

Douglas Borough Council sets 2021-22 rate levy set at 451 pence

Following a Budget debate held by Douglas Borough Council on 28 January, 2021, the Douglas rate levy for the 2021-22 financial year has been set at 451 pence, an increase of 1.6 per cent over the previous year.

Delivering his annual review and presentation of the budget, Council Leader Councillor David Christian MBE JP said that in setting the rate, the Council had been sensitive to 'the real economic uncertainty and hardship' being experienced by ratepayers as the Island continued to be affected by the fallout from Covid-19.

In his opening remarks he praised the government's swift and decisive action and the 'unbreakable national spirit of the people of the Isle of Man' that had so successfully helped to manage the impact of the greatest public health emergency the Island was facing, referring to it as 'a national emergency that demands a national effort'.

Councillor Christian recognised the support of Members, officers and staff during the lockdowns then made special mention of the Council's frontline workers for delivering essential services at the same time as coping with constantly changing emergency measures.

Covid-19 had exacted 'a heavy toll' on the Council's finances, Councillor Christian said, adding that the negative impact, while significant, had proved 'less than predicted and, crucially, manageable'. He went on to attribute the Council's less adverse than predicted financial situation to the vast majority of Douglas ratepayers, tenants and other customers 'playing their part by continuing to make regular payments', thereby providing 'dependable' income streams.

Illustrating the point, he said that at the end of December 2020 the rate collection rate stood at 94.6 per cent, just 1.1 per cent below target, adding that there was 'every indication' that the collection rate might exceed 99 or even 99.5 per cent by the end of the 2020-21 financial year.

He then urged customers experiencing difficulty in paying their rates or rent to contact the Council's housing officers without delay so that affordable payment plans could be set up. He said legal action was only ever 'a very last resort', adding: 'Conversation not confrontation is always the Council's preferred approach'.

Loss of car park income had been a significant factor in the rate-setting process. For April to December 2020 income from Shaw's Brow and the Bottleneck car parks – where pay-as-you-go charges had been suspended during the lockdown - was £151,000 below budget, although originally the shortfall had been estimated at £280,000.

Charges were waived again during the January 2021 lockdown - which was predicted to lead to a loss of £28,000 - and would be frozen for the 2021-22 financial year.

Councillor Christian went on to say that car parks the Council operated and owned had to be self-financing, which was why Drumgold Street and Chester Street car parks had been handed back to the Department of Infrastructure in August 2020. He said: 'Had the Department agreed to waive the £1.3 million licence fee last year, or at the very least afforded the Council a temporary suspension during the 2020 Covid restrictions, then we would still be operating Chester Street and Drumgold Street car parks to the benefit of local retailers and shoppers.'

Expanding on the financial implications he said: 'The pre-Covid budgeted surplus from Drumgold Street and Chester Street car parks for 2020-21 was £123,000. Handing back these two car parks automatically impacts the 2021-22 rate by the same amount.'

Councillor Christian added that running car parks was 'a local authority function, not a matter for central government.'

The 'Covid effect' had adversely affected the Council's finances in a number of areas.

The decision to cancel the commercial rent increase for 2020-21 had cost in the region of £93,000; cancellation of the 2020 TT and Festival of Motorcycling had led to £54,000 in lost income; and a further £54,000 had had to be allowed for to account for lost income caused by the cancellation of the 2021 TT and possible cancellation of the Festival of Motorcycling.

The Council had also had to meet additional expenses amounting to around £71,000. Among other items this was to cover higher tonnage levels of domestic waste during the 2020 lockdown leading to additional gate fees at the energy from waste plant; extra cleaning regimes as coronavirus risk mitigation measures; personal protection equipment and procuring extra ICT resources to facilitate home working.

Other pressures on the Council's finances included a £24,000 increase in gate fees at the energy from waste plant from April 1, 2021 and £42,000 budgeted to provide for a possible pay award increase in the eventuality of one being proposed by the government's Public Services Commission in due course.

Councillor Christian said that the Council's finances had, however, 'rallied' to some extent, citing examples of better than anticipated income from building control services, commercial trade waste collections and Douglas Golf Course. That the golf course had performed so well was, he said, 'testament to our greenkeeping team who provided essential maintenance so that when restrictions were lifted the course was readily playable.'

Turning to retail activity in Douglas, Councillor Christian said the maxim 'think local' had been more important as high streets struggled to recover and adapt, adding that Douglas town-centre footfall for December 2020 was only 5.8 per cent lower than in 2019, whereas in the UK December 2020 footfall was only 50 per cent of the previous year.

Turning to the redevelopment of Douglas promenade Councillor Christian said that despite the uncertainty surrounding the scheme's completion date, the Council's commitment to the project remained 'unwavering'. To this end it would be investing £900,000 for a bespoke lighting scheme the length of the promenades; £140,000 to resurface the 'cut-through' sections between the promenade walkway and the roadside pavement to tie in with the Department of Infrastructure's works and £85,000 for lighting in the proposed cultural area.

Moving on to the Area Plan for the East Councillor Christian said that although it was not perfect it sought largely to protect greenfield and identify future use of town-centre brownfield sites. He went on to say: 'Too many brownfield sites in Douglas are currently serving as car parks – often without planning permission. These sites are less car parks, more neglected, derelict patches of land that drag the town's image down. Ridding Douglas of these wastelands will unlock the potential for building fit-for-purpose multi-storey car parks and developments that will boost the local economy.'

Referring to the island's mission to transition to net-zero emissions by 2050 he said the Council fully supported the government's climate change agenda and was committed to reducing its carbon footprint.

The Council had invested in a fleet of five new Euro-6 compliant refuse collection vehicles and had commissioned a Carbon Trust study to determine its future environmental strategy.

He went on to say that as the Island's largest housing authority, Douglas believed there was 'urgent need' for government to bring clarity and direction to local authorities so that they could put in place sustainable green policies, especially in matters of new-build social housing and building performance.

'Carbon reduction comes at a cost' said Councillor Christian, urging government to work with local authorities to establish the foundations for a green agenda to 'create fit-for-the-future low-carbon' social housing.

Staying with housing, he said the £12.8 million Peel Road development of 66 apartments being built in partnership with the Department of Infrastructure was part of a £21.7 million budgeted social housing programme for 2021-22, together with a development of 48 two-bedroom apartments in Willaston, where a 10-year £33 million external refurbishment scheme was proceeding and where a redevelopment scheme for Spring Valley was in the capital programme, subject to petition approval from the Department of Infrastructure.

Turning to a new location for the civic amenity site, Councillor Christian explained the current site was no longer fit for purpose and that the lease agreement with the Department of Infrastructure was coming to end and that the site was no longer 'fit for purpose'. A new location in the Richmond Hill area was under consideration and would be an asset owned by the local authorities of Douglas, Onchan, Braddan, Garff and Santon.

Despite the challenges Covid-19 continued to pose, the Council had achieved growth. This included an additional £50,000 in the property maintenance budget and an extra £15,000 in the public events budget.

In addition, a number of major schemes had been reinstated in the capital programme to be funded from reserves to ease the pressure on the rate. These included £60,000 for additional water play equipment for Noble's Park Splash Zone; a £36,000 three-year programme to create a perimeter pathway around Douglas Golf Course to link in with the active travel route being developed by the Department of Infrastructure and for the 2022-23 financial year, a scheduled commitment of £135,000 to build a nine-hole crazy golf course in Noble's Park.

And, in tandem with growth items, savings and budgets reductions had been achieved, amounting to almost £300,000.

In closing, Councillor Christian said that given the events of the past 11 months setting a standstill rate for 2021-22 'was never going to be a possibility. He continued: 'I am very proud that over the five years of this Council, in the face of some very volatile headline local inflation rates, and also significant external cost pressures, this administration has managed to keep its own rate increases to a very reasonable level. Whilst the last five years since 2017-18 have seen an average increase in the rate of Manx RPI of 4.1 per cent, rate increases have averaged 2.3 per cent, almost in line with CPI at 2 per cent.'

The new rate levy of 451 pence, an increase of 1.6 per cent over the previous year was, he said, 'in recognition of the real economic uncertainty and hardship many of our ratepayers are experiencing.'

A full version of the Annual Review and Presentation of the Budget for the 2021-22 financial year is available to download from douglas.im