,235	53,235	53,235
Total - Internal Funds		99,185	88,246	85,935	84,935	84,935
TOTAL		171,850	119,553	106,242	95,242	95,242


APPENDIX 1 – ANALYSIS OF TREASURY INCOME
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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 2025-26	Probable 2025-26	£'000	Provisional Budget 2026-27	Indicative financial plan				
				2027-28	2028-29	2029-30	2030-31	
		CUSTOMS & EXCISE						
388,464	383,098	<u>Shared Revenue</u>						
28,500	28,500	Value Added Tax	403,015	421,434	440,693	460,833	481,892	
23,739	23,739	Excise Duty - Hydrocarbon Oil	27,400	25,900	24,250	22,600	20,950	
18,000	18,000	Excise Duty - Alcohol	28,512	29,299	30,107	30,938	31,792	
6,600	6,600	Excise Duty - Tobacco	19,939	20,490	21,055	21,636	22,234	
649	649	Customs Duty	10,880	11,180	11,489	11,806	12,132	
-	-	Soft Drinks Industry Levy	766	786	808	830	854	
1,400	1,300	Plastic Packaging Tax	612	628	646	664	682	
(3,500)	(3,000)	Lottery Duty	1,400	1,400	1,400	1,400	1,400	
		Cost of Collection Adjustment	(4,100)	(4,250)	(4,250)	(4,250)	(4,250)	
		<u>Non-Shared Revenue</u>						
4,500	4,500	Gambling Duty	3,000	2,750	2,500	2,250	2,000	
4,600	4,600	Air Passenger Duty	4,100	4,100	4,100	4,100	4,100	
600	600	Non-Revenue Receipts	700	700	700	700	700	
473,552	468,586	TOTAL CUSTOMS & EXCISE	496,224	514,417	533,498	553,507	574,486	
		INCOME TAX						
232,590	241,500	ITIP/Sub-Contractors	233,700	244,212	255,203	266,686	278,685	
95,400	121,400	Individual Tax	101,900	107,280	112,900	118,770	124,910	
56,050	56,100	Company Tax	46,770	47,290	47,830	48,400	48,990	
-	-	Pillar 2 Global Minimum Tax	31,000	35,000	35,000	35,000	35,000	
384,040	419,000	TOTAL INCOME TAX	413,370	433,782	450,933	468,856	487,585	
		NI OPERATING ACCOUNT						
329,742	335,090		347,036	359,511	372,490	386,173	400,460	
		OTHER TREASURY INCOME						
250	250	Fines	250	250	250	250	250	
10,578	3,923	Interest on Investments	10,789	11,005	11,225	11,449	11,678	
-	2,670	Passports, Immigration and Nationality	1,906	1,944	1,983	2,022	2,063	
403	369	Miscellaneous	416	429	443	458	471	
11,231	7,212	TOTAL OTHER TREASURY INCOME	13,361	13,628	13,901	14,179	14,462	
1,198,565	1,229,888	TOTAL	1,269,991	1,321,338	1,370,822	1,422,715	1,476,993	

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

CO-SCREEUYN 2 – COONEY CADJIN ARGIDOIL SON FOAYS Y THEAY

TABLE 26 – Welfare Benefit Payments

Benefit/Payment	Base cost (1) £	Up-rating %	Cost of up-rating (5) £	Uprated cost £
National Insurance (NI) Benefits				
Retirement Pension (2)	145,000,000	4.5%	6,525,000	151,525,000
Age Addition	200,000	0.0%	-	200,000
Pension Supplement (RP)	26,000,000	0.0%	-	26,000,000
Retirement Pension Premium	725,000	3.8%	28,000	753,000
Old Person's Pension	80,000	4.8%	4,000	84,000
Manx State Pension (3)	72,500,000	4.9%	3,534,000	76,034,000
Pension Supplement (MSP)	12,500,000	0.0%	-	12,500,000
Nursing Care Contribution Scheme	6,000,000	2.9%	174,000	6,174,000
Long Term Incapacity Benefit	12,000,000	3.8%	456,000	12,456,000
Short Term Incapacity Benefit	2,400,000	3.8%	91,000	2,491,000
Pension Supplement (Incap)	125,000	0.0%	-	125,000
Bereavement Support Payment	800,000	2.9%	23,000	823,000
Bereavement Allowances (legacy)	75,000	3.8%	3,000	78,000
Pension Supplement (Bereavement)	5,000	0.0%	-	5,000
Widows Pension	42,000	3.8%	2,000	44,000
Pension Supplement (Widows Pension)	5,000	0.0%	-	5,000
Guardian's Allowance	9,000	3.8%	-	9,000
Funeral Payments	50,000	0.0%	-	50,000
Maternity Allowance	4,500,000	2.9%	131,000	4,631,000
Adoption Allowance	40,000	2.9%	1,000	41,000
Paternity Allowance	120,000	2.9%	3,000	123,000
Parental Bereavement Allowance	50,000	2.9%	1,000	51,000
Shared Parental Allowance	50,000	2.9%	1,000	51,000
Carer's Allowance	5,500,000	2.9%	160,000	5,660,000
Industrial Disablement Benefit	800,000	3.8%	30,000	830,000
Contribution Based Jobseeker's Allowance	425,000	3.8%	16,000	441,000
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
N.I. Benefits - Total	291,686,000		11,183,000	302,869,000
General Revenue Benefits				
Disability Living Allowance (4)	19,500,000	2.9%	566,000	20,066,000
Attendance Allowance	7,800,000	2.9%	226,000	8,026,000
Severe Disablement Allowance	400,000	3.8%	15,000	415,000
Child Benefit	13,250,000	2.9%	384,000	13,634,000
Income Support	40,000,000	2.9%	1,160,000	41,160,000
Winter Bonus	914,000	0.0%	-	914,000
Exceptional Needs Grants	150,000	0.0%	-	150,000
Maternity Payments	50,000	0.0%	-	50,000
Employed Person's Allowance	8,500,000	2.9%	247,000	8,747,000
Income Based Jobseeker's Allowance	1,500,000	2.9%	44,000	1,544,000
T.V. Licences/Payments	1,000,000	0.0%	-	1,000,000
General Revenue Benefits - Total	93,064,000		2,642,000	95,706,000
Grand Total	384,750,000		13,825,000	398,575,000

Notes:

1. Anticipated spend in 2026-27 before uprating
2. Basic pension increased by 4.8% per triple lock. Additional pension increased by 3.8%. Assumed 4.5% overall
3. Per UK triple lock. As the full rate must be divisible by 35, the uplift is 4.875%, shown to the nearest single decimal point above.
4. Higher rate mobility component to be uprated by 3.8%, same as in the UK all other components to be uprated by 2.9% per IOM CPI
5. 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

CO-SCREEUYN 3 – COONTEY MYN JEH BAARAIL CHEET-STIAGH LIORISH RHEYNN, OFFISH NY BOAYRD

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

Rheynn Gastid Della – Coontey Argidoil Giare

TABLE 27 – DfE – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Chief Executive's Office	(1,281)	256	1,067	19	1,048
Strategy & Policy	2,080	1,631	2,496	156	2,340
Digital Agency	1,304	1,218	1,295	-	1,295
Visit Agency	2,805	2,777	2,921	99	2,822
Finance Agency	871	998	1,131	-	1,131
Motorsport	8,867	9,748	13,544	5,244	8,300
Ship Registry	386	201	3,283	3,281	2
Civil Aviation Administration	(267)	(142)	2,861	3,023	(162)
Central Registry	(14,770)	(14,822)	4,185	16,841	(12,656)
Enterprise Support	539	722	730	-	730
Business Agency	855	835	1,275	34	1,241
Inward Investment & Business Support	380	-	-	-	-
Fund Reclaims	(33)	-	-	-	-
NET EXPENDITURE	1,736	3,422	34,788	28,697	6,091

TABLE 28 – DfE – Income & Expenditure by Category

£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Taxation Income	29	-	-	-	-	-	-
Operating Income	29,069	29,652	28,697	29,271	29,856	30,454	31,063
Other Non-Trading Income	16	-	-	-	-	-	-
TOTAL INCOME	29,114	29,652	28,697	29,271	29,856	30,454	31,063
EXPENDITURE							
Employee Costs	14,093	13,964	15,417	15,726	16,041	16,362	16,689
Infrastructure Costs	857	1,005	888	897	906	915	925
Transport Costs	1	-	-	-	-	-	-
Supplies & Services	19,684	18,040	18,483	18,572	18,757	18,945	19,134
Other	(3,785)	65	-	-	-	-	-
TOTAL EXPENDITURE	30,850	33,074	34,788	35,195	35,704	36,222	36,748
NET EXPENDITURE	1,736	3,422	6,091	5,924	5,848	5,768	5,685



DfE – Financial Summary (continued)

TABLE 29 – DfE – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	13,926	16,994	(27,678)	3,242
Pay Uplift	281	-	-	281
Non-Pay Uplift	-	171	-	171
Income Uplift	-	-	(554)	(554)
Transfer from DEFA	133	119	(34)	218
Approved Bid - MoneyVal Preparation	1,110	560	-	1,670
Approved Bid - Motorsport Funding	67	1,526	(431)	1,162
Pension Cost Saving Adjustment	(99)	-	-	(99)
2026-27 BUDGET	15,418	19,370	(28,697)	6,091

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

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

Rheynn Ynsee, Spoyrt as Cultoor – Coontey Argidoil Giare

TABLE 30 – DESC – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Primary Education	39,990	40,617	40,113	-	40,113
Secondary Education	43,737	46,820	47,100	2,731	44,369
University College IOM	12,872	12,677	13,595	1,901	11,694
Education Grants	15,536	18,607	24,796	527	24,269
Culture Division	-	1,934	4,046	2,498	1,548
Sport, Recreation & Youth Services	-	7,654	9,459	2,192	7,267
Policy, Strategy & Governance	-	7,209	10,588	1,680	8,908
Education Advice & Support	-	15,526	15,765	119	15,646
Quality Assurance & Inspection	-	158	153	-	153
Fund Claims	-	(1,396)	-	-	-
Student Grants	1,786	-	-	-	-
Education Works	7,127	-	-	-	-
Education Meals	5,315	-	-	-	-
Youth & Community	14,994	-	-	-	-
Education Improvement	229	-	-	-	-
NET EXPENDITURE	141,586	149,806	165,615	11,648	153,967

TABLE 31 – DESC – Income & Expenditure by Category

£000	INCOME & EXPENDITURE - BY CATEGORY							
	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan				
				2027-28	2028-29	2029-30	2030-31	
INCOME								
Third Party Contributions	98	80	77	78	80	81	83	
Operating Income	10,093	9,726	10,886	11,104	11,326	11,552	11,783	
Grant Income	31	20	20	21	21	22	22	
Other Non-Trading Income	757	660	665	678	691	705	719	
TOTAL INCOME	10,979	10,486	11,648	11,881	12,118	12,360	12,607	
EXPENDITURE								
Employee Costs	114,598	120,876	118,251	120,616	123,028	125,489	129,999	
Infrastructure Costs	8,897	8,964	8,439	8,523	8,608	8,694	8,781	
Transport Costs	407	370	238	240	243	245	247	
Supplies & Services	10,539	10,189	13,298	13,431	13,565	13,701	13,838	
Other	18,124	19,893	25,389	27,144	28,916	29,205	29,497	
TOTAL EXPENDITURE	152,565	160,292	165,615	169,954	174,360	177,334	180,362	
NET EXPENDITURE	141,586	149,806	153,967	158,073	162,242	164,974	167,755	



DESC – Financial Summary (continued)

TABLE 32 – DESC – Reconciliation from 2025-26

Budget Movement from 2026-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	117,797	43,456	(11,419)	149,834
Pay Uplift	2,356	-	-	2,356
Non-Pay Uplift	-	434	-	434
Income Uplift	-	-	(228)	(228)
Childcare Strategy	-	1,000	-	1,000
Transfer to CO	-	(26)	-	(26)
Approved Bid - Specialist Provision Centres	416	-	-	416
Pension Cost Saving Adjustment	(2,318)	-	-	(2,318)
Budget adjustments	-	2,500	(1)	2,499
2026-27 BUDGET	118,251	47,364	(11,648)	153,967

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

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

Rheynn Chymmyltaght, Bee as Eirinys - Coontey Argidoil Giare

TABLE 33 – DEFA – Net Expenditure by Division

		NET EXPENDITURE - BY DIVISION				
£000		Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION						
Corporate Services		857	834	1,098	155	943
Planning & Building Control		644	714	1,974	1,513	461
Forestry, Amenity and Lands		3,019	2,807	4,767	2,004	2,763
Environment Policy		2,462	2,470	3,289	588	2,701
Regulation		3,221	3,405	3,885	435	3,450
Climate Change		749	694	754	-	754
Agriculture and Food		7,483	7,293	7,378	-	7,378
Office of Fair Trading		756	818	942	52	890
Road Transport Licensing Committee		102	89	249	134	115
NET EXPENDITURE		19,293	19,124	24,336	4,881	19,455

TABLE 34 – DEFA – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Taxation Income	160	169	184	188	191	195	199
Third Party Contributions	384	363	384	392	400	408	416
Operating Income	3,518	4,544	4,258	4,343	4,430	4,519	4,609
Other Non-Trading Income	52	59	55	56	57	59	60
TOTAL INCOME	4,114	5,135	4,881	4,979	5,078	5,181	5,284
EXPENDITURE							
Employee Costs	13,018	13,493	13,293	13,558	13,829	14,106	14,388
Infrastructure Costs	1,136	1,900	1,216	1,228	1,240	1,253	1,265
Transport Costs	93	110	59	60	61	61	62
Supplies & Services	8,516	8,543	2,618	2,644	2,670	2,697	2,724
Agency & Contracted Services	-	-	-	1	1	1	1
Other	644	213	7,150	7,150	7,150	7,150	7,150
TOTAL EXPENDITURE	23,407	24,259	24,336	24,641	24,951	25,268	25,590
NET EXPENDITURE	19,293	19,124	19,455	19,662	19,873	20,087	20,306



DEFA – Financial Summary (continued)

TABLE 35 – DEFA – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	13,171	11,032	(4,760)	19,443
Pay Uplift	259	-	-	259
Non-Pay Uplift	-	37	-	37
Income Uplift	-	-	(95)	(95)
Transfer to DfE	(134)	(118)	34	(218)
Transfer to CURA	(75)	-	-	(75)
Approved Bid - Fisheries & Marine Conservation	53	153	-	206
Pension Cost Saving Adjustment	(103)	-	-	(103)
Budget Adjustments	121	(60)	(60)	1
2026-27 BUDGET	13,292	11,044	(4,881)	19,455

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

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

Rheynn Slaynt as Kiarail y Theay - Coontey Argidoil Giare

TABLE 36 – DHSC – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
DHSC Corporate Services	3,194	(3,654)	7,481	131	7,350
NI Contributions	(52,674)	(71,000)	-	68,400	(68,400)
Mandate	346,823	361,822	404,186	-	404,186
Additional Mandate	28,030	22,743	-	-	-
Fund Claims	(8,794)	-	-	-	-
NET EXPENDITURE	316,579	309,911	411,667	68,531	343,136

TABLE 37 – DHSC – Income & Expenditure by Category

£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Taxation Income	52,803	71,000	68,531	70,433	72,536	74,638	66,741
Operating Income	48	348	-	-	-	-	-
TOTAL INCOME	52,851	71,348	68,531	70,433	72,536	74,638	66,741
EXPENDITURE							
Employee Costs	2,602	7,284	3,892	3,971	4,050	4,131	4,214
Infrastructure Costs	1	4	4	3	3	3	3
Supplies & Services	694	5,264	3,309	3,342	3,376	3,410	3,443
Agency & Contracted Service	249	254	276	279	282	284	287
Other	(8,969)	(16,112)	-	-	-	-	-
Mandate	346,823	361,822	404,186	420,887	438,270	456,362	475,192
Additional Mandate	28,030	22,743	-	-	-	-	-
TOTAL EXPENDITURE	369,430	381,259	411,667	428,482	445,981	464,190	483,139
NET EXPENDITURE	316,579	309,911	343,136	358,049	373,445	389,552	416,398

TABLE 38 – DHSC – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	3,842	365,374	(71,128)	298,088
Pay Uplift	77	-	-	77
Non-Pay Uplift	-	36	-	36
Income Uplift	-	-	2,597	2,597
Mandate Uplift	-	46,673	-	46,673
Pension Cost Saving Adjustment	(26)	-	-	(26)
Budget Adjustments	-	(4,309)	-	(4,309)
2026-27 BUDGET	3,893	407,774	(68,531)	343,136



A3.5 Manx Care – Financial Summary

Kiarail Vannin - Coontey Argidoil Giare

TABLE 39 – Manx Care – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2027-28	Net 2028-29
DIVISION					
Adult Services	43,816	45,305	53,321	10,923	42,398
Child & Families	18,182	18,929	19,903	210	19,693
Mental Health Service	31,612	33,516	31,023	50	30,973
CEO Office	22,919	14,398	14,968	-	14,968
Nobles Hospital	162,413	192,731	174,208	3,722	170,486
UK Referrals & Patient Transport	31,038	8,079	27,495	-	27,495
Primary Healthcare Services	64,873	71,607	72,590	2,385	70,205
Corporate Services	-	-	29,212	1,244	27,968
Mandate	(346,823)	(361,822)	(404,186)	-	(404,186)
Additional Mandate	(28,030)	(22,743)	-	-	-
NET EXPENDITURE	-	-	18,534	18,534	-

TABLE 40 – Manx Care – Income & Expenditure by Category

£000	INCOME & EXPENDITURE - BY CATEGORY						
	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Third Party Contributions	2,425	2,144	1,681	1,715	1,748	1,783	1,819
Operating Income	15,003	16,228	16,780	17,116	17,458	17,807	18,164
Other Non-Trading Income	214	206	73	75	76	79	79
TOTAL INCOME	17,642	18,578	18,534	18,906	19,282	19,669	20,062
EXPENDITURE							
Employee Costs	232,736	242,923	262,529	273,666	285,279	297,389	310,016
Infrastructure Costs	2,200	2,108	2,177	2,221	2,265	2,310	2,357
Transport Costs	6,363	8,843	5,430	5,539	5,649	5,762	5,878
Supplies & Services	36,878	36,381	25,172	25,675	26,188	26,712	27,247
Agency & Contracted Service	107,852	116,701	125,317	130,555	135,991	141,634	147,488
Other Mandate	6,466	(3,813)	2,095	2,137	2,180	2,224	2,268
Additional Mandate	(346,823)	(361,822)	(404,186)	(420,887)	(438,270)	(456,362)	(475,192)
TOTAL EXPENDITURE	17,642	18,578	18,534	18,906	19,282	19,669	20,062
NET EXPENDITURE	-	-	-	-	-	-	-



Manx Care – Financial Summary (continued)

TABLE 41 – Manx Care – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	239,719	(221,742)	(17,977)	-
Pay Uplift	22,338	-	-	22,338
Non-Pay Uplift	-	22,362	-	22,362
Income Uplift	-	-	(522)	(522)
Mandate Uplift	-	(46,673)	-	(46,673)
Pension Cost Saving Adjustment	(1,814)	-	-	(1,814)
Budget adjustments	2,286	2,058	(35)	4,309
2026-27 BUDGET	262,529	(243,995)	(18,534)	-

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

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

Rheynn Cooishyn Sthie - Coontey Argidoil Giare

TABLE 42 – DHA – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Chief Executives Office	1,891	1,547	4,395	17	4,378
Civil Defence	210	217	404	6	398
Fire & Rescue Service	6,729	6,917	7,145	127	7,018
Communications Division	2,058	1,938	2,706	664	2,042
IOM Constabulary	20,904	23,232	26,611	193	26,418
Prison & Probation Service	11,045	11,277	10,853	279	10,574
AML/CFT Policy Office	-	-	643	-	643
NET EXPENDITURE	42,837	45,128	52,757	1,286	51,471

TABLE 43 – DHA – Income & Expenditure by Category

INCOME & EXPENDITURE - BY CATEGORY							
£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Third Party Contributions	121	111	-	-	-	-	-
Operating Income	1,122	1,299	983	1,003	1,023	1,043	1,064
Other Non-Trading Income	493	462	303	309	315	321	327
TOTAL INCOME	1,741	1,872	1,286	1,312	1,338	1,364	1,391
EXPENDITURE							
Employee Costs	39,169	42,005	45,886	46,695	47,629	48,582	49,553
Infrastructure Costs	1,896	1,956	1,640	1,656	1,673	1,689	1,706
Transport Costs	-	-	-	-	-	-	-
Supplies & Services	5,932	7,479	5,231	5,286	5,338	5,391	5,445
Other	(2,419)	(4,440)	-	-	-	-	-
TOTAL EXPENDITURE	44,578	47,000	52,757	53,637	54,640	55,662	56,704
NET EXPENDITURE	42,837	45,128	51,471	52,325	53,302	54,298	55,313



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

TABLE 44 – DHA – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	39,230	6,094	(1,373)	43,951
Pay Uplift	785	-	-	785
Non-Pay Uplift	-	61	-	61
Income Uplift	-	-	(28)	(28)
Transfer from CO – AML/CFT Policy Team	608	40	-	648
Transfer from AGC	-	-	115	115
Transfer from DOI	1,012	1	-	1,013
Approved Bid - IOMC - Revenue uplift for Payroll and allowances	1,351	-	-	1,351
Approved Bid - IOMC - Revenue uplift for Licences	-	249	-	249
Approved Bid - IOMC - Protecting Vulnerable People Investigations (PVPI) Team	578	-	-	578
Approved Bid - IOMC - Digital Evidence	-	61	-	363
Growth bid	302	-	-	158
Approved Bid - IOMC - DCI and Crime Analyst	121	46	-	167
Approved Bid - Comms - Emergency Planning and Civil Defence Unit	288	-	-	288
Approved Bid - FRS - Pension Provision for Retained Firefighters	351	-	-	351
Revenue Funding	79	-	-	79
Approved Bid - PPS - Appointment of Assistant Psychologist & AO	100	77	-	177
Approved Bid - PPS - Community Sentencing Reform	(341)	-	-	(341)
Pension Cost Saving Adjustment	1,261	245	-	1,506
Budget adjustments - PIMILT			(1,286)	51,471
2026-27 BUDGET	45,883	6,874		

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

Rheynn Bun-Trosgalys - Coontey Argidoil Giare

TABLE 45 – DOI – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Corporate Support & Compliance	1,415	1,357	1,521	-	1,521
Waste Services	4,377	4,637	16,324	11,665	4,659
Shared Fleet Services	5,241	5,469	6,500	1,361	5,139
Airport Division	9,323	9,453	13,971	4,688	9,283
Highway Services Division	(3,467)	(1,312)	17,676	19,328	(1,652)
Public Estates & Housing	34,271	25,127	32,019	6,718	25,301
Housing Services	(4,916)	(4,876)	3,578	8,014	(4,436)
Project Management Unit	534	345	1,077	-	1,077
Transport Services Division	6,813	6,244	12,474	5,485	6,989
Isle of Man Railways	3,292	3,444	6,121	2,492	3,629
Harbours	(3,169)	(3,011)	5,105	8,094	(2,989)
Flood and Costal Protection	1,479	1,587	1,574	6	1,568
NET EXPENDITURE	55,193	48,464	117,940	67,851	50,089

TABLE 46 – DOI – Income & Expenditure by Category

£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Taxation Income	14,855	14,822	16,360	16,687	17,021	17,362	17,709
Third Party Contributions	3,581	1,507	3,104	3,166	3,230	3,294	3,360
Operating Income	46,065	48,718	44,152	45,035	45,935	46,854	47,791
Other Non-Trading Income	3,553	3,979	4,235	4,320	4,406	4,494	4,584
TOTAL INCOME	68,054	69,026	67,851	69,208	70,592	72,004	73,444
EXPENDITURE							
Employee Costs	51,703	51,514	53,290	54,357	55,444	56,553	57,684
Infrastructure Costs	42,739	44,878	42,069	42,489	42,914	43,343	43,777
Transport Costs	11,030	6,050	6,454	6,519	6,584	6,650	6,716
Supplies & Services	13,257	15,093	15,541	15,696	15,853	16,012	16,172
Agency & Contracted Services	6,106	6,613	560	566	572	577	583
Other	(1,588)	(6,658)	26	25	25	25	25
TOTAL EXPENDITURE	123,247	117,490	117,940	119,652	121,392	123,160	124,957
NET EXPENDITURE	55,193	48,464	50,089	50,444	50,800	51,156	51,513



DOI – Financial Summary (continued)

TABLE 47 – DOI – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	52,928	63,254	(66,521)	49,661
Pay Uplift	1,059	-	-	1,059
Non-Pay Uplift	-	632	-	632
Income Uplift	-	-	(1,330)	(1,330)
Transfer to DHA	(1,012)	(1)	-	(1,013)
Approved Bid - Operating costs for Ferry Terminal	-	763	-	763
Approved Bid - PMU revenue funding	692	-	-	692
Pension Cost Saving Adjustment	(375)	-	-	(375)
Budget adjustments	-	-	-	-
2026-27 BUDGET	53,292	64,648	(67,851)	50,089

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

A3.8 The Treasury – Financial Summary

Yn Tashtey - Coontey Argidoil Giare

TABLE 48 – The Treasury – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£'000	Actual Gross Spend 2024-25	Probable Gross Spend 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Financial Governance Division	15,135	13,120	15,961	10,789	5,172
Financial Advisory Service	4,596	4,513	5,057	336	4,721
Customs & Excise Division	5,627	5,472	6,031	498,130	(492,099)
Income Tax Division	6,231	6,763	7,289	423,370	(416,081)
Assurance Advisory Division	872	835	947	96	851
Manx Radio Subvention	1,334	1,361	1,388	-	1,388
Treasury Grants	6,037	7,639	7,665	-	7,665
Government Contingency	4,609	19,690	16,327	-	16,327
Lottery Duty Distribution	1,714	1,647	1,400	-	1,400
Non-Contributory Benefits	88,337	66,652	95,706	-	95,706
National Insurance Operating Account	328,462	291,325	347,036	347,036	-
Social Security Administration	4,162	4,310	5,801	234	5,567
NET EXPENDITURE	467,116	423,327	510,608	1,269,991	(759,383)

Note

Treasury Grants include £5.24 million for Manx National Heritage and £2.27 million for the Isle of Man Financial Services Authority.

TABLE 49 – The Treasury – Income & Expenditure by Category

£'000	INCOME & EXPENDITURE - BY CATEGORY				Indicative financial plan			
	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan				
				2027-28	2028-29	2029-30	2030-31	
INCOME								
Customs & Excise	521,648	468,586	496,224	514,417	533,498	553,507	574,486	
Income Tax	388,531	419,000	413,370	433,782	450,933	468,856	487,585	
Other Treasury Income	5,277	7,212	13,361	13,629	13,901	14,179	14,462	
NI Operating Account	328,462	264,090	347,036	359,511	372,490	386,173	400,460	
TOTAL INCOME	1,243,918	1,158,888	1,269,991	1,321,339	1,370,823	1,422,715	1,476,994	
EXPENDITURE								
Employee Costs	21,895	23,481	27,859	28,214	28,566	28,917	29,265	
Infrastructure Costs	10	13	19	(28)	(79)	(133)	(193)	
Supplies & Services	6,676	15,446	5,444	5,233	6,017	5,985	6,009	
Agency & Contracted Services	3,433	3,692	8,128	7,966	7,793	7,607	7,408	
Sinking Fund	3,404	3,458	3,500	3,500	3,500	3,500	3,500	
Social Security Clients	415,793	354,352	470,903	480,774	491,002	501,427	502,018	
Other	15,905	22,885	(5,245)	96	5,554	11,576	28,859	
TOTAL EXPENDITURE	467,116	423,327	510,608	525,755	542,353	558,878	576,866	
NET EXPENDITURE	(776,802)	(735,561)	(759,383)	(795,585)	(828,470)	(863,837)	(900,128)	



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

The Treasury – Financial Summary (continued)

TABLE 50 – The Treasury – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	26,046	461,805	(1,198,565)	(710,714)
Pay Uplift	521	-	-	521
Non-Pay Uplift	-	84	-	84
Income Uplift	-	-	(71,426)	(71,426)
Revenue Benefits Uplift	-	7,763	-	7,763
NI Operating Account Movements	-	17,251	-	17,251
Treasury Grants Movements	-	(9)	-	(9)
Pension Cost Saving Adjustment	(208)	-	-	(208)
Budget Adjustments	1,501	(4,146)	-	(2,645)
2026-27 BUDGET	27,860	482,748	(1,269,991)	(759,383)

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

A3.9 Cabinet Office – Financial Summary

Oik Cooncil ny Shirveishee - Coontey Argidoil Giare

TABLE 51 – Cabinet Office – Net Expenditure by Division

£000	NET EXPENDITURE - BY DIVISION					Net 2026-27
	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27		
DIVISION						
Office of Human Resources	7,801	8,178	8,893	138	8,755	
Crown & External Relations	2,663	2,672	2,942	3	2,939	
Government Technology Services	23,372	25,013	25,524	122	25,402	
Public Health Directorate	1,892	1,953	2,200	-	2,200	
Passports, Immigration and Nationality	-	-	-	-	-	
Chief Operating Officer Division	1,559	1,577	1,384	-	1,384	
Business Change	1,450	-	-	-	-	
Health and Care Transformation	-	-	-	-	-	
Policy Development	2,834	2,194	3,600	-	3,600	
AML/CFT Policy Office	1,009	636	-	-	-	
NET EXPENDITURE	42,580	42,223	44,543	263	44,280	

TABLE 52 – Cabinet Office – Income & Expenditure by Category

£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Third Party Contributions	131	112	122	125	127	130	132
Operating Income	122	97	138	141	144	146	149
Other Non-Trading Income	6	-	3	3	3	3	3
TOTAL INCOME	259	209	263	269	274	279	284
EXPENDITURE							
Employee Costs	23,330	26,633	27,124	27,373	27,921	28,479	29,049
Infrastructure Costs	200	179	177	180	181	183	185
Transport Costs	3	-	6	6	6	6	6
Supplies & Services	18,658	17,148	17,230	16,676	16,843	17,011	17,181
Agency & Contracted Services	482	13	6	6	6	6	6
Other	166	(1,541)	-	-	-	-	-
TOTAL EXPENDITURE	42,839	42,432	44,543	44,241	44,957	45,685	46,427
NET EXPENDITURE	42,580	42,223	44,280	43,972	44,683	45,406	46,143



Cabinet Office – Financial Summary (continued)

TABLE 53 – Cabinet Office – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	27,096	16,542	(258)	43,380
Pay Uplift	542	-	-	542
Non-Pay Uplift	-	166	-	166
Income Uplift	-	-	(5)	(5)
Transfer to DHA – AML/CFT Policy Team	(608)	(40)	-	(648)
Transfer from DESC	-	26	-	26
Approved Bid - 2026 Interim Census	293	130	-	423
Approved Bid - 2026 General Election	-	596	-	596
Pension Cost Saving Adjustment	(200)	-	-	(200)
Budget adjustments	-	-	-	-
2026-27 BUDGET	27,123	17,420	(263)	44,280

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

A3.10 Executive Government – Financial Summary

Reiltys Sheckteragh - Coontey Argidoil Giare

TABLE 54 – Executive Government – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Industrial Relations	368	423	451	-	451
Veterans Welfare Society	94	117	130	-	130
Information Commissioner	277	524	894	155	739
General Registry	3,317	3,402	6,451	2,876	3,575
Attorney General	7,703	7,671	8,760	192	8,568
International Development	2,500	2,500	2,500	-	2,500
Superannuation (previously PSEPR)	41,640	55,130	50,424	-	50,424
Tynwald Auditor General	287	624	565	-	565
Tynwald Commissioner for Administration	33	50	39	-	39
NET EXPENDITURE	56,219	70,441	70,214	3,223	66,991

TABLE 55 – Executive Government – Income & Expenditure by Category

£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Taxation Income	149	159	154	157	160	163	167
Third Party	27	75	192	195	199	203	207
Contributions	3,073	3,258	2,868	2,926	2,984	3,044	3,105
Operating Income	56	50	9	9	9	9	10
Other Non-Trading Income							
TOTAL INCOME	3,305	3,542	3,223	3,287	3,352	3,419	3,489
EXPENDITURE							
Employee Costs	54,470	68,043	65,342	65,264	65,121	64,917	64,741
Infrastructure Costs	5	27	39	39	40	40	40
Supplies & Services	1,882	2,240	2,333	2,356	2,380	2,404	2,428
Other	3,167	3,673	2,500	2,500	2,500	2,500	2,500
TOTAL EXPENDITURE	59,524	73,983	70,214	70,159	70,041	69,891	69,709
NET EXPENDITURE	56,219	70,441	66,991	66,872	66,689	66,472	66,220



Executive Government – Financial Summary (continued)

TABLE 56 – Executive Government – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	54,622	4,770	(3,047)	56,345
Pay Uplift	10,261	-	-	10,261
Non-Pay Uplift	-	24	-	24
Income Uplift	-	-	(61)	(61)
Approved Bids - ICO - Office Resources	130	79	-	209
Approved Bids - Gen Reg - Permanent Tribunal Judge	186	-	-	186
Transfer from COT to TCA	1	-	-	1
Transfer from DHA to AGC	-	-	(115)	(115)
Pension Cost Saving Adjustment	(109)	-	-	(109)
Budget adjustments	250	-	-	250
2026-27 BUDGET	65,341	4,873	(3,223)	66,991

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A3.11 Legislature (Parliament) - Financial Summary

Quaiyl Lattyssagh (Tinvaal) - Coontey Argidoil Giare

TABLE 57 – Legislature – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Legislature	1,951	2,174	2,186	5	2,181
Member's Emoluments	3,378	3,187	3,595	-	3,595
NET EXPENDITURE	5,329	5,361	5,781	5	5,776

TABLE 58 – Legislature – Income & Expenditure by Category

£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Third Party Contributions	1 69	- 36	- 5	- 6	- 6	- 6	- 6
TOTAL INCOME	70	36	5	6	6	6	6
EXPENDITURE							
Employee Costs	4,899	4,842	5,220	5,326	5,433	5,541	5,652
Supplies & Services	500	555	561	566	571	577	583
TOTAL EXPENDITURE	5,399	5,397	5,781	5,892	6,004	6,118	6,235
NET EXPENDITURE	5,329	5,361	5,776	5,886	5,998	6,112	6,229

TABLE 59 – Legislature – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27					
£000		Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET		5,047	555	(11)	5,591
Pay Uplift		100	-	-	100
Non-Pay Uplift		-	6	-	6
Income Uplift		-	-	-	-
Transfer to TCA		(1)	-	-	(1)
Approved Bid - Members Pay		113	-	-	113
Pension Cost Saving Adjustment		(39)	-	-	(39)
Budget adjustments		-	-	6	6
2026-27 BUDGET		5,220	561	(5)	5,776



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

Buidr as Kirp Lattyssagh (ta'n argid oc veih cheet-stiagh) - Coontey Argidoil Giare

TABLE 60 – Statutory Boards and Bodies – Net Expenditure by Division

NET EXPENDITURE - BY DIVISION					
£000	Net Actual 2024-25	Net Probable 2025-26	Gross Spend 2026-27	Gross Income 2026-27	Net 2026-27
DIVISION					
Communications and Utilities					
Regulatory Authority	(247)	(383)	1,232	1,528	(296)
Financial Services Authority	-	-	11,001	11,001	-
Gambling Supervision Commission	(361)	1,716	5,259	2,355	2,904
Public Sector Pension Authority	1,210	2,141	2,233	-	2,233
Financial Intelligence Unit	1,442	1,738	1,648	-	1,648
NET EXPENDITURE	2,044	5,212	21,373	14,884	6,489

TABLE 61 – Statutory Boards and Bodies – Income & Expenditure by Category

£000	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan			
				2027-28	2028-29	2029-30	2030-31
INCOME							
Taxation Income	11,239	10,575	10,443	11,299	12,237	13,247	13,495
Operating Income	1,676	2,227	2,239	2,341	2,450	2,566	2,616
Other Non-Trading Income	857	158	-	-	-	-	-
Grant Income	536	2,184	2,202	1,525	763	-	-
TOTAL INCOME	14,308	15,144	14,884	15,165	15,450	15,813	16,111
EXPENDITURE							
Employee Costs	14,271	16,818	17,555	17,907	18,264	18,629	19,002
Infrastructure Costs	403	548	554	559	565	571	576
Supplies & Services	1,692	3,151	3,257	3,290	3,322	3,356	3,389
Other	(14)	(160)	7	7	8	8	8
TOTAL EXPENDITURE	16,352	20,357	21,373	21,763	22,159	22,564	22,975
NET EXPENDITURE	2,044	5,213	6,489	6,598	6,709	6,751	6,864

TABLE 62 – Statutory Boards and Bodies – Reconciliation from 2025-26

Budget Movement from 2025-26 to 2026-27				
£000	Gross Pay	Gross Non-Pay	Gross Income	Net Budget
2025-26 BUDGET	16,888	3,928	(17,439)	3,377
Pay Uplift	339	-	-	339
Non-Pay Uplift	-	39	-	39
Income Uplift	-	-	(332)	(332)
Transfer from DEFA to CURA	75	-	-	75
Approved Bid - GSC - Income, Pay and Non-pay revisions	383	(150)	2,820	3,053
Pension Cost Saving Adjustment	(129)	-	-	(129)
Budget adjustments	-	-	67	67
2026-27 BUDGET	17,556	3,817	(14,884)	6,489



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

A3.13 Inter-Departmental Transfers

Argid Livreit Harrish Eddyrr Rheyynnyn

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

Table 63 – Inter-Departmental Transfers

INTER-DEPARTMENTAL TRANSFERS										
£'000	DFE	DESC	DEFA	DHA	DOI	CO	AGC	CURA	TCA	COT
Food and Drink Business Development Transfer	218		(218)							
IT Contract Transfer		(26)								
OFT Transfer			(75)							
AML/CFT Policy Office				648						
Crown Costs Transfer				115						
Ports Security Unit				1,013	(1,013)					
TCA Transfer						26				
	218	(26)	(293)	1,776	(1,013)	(622)	(115)	75	1	(1)

Note:

DFE – Department for Enterprise

DESC - Department of Education, Sport and Culture

DEFA – Department of Environment, Food and Agriculture

DHA – Department of Home Affairs

DOI – Department of Infrastructure

CO – Cabinet Office

AGC – Attorney General's Chambers

CURA – Communications and Utilities Regulatory Authority

COT – Clerk of Tynwald's Office

TCA – Tynwald Commissioner for Administration



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

Buird Lattyssagh (ta'n argid oc nagh vel veih cheet-stiagh) - Coontey Argidoil Giare

Table 64 – Manx Utilities Authority – Income & Expenditure by Category

£000	INCOME & EXPENDITURE - BY CATEGORY				
	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan	
				2027-28	2028-29
INCOME					
Operating Income	151,029	156,683	160,266	162,180	164,117
TOTAL INCOME	151,029	156,683	160,266	162,180	164,117
EXPENDITURE					
Employee Costs	27,396	27,856	29,448	30,037	30,637
Infrastructure Costs	21,684	20,071	18,292	18,592	18,892
Transport Costs	1,580	1,186	1,615	1,673	1,731
Supplies & Services	55,503	59,114	60,980	60,454	60,454
Loan Charges	14,834	6,079	10,358	10,080	9,794
Other	20,500	22,133	23,298	23,963	24,588
TOTAL EXPENDITURE	141,497	136,439	143,991	144,799	146,096
NET EXPENDITURE	(9,532)	(22,244)	(16,275)	(17,381)	(18,021)

Table 65 – Isle of Man Post Office – Income & Expenditure by Category

£000	INCOME & EXPENDITURE - BY CATEGORY				
	Actual 2024-25	Probable 2025-26	Provisional Budget 2026-27	Indicative financial plan	
				2027-28	2028-29
INCOME					
Operating Income	21,709	22,285	20,622	19,892	19,874
Non-Trading Income	1,081	854	918	828	838
TOTAL INCOME	22,790	23,139	21,540	20,720	20,712
EXPENDITURE					
Employee Costs	10,901	11,167	11,323	11,620	11,591
Infrastructure Costs	885	972	1,051	1,070	1,093
Transport Costs	2,141	2,345	2,507	2,489	2,607
Supplies & Services	4,976	5,395	4,674	3,684	3,887
TOTAL EXPENDITURE	18,903	19,879	19,555	18,863	19,178
Exceptional Items	35	324	130	100	100
NET (INCOME)/EXPENDITURE	(3,852)	(2,936)	(1,855)	(1,757)	(1,434)

APPENDIX 4 – FULL CAPITAL PROGRAMME

CO-SCREEUYN 4 – SLANE CLAARE BUN-ARGIDOIL

Table 66 – Full Capital Programme - detail

Capital Financing Reserve

Discrete Schemes £'000 Department	Total Cost	Total Tynwald Approval to 31 March 2026	Total Spend to 31 March 2026	2026/27	2027/28	2028/29	2029/30	2030/31	New Tynwald Approval
Cabinet Office	125	125	5	120	-	-	-	-	-
Department for Enterprise	150	150	85	65	-	-	-	-	-
Department of Education, Sport & Culture	4,265	1,632	1,015	1,137	1,288	825	-	-	2,633
Department of Environment, Food & Agriculture	3,651	605	545	1,210	1,860	36	-	-	3,046
Department of Health and Social Care	8,588	6,065	2,635	5,838	115	-	-	-	2,523
Department of Home Affairs	2,507	-	-	475	490	512	565	465	2,507
Department of Infrastructure	126,659	107,110	89,395	27,589	9,418	199	58	-	19,549
Executive Government	840	840	530	310	-	-	-	-	-
The Treasury	60,197	59,697	12,956	13,134	8,907	8,400	8,400	8,400	500
Total Discrete	206,982	176,224	107,166	49,878	22,078	9,972	9,023	8,865	30,758
Rolling Schemes £'000 Department				2026/27	2027/28*	2028/29*	2029/30*	2030/31*	New Tynwald Approval
Cabinet Office				250	250	250	250	250	250
Department of Education, Sport & Culture				715	515	465	150	150	715
Department of Environment, Food & Agriculture				520	-	-	-	-	520
Department of Health and Social Care				1,850	1,850	1,850	1,850	1,850	1,850
Department of Home Affairs				1,199	1,262	1,304	1,304	1,304	1,199
Department of Infrastructure				25,829	25,829	25,829	25,829	25,829	25,829
The Treasury				10,000	10,000	10,000	10,000	10,000	10,000
Total Rolling				40,363	39,706	39,698	39,383	39,383	40,363
<small>* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.</small>									
Total Capital Programme	206,982	176,224	107,166	90,241	61,784	49,670	48,406	48,248	71,121



	Total Estimated Cost £'000	Total Tynwald Approval to 31 March 2026 £'000	Forecast Total Spend to 31 March 2026 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	New Tynwald Approval £'000
Discrete Schemes									
Cabinet Office									
OHR Learning Management System Project	125	125	5	120	-	-	-	-	-
Cabinet Office Total	125	125	5	120	-	-	-	-	-
Department for Enterprise									
PRO - Climate Control System	150	150	85	65	-	-	-	-	-
Department for Enterprise Total	150	150	85	65	-	-	-	-	-
Department of Education, Sport & Culture									
National Sports Centre - Athletics Track	899	-	-	135	105	659	-	-	899
National Sports Centre - Bowl Pitch Replacement	848	-	-	15	833	-	-	-	848
National Sports Centre - Plant Replacement	886	-	-	370	350	166	-	-	886
Villa Marina & Gaiety Theatre Light & Sound Equipment Upgrade	1,632	1,632	1,015	617	-	-	-	-	-
Department of Education, Sport & Culture Total	4,265	1,632	1,015	1,137	1,288	825	-	-	2,633
Department of Environment, Food & Agriculture									
Kionslieu Reservoir	2,646	-	-	780	1,830	36	-	-	2,646
Peel Marina - River Neb Catchment	605	605	545	30	30	-	-	-	-
Sawmill Treatment Plant Replacement	400	-	-	400	-	-	-	-	400
Department of Environment, Food & Agriculture Total	3,651	605	545	1,210	1,860	36	-	-	3,046
Department of Health and Social Care									
Radcliffe Villas	6,065	6,065	2,635	3,315	115	-	-	-	-
Radiology Equipment Replacement - 26-27	550	-	-	550	-	-	-	-	550
River Suite Refurbishment	700	-	-	700	-	-	-	-	700
Secondary Vacuum Insulated Evaporator (VIE)	1,273	-	-	1,273	-	-	-	-	1,273
Department of Health and Social Care Total	8,588	6,065	2,635	5,838	115	-	-	-	2,523
Department of Home Affairs									
FRS and Civil Defence Equipment Replacement - 26-27 to 30-31	1,522	-	-	285	310	310	328	289	1,522
Police Equipment Replacement - 26-27 to 30-31	985	-	-	190	180	202	237	176	985
Department of Home Affairs Total	2,507	-	-	475	490	512	565	465	2,507
Department of Infrastructure									
Airfield Drainage	5,000	5,000	2,900	200	1,850	50	-	-	-
Airport Control Tower	335	-	-	170	165	-	-	-	335
Airport Terminal Upgrade	660	-	-	660	-	-	-	-	660
Ash Dieback and Dutch Elm Disease Management - Gov Estate	200	200	195	5	-	-	-	-	-

Discrete Schemes (continued)	Total Estimated Cost £'000	Total Tynwald Approval to 31 March 2026 £'000	Forecast Total Spend to 31 March 2026 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	New Tynwald Approval £'000
Department of Infrastructure (continued)									
Ballacubbon Housing	5,311	5,311	22	5,289	-	-	-	-	-
Ballasalla Bypass Junction	1,929	1,929	860	1,069	-	-	-	-	-
Central Government Offices	771	771	206	565	-	-	-	-	-
Changing Places Toilet Facilities	147	147	74	73	-	-	-	-	-
Court House Ventilation	683	683	10	336	142	137	58	-	-
Dalmeny Refurbishment	384	-	-	384	-	-	-	-	384
Douglas Harbour - King Edward VIII Pier Upgrade	6,610	6,610	5,940	670	-	-	-	-	-
Fleet - Ambulance Replacement 2026-27 to 2027-28	1,907	-	-	381	1,526	-	-	-	1,907
Fleet - DHA Vehicle Acquisition 2026-27 to 2027-28	4,104	-	-	2,052	2,052	-	-	-	4,104
Fleet - Plant & Vehicle Replacement 2026-27 to 2027-28	10,181	-	-	6,618	3,563	-	-	-	10,181
Government House Refurbishment	380	380	5	375	-	-	-	-	-
IOM Ferry Terminal - Liverpool *	70,676	70,676	70,676	-	-	-	-	-	-
Jurby Development Initiative	1,837	1,837	856	981	-	-	-	-	-
MCW - Waste Unit	145	145	75	70	-	-	-	-	-
Modernisation works to Visitor Facilities, Sea Terminal	1,000	1,000	300	700	-	-	-	-	-
NSC and Regional Pitches Maintenance	866	866	186	680	-	-	-	-	-
Public Transport - Bus Fleet Replacement 2026-27	1,600	-	-	1,600	-	-	-	-	1,600
Quarry Plant Replacement	5,030	5,030	4,527	503	-	-	-	-	-
Ramsey Shipyard	1,055	1,055	100	955	-	-	-	-	-
Rationalisation of Units in Jurby Ind Estate	198	198	98	100	-	-	-	-	-
Refurbishment of Victoria Pier Linkspan	1,087	1,087	195	760	120	12	-	-	-
Secondary Waste Incinerator	3,000	3,000	2,141	859	-	-	-	-	-
St Ninian's High School Roof	800	800	20	780	-	-	-	-	-
Transport Model	385	385	9	376	-	-	-	-	-
Tynwald Day Accessibility	92	-	-	92	-	-	-	-	92
Variable Message Sign Asset Replacement	286	-	-	286	-	-	-	-	286
Department of Infrastructure Total	126,659	107,110	89,395	27,589	9,418	199	58	-	19,549
Executive Government									
Courts Case Management System	840	840	530	310	-	-	-	-	-
Executive Government Total	840	840	530	310	-	-	-	-	-

*Final costs subject to confirmation and separate Tynwald vote



Discrete Schemes (continued)	Total Estimated Cost £'000	Total Tynwald Approval to 31 March 2026 £'000	Forecast Total Spend to 31 March 2026 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	New Tynwald Approval £'000
The Treasury									
Capital Inflation	17,251	17,251	5,251	2,400	2,400	2,400	2,400	2,400	-
Capital Projects Contingency Fund	35,300	35,300	2,368	8,932	6,000	6,000	6,000	6,000	-
Passports System	1,101	1,101	522	350	229	-	-	-	-
Social Security Transformation	1,259	1,259	681	300	278	-	-	-	-
The Enterprise Financial Systems Programme	3,620	3,120	3,120	500	-	-	-	-	500
Treasury Operational Change Programme	1,666	1,666	1,014	652	-	-	-	-	-
The Treasury Total	60,197	59,697	12,956	13,134	8,907	8,400	8,400	8,400	500
Discrete Total	206,982	176,224	107,166	49,878	22,078	9,972	9,023	8,865	30,758



Rolling Schemes		2026/27	2027/28*	2028/29*	2029/30*	2030/31*	New Tynwald Approval £'000
		£'000	£'000	£'000	£'000	£'000	
Cabinet Office		250	250	250	250	250	250
Small Change Funding		250	250	250	250	250	250
Cabinet Office Total		250	250	250	250	250	250
Department of Education, Sport & Culture							
DDA Works to Department Sites- Construction		225	-	-	-	-	225
MCW - National Sports Centre		340	365	315	-	-	340
MCW - Regional Pools		150	150	150	150	150	150
Department of Education, Sport & Culture Total		715	515	465	150	150	715
Department of Environment, Food & Agriculture							
MCW - Rural Infrastructure		450	-	-	-	-	450
Public Analyst Lab		70	-	-	-	-	70
Department of Environment, Food & Agriculture Total		520	-	-	-	-	520
Department of Health and Social Care							
Asset Replacement Scheme		1,500	1,500	1,500	1,500	1,500	1,500
Strategic Development Fund		350	350	350	350	350	350
Department of Health and Social Care Total		1,850	1,850	1,850	1,850	1,850	1,850
Department of Home Affairs							
Communications Development Programme		749	803	845	845	845	749
Prison Minor Capital Works		450	459	459	459	459	450
Department of Home Affairs Total		1,199	1,262	1,304	1,304	1,304	1,199
Department of Infrastructure							
Climate Change Adaption		4,900	4,900	4,900	4,900	4,900	4,900
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 - Bus		250	250	250	250	250	250
MCW - DfE		150	150	150	150	150	150
MCW - DHA		225	225	225	225	225	225
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 - Footpaths, Bridleways and Green Lanes		700	700	700	700	700	700
MCW - Government Estate		500	500	500	500	500	500
MCW - Harbours		365	365	365	365	365	365
MCW - Highway Improvements		625	625	625	625	625	625

Rolling Schemes (continued)		2026/27	2027/28*	2028/29*	2029/30*	2030/31*	New Tynwald Approval £'000
		£'000	£'000	£'000	£'000	£'000	
Department of Infrastructure (continued)							
MCW - Nobles Hospital (Compliance)		713	713	713	713	713	713
MCW - Nobles Hospital (Plant & Machinery)		620	620	620	620	620	620
MCW - Villa/Gaiety		200	200	200	200	200	200
MCW - Wildlife Park		100	100	100	100	100	100
MCW Housing Planned Works		2,400	2,400	2,400	2,400	2,400	2,400
Rail Network and Rolling Stock		3,000	3,000	3,000	3,000	3,000	3,000
Strategic Highway Refurbishment		4,325	4,325	4,325	4,325	4,325	4,325
Strategic Structural Maintenance		655	655	655	655	655	655
Department of Infrastructure Total		25,829	25,829	25,829	25,829	25,829	25,829
The Treasury							
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
The Treasury Total		10,000	10,000	10,000	10,000	10,000	10,000
Rolling Total		40,363	39,706	39,698	39,383	39,383	40,363
Total - Capital Financing Reserve		206,982	176,224	107,166	90,241	61,784	49,670
							<i>48,406</i>
							48,248
							71,121

* Italics are subject to future annual Tynwald Approval.
 Provided for cash flow projections only.



Completed Discrete Schemes	Total Estimated Cost £'000	Total Tynwald Approval to 31 March 2026 £'000	Total Spend to 31 March 2026 £'000	Underspent from approvals to 31 March 2026 £'000
Cabinet Office				
DOI Network Migration	895	895	895	-
Smart Services	681	681	681	-
Department for Enterprise				
Fibre Optic Network	11,100	11,100	11,100	-
Department of Education, Sport & Culture				
Ballasalla Mobile	300	300	300	-
Department of Health and Social Care				
Radiology Equipment Replacement - MRI	1,700	1,700	1,700	-
Department of Home Affairs				
Sexual Assault Referral Centre	3,383	3,383	3,383	-
Department of Infrastructure				
Ash Dieback Mitigation - Highways	166	166	166	-
Dalmeny Structural Refurbishment	118	118	118	-
East Quay Peel	2,500	2,500	2,500	-
The Treasury				
VIPS - Customs & Excise System Replacement	7,022	7,022	7,022	-
Total - Completed Discrete Schemes	27,865	27,865	27,865	-



Consolidated Loans Fund

CONSOLIDATED LOANS FUND APPROVALS (PROJECTED)							
£'000	Actual 2024/25	Forecast 2025/26	2026/27	2027/28*	2028/29*	2029/30*	2030/31*
Manx Development Corporation							
Working Capital	-	240	240	240	-	-	-
Total Manx Development Corporation	-	240	240	240	-	-	-
Manx National Heritage							
MCW - MNH	117	200	200	200	200	200	200
MCW- Properties	161	200	200	200	200	200	200
Laxey Wheel Repairs - Phase 2	1,125	-	-	-	-	-	-
Accountancy System & Consultancy	45	-	-	-	-	-	-
Total Manx National Heritage	1,448	400	400	400	400	400	400
Manx Utilities Authority							
Electricity	5,749	7,307	10,834	30,950	15,990	5,100	4,050
Energy Transition	30	593	1,129	779	-	-	-
Meter Replacement Programme	1,086	1,207	990	-	-	-	2,250
Regional Sewerage Treatment Strategy 2	668	9,500	10,458	14,642	4,050	-	-
Wastewater	9,146	7,473	6,854	13,708	11,425	9,900	12,000
Water	6,668	8,107	11,140	15,780	8,625	12,425	20,825
Total Manx Utilities Authority	23,347	34,187	41,405	75,859	40,090	27,425	39,125
Total	24,795	34,827	42,045	76,499	40,490	27,825	39,525
				* Italics are subject to future annual Tynwald Approval. Provided for cash flow projections only.			



Non-Central Government Funded

£000	Total Estimated Cost	Total Spend to 31 March 2026	2026/27		2027/28		2028/29		2029/30		2030/31		Further
			2026/27	2027/28	2028/29	2029/30	2030/31						
Manx Utilities Authority (Self-Funded)			2,334	390	-	-	-	-	-	-	-	-	
Jurby Water Infrastructure (funded from the Economic Strategy Fund)	2,724	20,391	3,043	1,956	2,562	2,223	2,138	-	-	-	-	-	
Minor Capital Schemes (non-CLF funded)	32,313												
Total Manx Utilities Authority	35,037	22,725	3,433	1,956	2,562	2,223	2,138						
Isle of Man Post Office (Self-Funded)			50	250	-	-	-	-	-	-	-	-	
Retail Development/Strategy	300	50	355	300	-	-	-	-	-	-	-	-	
POHQ buildings infrastructure	705	50	300	-	-	-	-	-	-	-	-	-	
Solar assets and EV infrastructure	500	200	850	-	-	-	-	-	-	-	-	-	
Automation / enhancements	850	-	850	-	-	-	-	-	-	-	-	-	
Replacement HR system	40	40	-	-	-	-	-	-	-	-	-	-	
Website	50	50	-	-	-	-	-	-	-	-	-	-	
Office improvements	70	-	70	-	-	-	-	-	-	-	-	-	
Other Machinery/Equipment	430	50	100	105	65	110	-	-	-	-	-	-	
Vehicle Replacement Programme	2,558	408	500	550	500	600	-	-	-	-	-	-	
Total Isle of Man Post Office	5,503	848	2,425	955	565	710							

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.

Local Authority Housing - Programmed	Total Estimated Cost £'000	Total Spend to 31 March 2026 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	Further £'000
BRADDAN PARISH COMMISSIONERS Planned Maintenance Programme	3,053	475	-	-	-	-	-	2,578
CASTLETON COMMISSIONERS School Hill/West Hill Redevelopment	23,693	7,559	2,249	2,249	3,459	3,459	2,359	2,359
Planned Maintenance Programme	5,531	-	-	-	-	-	-	5,531
COOIL ROI EPHC (GARFF) Planned Maintenance Programme	615	-	140	-	-	-	-	475
DOUGLAS BOROUGH COUNCIL Willaston External Refurbishment	14,642	1,094	4,793	3,157	3,138	2,366	47	47
Willaston New Apartments	9,624	9,474	150	-	-	-	-	-
Planned Maintenance Programme	13,682	2,281	1,676	475	450	450	450	7,900
ONCHAN DISTRICT COMMISSIONERS Barrule Drive External Refurbishment	3,845	351	1,575	1,050	694	175	-	-
Planned Maintenance Programme	13,057	3,194	1,100	-	-	-	-	8,763
PEEL TOWN COMMISSIONERS Planned Maintenance Programme	12,617	65	1,750	200	-	-	-	10,602
PEEL & WESTERN DISTRICT HOUSING COMMITTEE Planned Maintenance Programme	2,436	425	-	-	-	-	-	2,011
PORT ERIN VILLAGE COMMISSIONERS Planned Maintenance Programme	10,892	-	3,208	2,480	2,300	-	-	2,904
PORT ST MARY VILLAGE COMMISSIONERS Planned Maintenance Programme	3,515	-	-	-	-	-	-	3,515
RAMSEY TOWN COMMISSIONERS Planned Maintenance Programme	12,783	1,347	-	-	-	-	-	11,436
RAMSEY & NORTHERN DISTRICTS HOUSING COMMITTEE Planned Maintenance Programme	1,550	-	92	-	-	-	-	1,458
SOUTHERN SHELTERED HOUSING JOINT BOARD								
FORMER CASTLETON & MALEW EPHC Planned Maintenance Programme - Former C&M EPHC	2,995	209	-	-	-	-	-	2,786
Planned Maintenance Programme - Former MC EPHC	2,175	71	50	50	-	-	-	2,004
ADAPTATIONS Planned Maintenance Programme	700	100	100	100	100	100	100	100
TOTAL LOCAL AUTHORITY HOUSING	137,405	26,645	16,883	9,761	10,141	6,550	2,956	64,469



Local Authority Housing - Submitted and Pending Decision	
BRADDAN COMMISSIONERS	Coronation and Jubilee Terrace - Additional funds
COOIL ROI EPHC (GARFF)	Acquisition of Land
PEEL TOWN COMMISSIONERS	Acquisition of Land
PORT ERIN VILLAGE COMMISSIONERS	Acquisition of Land
RAMSEY TOWN COMMISSIONERS	Acquisition of Property
Local Authority Housing - Pending Submission	
COOIL ROI EPHC (GARFF)	Development of New Sheltered Housing
DOUGLAS BOROUGH COUNCIL	Spring Valley - Enabling Project
	Spring Valley - Redevelopment
	Willaston - Refurbishment Phase 13 /14
	Upper Pulrose Ring - Roofs and retaining Wall Refurbishment
ONCHAN DISTRICT COMMISSIONERS	Springfield Court Refurbishment
RAMSEY TOWN COMMISSIONERS	Close Woirrey / Albert Road Apartments

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APPENDIX 5 – CAPITAL PROGRAMME – DESIGN AND FEASIBILITY

CO-SCREEUYN 5 – CLAARE BUN-ARGIDOIL – CUMMEY AS FONDID

Table 67 – Design and Feasibility

The following schemes have received funding approval to enable 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.

Project Development Fund Approvals	Total Approved	Total Claimed to 31 March 2025	Total Remaining
Department of Education, Sport & Culture			
Castle Rushen School Site Master Plan	3,200	45	3,155
Henry Bloom Noble Teaching Pod	150	5	145
QEII STEM Block	280	95	185
School Site Security	100	-	100
Department for Enterprise			
Central Registry, Civil Registration and Small Registers Modernisations	15	-	15
Department of Health and Social Care			
Manx Care Record	535	171	364
Older Persons Residential & Resource Unit North (Cummal Mooar)	250	19	231
Department of Home Affairs			
Blue Light Hub	145	-	145
Eastcliffe	50	-	50
Prison Expansion	200	-	200
Prison Heating Solution	40	-	40
Department of Infrastructure			
A5 Improvements	11	-	11
Airport Holding Area Extension	200	-	200
Balthane Roundabout, Ballasalla	40	-	40
Bus Terminal at Sea Terminal	150	-	150
Peel Marina Dredging Phase 1B	521	221	300
Peel Marina & River Neb Catchment	395	84	311
Port St Mary High Street	72	-	72
Restricted area security fencing renewal	20	-	20
Turkeylands:			
Strategic Waste Landfill Facility	149	-	149
Asphalt Wastes containing coal tar	158	-	158
Bailed waste contingency storage	91	-	91
West Quay Ramsey	83	-	83
Manx Utilities Authority			
Dispatchable Generation	500	-	500
Onshore Wind	3,795	2,883	912
Solar on the Public Estate	400	-	400
Second Interconnector	630	28	602
Treasury			
Digitisation of Passport, Immigration & Nationality Services (DPINS)	1,159	-	1,159
Total	13,339	3,551	9,788

APPENDIX 6 – CAPITAL APPROVALS

CO-SCREEUYN 6 – BAARAILYN BUN-ARGIDOIL LOWIT

Table 68 – Capital Approvals by Scheme

Discrete Scheme	Tynwald Approval Request £000	Description of Discrete Scheme
Department of Education, Sport & Culture		
National Sports Centre - Athletics Track	899	Refurbishment of the NSC's athletics track to maintain safety standards and support competitive events, including preparations for the Island Games 2029.
National Sports Centre - Bowl Pitch Replacement	848	Replacement of the synthetic pitch at the Bowl to ensure compliance with Football Association standards and improve safety and durability.
National Sports Centre - Plant Replacement	886	Upgrading essential mechanical and electrical plant systems to enhance energy efficiency and maintain operational reliability.
Department of Environment, Food & Agriculture		
Kionslieu Reservoir	2,646	Funding to upgrade Kionslieu Reservoir to modern standards to ensure the health and safety of local residents.
Sawmill Treatment Plant Replacement	400	Replacement of timber treatment plant to enhance production capability, meet environmental requirements and deliver substantial efficiency savings.
Department of Health and Social Care		
Radiology Equipment Replacement - 2026-27	550	Scheduled replacement of significant pieces of diagnostic equipment being operated within the Radiology department.
River Suite Refurbishment	700	Refurbishment of the River Suite to enable co-location of clinical and management staff, improve patient assessment facilities, and enhance safety and service delivery.
Secondary Vacuum Insulated Evaporator	1,273	Installation of a secondary Vacuum Insulated Evaporator (VIE) to protect patient safety, comply with modern healthcare standards, and provide long-term resilience.
Department of Home Affairs		
FRS and Civil Defence Equipment Replacement - 2026-27 to 2030-31	1,522	Planned replacement of firefighting and civil defence equipment to maintain operational readiness and safety standards. 5-year scheme to allow for improved procurement planning.
Police Equipment Replacement - 2026-27 to 2030-31	985	Programme to replace essential police equipment to ensure effectiveness and compliance with requirements. 5-year scheme to allow for improvements in management of procurement strategies.



Discrete Scheme (continued)	Tynwald Approval Request £000	Description of Discrete Scheme
Department of Infrastructure		
Airport Control Tower	335	Planned preventative maintenance schedule and refurbishment of the Isle of Man Airport Control Tower structure and infrastructure.
Airport Terminal Upgrade	660	Funding to carry out modernisation and refurbishment of the Isle of Man Airport structure and infrastructure.
Dalmeny Refurbishment	384	Refurbishment of Dalmeny building to improve functionality and extend asset life.
Fleet - Ambulance Replacement 2026-27 to 2027-28	1,907	Scheduled replacement of the ambulance fleet to ensure statutory compliance and operational resilience. 2-year programme to manage timing risk and supplier lead times.
Fleet - DHA Vehicle Acquisition 2026-27 to 2027-28	4,104	Scheduled replacement of the DHA fleet to ensure statutory compliance and operational resilience. 2-year programme to manage timing risk and supplier lead times.
Fleet - Plant & Vehicle Replacement 2026-27 to 2027-28	10,181	Scheduled replacement of the Government fleet to ensure statutory compliance and operational resilience. 2-year programme to manage timing risk and supplier lead times.
Public Transport - Bus Fleet Replacement 2026-27	1,600	Renewal of buses to maintain service reliability and reduce environmental impact.
Tynwald Day Accessibility	92	Improvements to accessibility infrastructure for Tynwald Day events to ensure inclusivity and compliance with legal duties under the Equity Act.
Variable Message Sign Asset Replacement	286	Replacement of roadside variable message signs to improve road safety and traffic management capabilities.
The Treasury		
The Enterprise Financial Systems Programme	500	This allocation is intended to ensure comprehensive digital transformation and the full implementation of process automation across the Government's financial systems.
Discrete Schemes Total	30,758	



Rolling Scheme	Tynwald Approval Request £000	Description of Rolling Scheme
Cabinet Office		
Small Change Funding	250	Extension of the rolling scheme for a further year of expenditure to fund smaller projects
Department of Education, Sport & Culture		
DDA Works to Department Sites- Construction	225	Works linked to Disability Discrimination Act
MCW - National Sports Centre	340	Minor capital works budget linked to the NSC
MCW - Regional Pools	150	Minor capital works budget linked to the regional swimming pools
Department of Environment, Food & Agriculture		
MCW - Rural Infrastructure	450	Minor capital works budget linked to assets under the management of DEFA
Public Analyst Lab	70	Rolling scheme to support the equipment replacement programme
Department of Health and Social Care		
Asset Replacement Scheme	1,500	Budget to support the equipment replacement programme of smaller department assets
Strategic Development Fund	350	Budget to support the implementation of small scale change projects
Department of Home Affairs		
Communications Development Programme	749	Rolling scheme to support the department's communications equipment and systems
Prison Minor Capital Works	450	Ongoing scheme for minor works required at the Isle of Man Prison
Department of Infrastructure		
Climate Change Adaption	4,900	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
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
MCW - Bus	250	Separation of share of former "MCW - Public Transport" scheme to invest in bus infrastructure and facilities to improve public transport reliability and passenger experience.
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



Rolling Scheme (continued)	Tynwald Approval Request £000	Description of Rolling Scheme
Department of Infrastructure (continued)		
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 - Footpaths, Bridleways and Green Lanes	700	Maintenance and development of the Island's Public Rights of Way and Government-owned public paths in line with recommendations from the Select Committee of Tynwald on Public Footpaths Bridleways and Green Lanes.
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 - Harbours	365	Minor capital works for the upgrade and maintenance of harbour infrastructure.
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.
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 - 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	2,400	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
Rail Network and Rolling Stock	3,000	Merging of share of former "MCW - Public Transport" scheme and "Heritage Rail Budget" for renewal and improvement of rail infrastructure and rolling stock to maintain service quality and operational resilience.



Rolling Scheme (continued)	Tynwald Approval Request £000	Description of Rolling Scheme
Department of Infrastructure (continued)		
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
The Treasury		
Climate Change Mitigation Initiatives	5,000	This budget is held by Treasury and is accessed by Designated Bodies through the Climate Change Board in order to decarbonise the Government estate. This is subject to the published terms of reference in the Financial Regulations.
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
Rolling Schemes Total	40,363	
Total - Capital Financing Reserve	71,121	



APPENDIX 7 – EXPLANATION OF RESERVES

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External Reserves

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.

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.

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Internal Reserves

Academic Business Planning Fund (ABPF)

This reserve allows the Department of Education, Sport and Culture (DESC) to transfer year end underspends into the new financial year, upon agreement with Treasury. This provides DESC with flexibility in its business planning for operations where the financial year does not fit with the academic year.

Agriculture and Forestry Fund (AFF)

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. A further £5 million is being added to this fund for 2026-27.

Contingency Fund (CF)

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. A further £15.5 million is being added to this fund for 2026-27.

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. A further £2.5 million is to be added to this fund for the 2026-27 financial year.

Economic Strategy Fund (ESF)

Established in 2023-24 to support of the Island's Economic Strategy, an initial £100 million was allocated to this fund to support the key objectives of prosperity for people, communities and business, a resilient and sustainable economy and protect, nurture and grow key sectors.

Healthcare Transformation Fund (HCTF)

The HCTF is designed to provide financing for the implementation of healthcare project initiatives that are of a transformational nature. More specifically the fund is being utilised to provide support to the Health and Care Transformation Team with the ongoing process of various healthcare transformation projects. It is intended that any surplus National Insurance receipts due for allocation into the NHS are redirected into this fund to support future projects. A further £5 Million is being added into the fund for 2026-27.

Legal Costs Reserve (LCR)

This reserve provides funding to meet the costs of large and complex legal cases which have placed a strain on the resources of the departments involved agreed and exceptional legal cases. A further £0.9 million is to be added to the fund in 2026-27.

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 £5 million is to be added to the fund in 2026-27 in order to be able to meet future demands.



Seized Assets Fund (SAF)

The purpose of this fund is to enable the proceeds of crimes to be applied to counter criminal activities. The fund is a statutory fund by virtue of 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 £2 million is being transferred to this fund for 2026-27.

Housing and Communities Fund (HCF)

The HCF was established in 2022-23 to support the ongoing work of the Housing and Communities Board including the development of a long-term homelessness pathway and supporting the Housing Agency in its plans to develop more affordable housing. A further £1 million is being transferred to this fund for 2026-27.

Housing Deficiency Fund (HDF)

The HDF was established as part of the 2025-26 budget. The fund is used to fund the ongoing local authority social housing deficiency. Initial funding came from the Department of Infrastructure where this had been situated in previous years. A further £8.5 million is being transferred to this fund for 2026-27.

Climate Change Fund (CCF)

Established in 2022-23 to support climate change initiatives on the Island. In 2023-24 the balance of the Environmental Protection Fund was also transferred here 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 (LPAR)

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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