£50m+
in 5 Years

Quarterly report:

Isle of Man Government Efficiencies and Change Programme

Q1 | April-June 2025

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Minister’s Foreword

Tim Crookall MHK
Minister without Portfolio

The pursuit of efficiencies has long been a priority for governments around the world—not just in terms of reducing costs, but in improving productivity and service delivery. The Isle of Man Government is no exception. At the heart of this drive is a clear expectation from our community; that public services should be high quality, easy to access and navigate, and delivered in a way that makes sense from the user’s point of view—all without continual growth in the number of public servants or the overall salary bill.

For Isle of Man Government, the concept of efficiencies is not new. Over the past decade and during the last four years of this administration, a number of successful projects have delivered real results, generating cost savings, avoiding future expenditure, and improving services for the public.

What is new is the pace and scale of change. The world is moving faster, with emerging technologies such as AI developing at speed, we must be ready to embrace their potential, not only to modernise how we work, but to transform how that is delivered.

For the first time, we are also seeking to make this work more visible. Through resources such as the Overview of the Public Service Workforce report and this quarterly update, we are committed to being open about progress, challenges and the impact the Programme is having as we accelerate change.

We have invested in strategic resource, consolidating, accelerating and developing our skills, both existing and new to effectively deliver towards this Programme.

Through a dedicated project and change team, a clear oversight structure through the Operational Performance and Change Board, which includes our Non-Executive Directors, and well-defined areas of focus, we have the structure and momentum to drive sustained progress.

The reality is that standing still is not a viable option. Across every part of our public service, we know there are frustrations, not just from customers, but also our own staff where they see inefficient processes and outdated approaches.

The purpose of the work we are doing is not only to generate savings, but give better outcomes for the public and improve how we work in order to focus on the things that matter most, to our community and our staff.

The next formal update on the Programme will be delivered at the 2025 Government Conference, where we will share more detail on each of the pillars and our progress towards achieving our £10+ million ambition for this financial year.

We are still in the early stages of this journey, much will evolve, such is the nature of real change. But this Programme allows us to stay focused, stay open, and keep moving forward. This work is not a one-off, it is about embracing new ways of thinking and working that will outlive this Programme - real tangible improvements for the benefit of everyone in the Isle of Man.

If we are bold, if we work together, and if we keep our eyes on the outcomes that truly matter to our community, then we will build a public service that is not only fit for today, but ready for tomorrow.

About the £50m in 5 years: Efficiency Programme

The initiation of the Efficiency Programme was announced by the Chief Minister at the 2024 Government Conference, where he set the challenge of delivering at least £10 million in savings and efficiencies, excluding healthcare, in partnership with the Operational Performance and Change Board.

This represents part of a broader effort to achieve at least £50 million in savings over the next 5 years, targeting the “how” of service delivery rather than the “what” — aiming to simplify services and make them more efficient for both the public and the government itself.

All Departments are having to do more with less and our staff across the public service are pivotal to effective change. This Programme is an important enabler helping Departments come within budget as well as deliver services increasingly efficiently.

Manx Care’s Cost Improvement Programme is a similar initiative running in parallel, and an update on that Programme is included in Appendix 1 for information.

The aim of the Programme is to deliver real, tangible savings that are visible and measurable to the public, framed by five core pillars — Digital, Contracts, Assets, People, and Services.

In conjunction with these five pillars, work is also underway at a Department-level, and through recommendations from the staff suggestions scheme which help to generate more efficient ways of working for members of the public service. At the end of June, over 80 suggestions had already been received.

Central teams have been leading efforts to understand and address the specific challenges within each of these pillars, with a commitment to simplifying processes and making better use of available resources.

A set of guiding principles has been established, which will direct our approach, ensure alignment with long-term goals, and help measure progress, focusing on delivering real value and operational efficiency throughout the Programme.

Our Programme Principles

The following five principles are kept in mind and guide our approach to enabling meaningful efficiency change.

Sustainable

Focused on long-term solutions that avoid future costs and short-term fixes.

Responsible

Aligned with the Island Plan, ensuring positive economic, social, and environmental outcomes.

Real

Targeting genuine, measurable savings, with cost avoidance and productivity also reported.

Transparent

Quarterly reports will be introduced, ensuring visibility and accountability in Management Accounts.

Enabling

Supporting Departments in overcoming challenges, empowering staff to drive progress.

The Programme will continue to evolve and adapt over the next five years to meet the needs of the public service and the Isle of Man as a whole.

Five priority areas for action

The five pillars — **Digital, Contracts, Assets, People,** and **Services** — were selected following a number of internal workshops as the core focus areas for the Efficiency Programme and represent the key drivers of both cost savings and operational improvement across government.

The continued input of our people continues to shape this Programme, not just in terms of focus areas, but how we approach the work to ensure it is grounded in insight and practical experience.

These pillars give us a clear base case and a reason for change acting as a catalyst for work that, in many cases, is being done for the first time.

This includes a full service-by-service review, a spans and layers review to better understand how the organisation is structured, and a renewed focus on system-wide digital capability, particularly as the pace of technology evolution in areas such as AI offer real opportunity.

Government currently operates over 1,200 systems, and this Programme gives us the opportunity to better understand the art of the possible, identifying where duplication can be reduced, tools modernised, and delivery improved.

By concentrating efforts on these fundamental pillars, we aim for the Programme to be delivered through a balanced and strategic approach that spans the full spectrum of government activity, from technology adoption and resource management to workforce optimisation and service delivery.

This is a comprehensive yet targeted effort to drive long-term change and deliver tangible savings and efficiencies for the benefit of all Island residents.

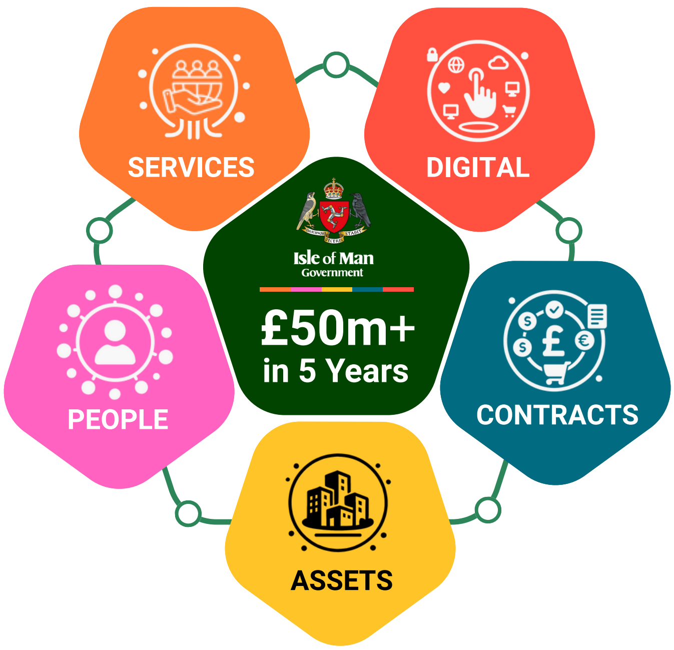
A government-wide priority

Eight Government Departments with the core ambitions of the Efficiency Programme embedded in their Department Plans.

Five priority pillars for action

1. **Digital**
2. **Contracts**
3. **Assets**
4. **People**
5. **Services**

Organisation-wide suggestions Programme bolstered by a wide-reaching suggestions scheme for practical improvements.



Programme at a glance

£50m+ in 5 Years

The purpose

To improve how government works so that public services are **simpler**, **faster**, more **cost-effective** and **better for everyone** in the Isle of Man.

The tangible ambition

To achieve a minimum of

£10m

in efficiencies and savings by the end of 2025-26.

To achieve a minimum of

£50m

in efficiencies and savings over the next five years.

The why

The community has a clear expectation for government services to be **simple**, **reliable** and **built around their needs**.

Change isn't always easy, but **doing nothing will cost us more** over time. We need to keep moving forward and take action.

By **investing in change** now, we're building a smarter, more sustainable government and **protecting future services**.

The how - our priority areas for action

- **Digital:** We are modernising how we work by accelerating digital delivery and replacing outdated systems through harnessing digital tools and AI, resulting in improved public services that are efficient, cost-effective, and accessible to all.
- **Contracts:** We are strengthening procurement in order to get better deals, reduce duplication, and ensure our contracts deliver maximum public value.
- **Assets:** We are making smarter use of government buildings and assets, disposing of those surplus to requirements, reducing maintenance costs, improving workplaces and reinvesting where it matters most.
- **People:** We are empowering staff with the tools, training and systems to deliver more sustainably, slowing workforce growth through redesign.
- **Services:** We are rethinking how services are delivered to reduce duplication, improve user experience, and deliver more with less.
- **Supported by** organisation wide suggestions and a centralised Programme management office to ensure every Department identifies and delivers on these initiatives within the broader Performance Management Framework.

Isle of Man Government

£50m+
in 5 Years

This quarter highlights

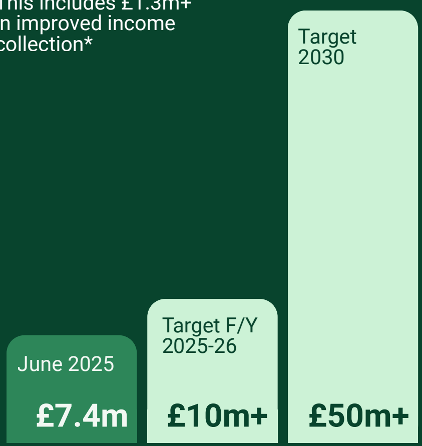
Q1 2025-26
April - June 2025

This quarter in numbers

Total financial benefits identified

£7.4m

This includes £1.3m+ in improved income collection*



Projects completed

Over the lifetime of the Programme

6

Projects in progress

Across all pillars of the Programme

96

Projects identified

Including projects planned, in progress and completed

102

Staff suggestions

Received and triaged into Departments

80+

Expected return on investment

From **three approved business cases** over five years

£15.6m

Programme investment

Spent to date (end of June 2025)

£272.3k

**Improved income collection reflects opportunities to better capture income that it already eligible for collection, not raising fees or charges. This could include improved utilisation of empty assets or improved debt recovery.*

Project progress grid

There are 100+ individual projects and actions being undertaken across the organisation in support of the ambitions of this Programme. This page aims to summarise the core projects which have been significantly progressed over the quarter, as well as those which are focus areas for the upcoming quarter.

Progress this quarter

During this quarter, initial efforts have focused on establishing the Programme management structure, alongside the identification and validation of initiatives emerging from the Programme development process. Work has also progressed on enhancing the tracking of projects and their associated benefits. These activities are being undertaken with a view to providing, in future reports, an improved breakdown of initiatives by Department, including those that are actively progressing.

Project	Status	Project Overview
Digital		
Microsoft Co-Pilot AI Trial	Complete	Giving the public service access to Co-Pilot means faster, smarter working – early results show it can save at least 30 minutes a day per user, reducing admin and increasing productivity.
Rapid Application Teams scaling up	Complete	Team to deliver first waves of digital projects now in place.
Gov.im replacement	Ongoing	A new and improved search functionality has been implemented enabling people to find relevant information more easily; alongside the initiation of a website replacement project.
Drivers and vehicles new approach	Ongoing	The initial phases towards the digitisation of all driving and vehicle services have been defined, paving the way for faster, simpler, and more convenient access for the community, eliminating the need for paper forms, reducing waiting times, and enabling secure access to services anytime, anywhere.
Central Registry process digitisation	Complete	Additional services for company administration brought online, making the process simpler and faster for customers and reducing admin required.
Contracts		
Centralised Contract Register	Complete	Bringing all government contracts into a single, central place providing a clearer view of cross-government spend helping us drive better deals, and deliver greater value for the public.
Renewed telecoms contract	Complete	Renewed contract is able to deliver significant savings for an organisation-wide service.
Automated checks	Ongoing	Initiate project to automate debtor checks in the procurement process before contract allocation, saving time and increasing debt recovery.
Assets		
One Government Estate	Ongoing	Project launched to enable better oversight and informed decisions about government buildings, aiming to reduce costs, improve workplaces, and make smarter decisions about how space is used across the estate.
People		
Recruitment Control Framework	Ongoing	Continued delivery to ensure recruitment is sustainable and aligned to real need.
Quarterly Reports: Size of the Public Service	Ongoing	Continued to publish quarterly reports on the size of the public service to increase transparency, giving a clear picture of how the workforce is changing.
Removal of paper payslips	Complete	Completed the organisation-wide transition to digital payslips for staff, delivering agreed savings of £13,000 per year in paper and postage costs. Work to address remaining groups receiving paper payslips is ongoing, with a further £114,000 in potential benefits identified.

Services		
Service by service reviews launch	Complete	Workstream launched and on target to identify long list of service reviews in August 2025.
Staff Suggestions Scheme launch	Ongoing	Launched for the entire organisation to share ideas and help find practical ways to improve and deliver better outcomes, with over 80 received by the end of June 2025.

Focus areas: Next quarter

Project	Status	Project Overview
Digital		
Identify, target and improve "volume processes" and customer priorities with digitisation	Ongoing	Helping us make services faster, easier to use and more efficient.
Contracts		
Formal review of priority contracts	Ongoing	We are reviewing the highest-value contracts across government to ensure they're delivering the right level of value, strengthening accountability and improving outcomes.
Automated checks on statutory debts	Ongoing	Focus on completion of this project which will enable faster identification and recovery of money owed reducing manual processes, improving compliance, and protecting public funds.
Assets		
Single Asset Register	Ongoing	A single assets register will give us a complete view of what government owns enabling us to manage property and resources more strategically.
Review of large assets	Planned	This will help us identify underutilised or high-cost properties, enabling us to make better decisions about maintenance and reinvestment.
People		
Spans and layers review	Ongoing	We are reviewing management spans and layers, giving us a clearer picture of how we are structured so we can improve efficiency and decision making.
Organisational training for change	Planned	Delivering training across government in change planning and management to deliver reform successfully.
Services		
Service by service review	Planned	To initiate first wave of 3-5 service review projects by September 2025.
Digital Processing Centre	Planned	Digital Processing Centre proof of concept to be tested, aimed at streamlining admin tasks, enabling faster and more consistent services across government.

APPENDIX 1

Manx Care's Cost Improvement Programme (CIP)

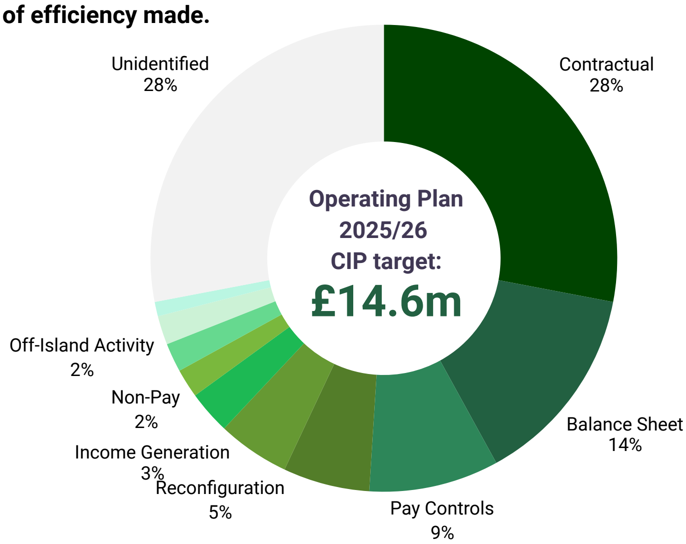
Outside of the Efficiencies Programme, Manx Care has its own Programme of efficiencies and cost savings, the Cost Improvement Programme (CIP) which is mandated each year by the Department of Health and Social Care.

The savings and efficiencies made via the Manx Care CIP does not count towards the Efficiencies Programme target of at least £50m in five years, but a quarterly highlight will be provided below for context on progress.

Manx Care is required to make 2% Efficiency (£7m) however, within it's operating plan is aiming to achieve £14.6m. So far, £10.96m Efficiency has been identified, and £2.6m has been achieved in Q1.

The 2024/25 financial year saw £11.7m of efficiency made.

- Top 5 CIP savings target by category:
  - Contractual £4.1m (28%)
  - Pay controls £2.1m (14%)
  - Workforce planning £1.3m (9%)
  - Reconfiguration £0.9m (6%)
  - Income generation £0.8m (5%)



Successfully completed schemes:

- **Summerhill View** – implementing an outsourced commissioning model in Social Care which has resulted in savings on the previous directly delivered provision model.

- **Medicines Optimisation** - switching patients to biosimilar medicines as a cost-effective measure to increase access to biological treatments, while maintaining therapeutic benefit and safety.

- **Ward Reconfiguration** – the Intermediate Care Service rehabilitates people to help them accommodate illness or disability by learning or relearning the skills necessary for daily living. The rehabilitation is provided within the person's own home and community resulting in reducing the requirement for hospital beds.

Further savings anticipated in 2025/26

- Adoption of 'Getting it Right First Time' (GIRFT) principles and models of working to deliver rapid clinical transformation of patient pathways and working to reduce unnecessary follow-up outpatient appointments and to improve access and waiting times for patients.
- Work to repatriate tertiary activity to on Island services with work being progressed in Ophthalmology and Cardiology services.

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£50m+ in 5 Years

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