

2020-2021 Budget in Brief

29th January 2020

'Looking now to the future':

- Council in a sound financial position to face new challenges
- Prudent budget, maintaining service provision
- Further capital investments to enhance service delivery
- Reduction in Council membership from 18 to 12 Councillors

Summary:

- **Rate rises 11 pence to 444p in the pound. An increase of 2.5% from 2019-20:**
- Council having to assume Public Service Commission pay award of 2.75% - 8.4 pence impact
- Cost of compliance with Equality Act Single Status – 4.3 pence impact on 2020-21
- Energy From Waste Plant gate fee increase – 0.7 pence impact
- £100,000 loss of rates income provision due to Douglas Promenade scheme – Treasury requested to establish a rebate scheme with grant funding to Council
- Budget reductions of £315,000 to help restrict rate increase to sustainable level
- Public car parking charges frozen for 2020-21 across all Council operated car parks
- Avoidance of planned increase to Pension scheme employer contributions
- Use of reserves to support capital programme
- Small contribution back into reserves (£9k)

Housing:

£18m 2020-21 budgeted social housing capital programme. Major investments (subject to petition approval to be received from DoI):

- Major development 66 flats on Peel Road
- Development of 49 two-bedroom flats in Willaston
- Phase 1 of Spring Valley refurbishment scheme
- Continuation of 10-year £33 million external refurbishment of Willaston

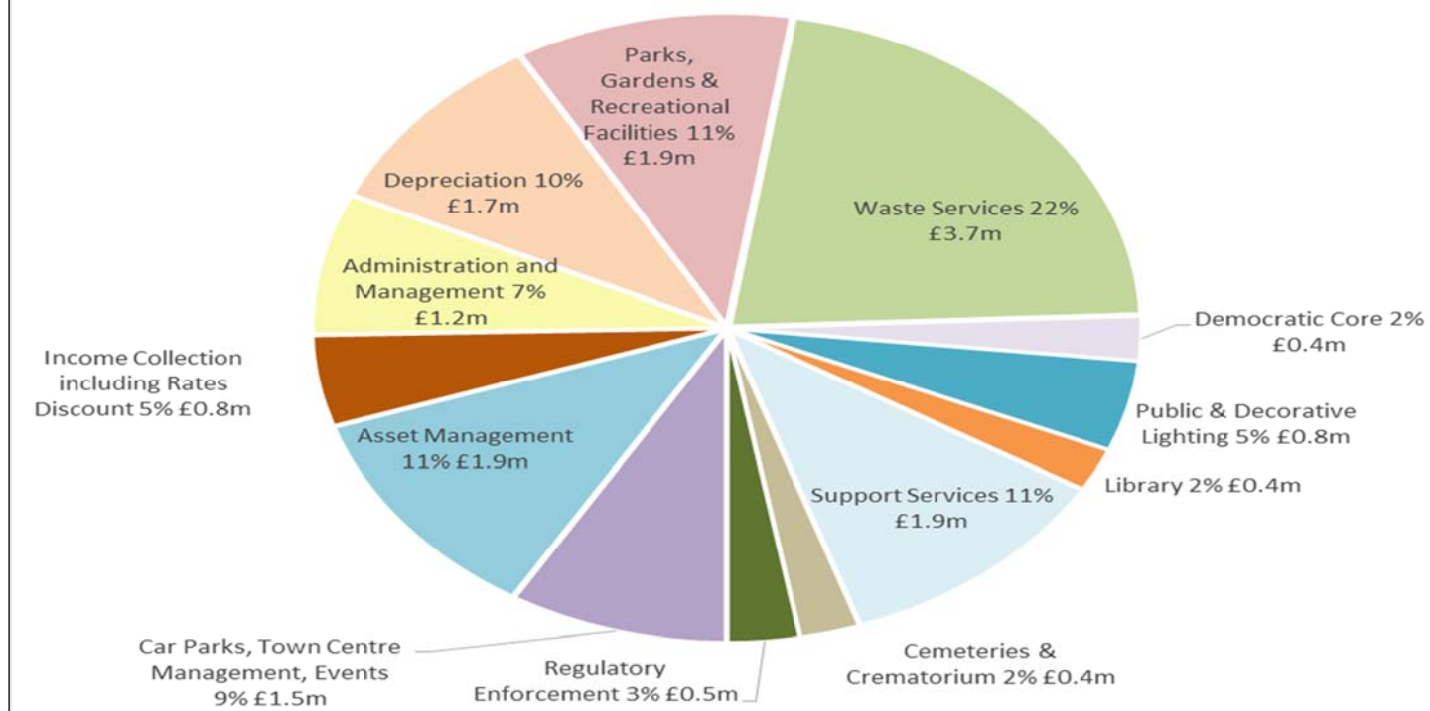
Budget reductions:

Over the term of the present Council more than £3.2 million in savings achieved. For 2020-21 £314k budget reductions, including:

- £55k Public lighting energy and maintenance costs savings mainly due to LED conversions;
- £44k savings in professional fees costs.
- £35k improved income position for Shaws Brow Car Park;
- £29k Staffing cost savings due to efficiencies and reduction in overtime costs;
- £57k reduction in borrowing costs;
- £95k other miscellaneous savings and other budget reductions benefiting rate for 2020-21.



Budgeted Gross Non-Housing Revenue Expenditure 2020/21



Investments in Capital Assets:

- £1m capital programme new investment upgrade in Borough's public lighting assets

Also, to be funded from reserves, in particular capital receipts, in 2020-21:

- New clubhouse/changing rooms at Pulrose playing fields, subject to Football Foundation grant funding approval
- 9-hole crazy golf course at Nobles Park
- Additional facilities for Splash Zone water play area at Nobles Park
- Investment in key vehicle assets, including 2 new kerbside collection vehicles, with cardboard recycling collection facility
- New signage for town centre and parks and gardens
- ICT hardware and software enhancements

Challenges:

- Prospect of rates rebates awarded for properties directly affected by the Douglas Promenade Scheme. Council to work with Treasury to secure rebate scheme with backing of Tynwald
- Implementation of Equality Act 2017 through changes to pay structure and review of staffing terms and conditions
- Development of the Council's response to Government's declaration of the Island's climate change emergency
- Potential threat to Douglas town centre as a result of Area Plan for the East Inquiry's recommendation for release of land for new development (Cooil Road) just outside Douglas boundary
- Need to secure petition approval for key much-needed social housing developments

Full Annual Review and Presentation of the Budget may be viewed and downloaded at www.douglas.gov.im