

2021-2022 Budget in Brief

28th January 2021

'Douglas Hitting the Ground Running':

- Council in a sound financial position in spite of COVID-19
- Prudent budget, maintaining service provision; investing in existing asset infrastructure
- Renewal of refuse collection fleet with 5 new vehicles at EURO 6 standard (latest in carbon emission reduction technologies), financed through lease
- Purchase of a number of Compressed Natural Gas (CNG) fuelled vehicles, significantly reducing carbon footprint of Council vehicle fleet
- Future funding for community public events secured
- Further capital investments to enhance service delivery
- Reduction in Council membership from 18 to 12 Councillors
- New Invest to Save Fund with injection of £100k during 2020/21 (available for carbon reductions schemes that generate revenue savings).

Summary:

- **Rate rises 7 pence to 451p in the pound. An increase of 1.6% from 2020-21:**
- Compares with 2.7% Manx RPI
- Loss of £123k budgeted surplus from Drumgold and Chester Street car parks following surrender of operating licence to DoI (due to Covid-19) – 1% impact on the rate
- Council providing for possible rateborne £42k Public Service Commission pay award of 0.5% – 0.4% rate impact
- £24k Energy From Waste Plant gate fee increase – 0.2% impact
- £23k impact of TT cancellation – 0.2% impact; further potential impact if FoM/MGP cancelled requiring funding from reserves also
- Budget reductions of £295k to help restrict rate increase to sustainable level
- Public car parking charges and most other fees and charges frozen for 2021-22
- £50k p.a. additional revenue budget funding for operational asset maintenance
- Additional £15k p.a. revenue funding commitment to secure public events such as Christmas lights ceremony and Fireworks display.
- No increase to Pension scheme employer contributions
- Use of reserves to support capital programme

Savings and other budget reductions:

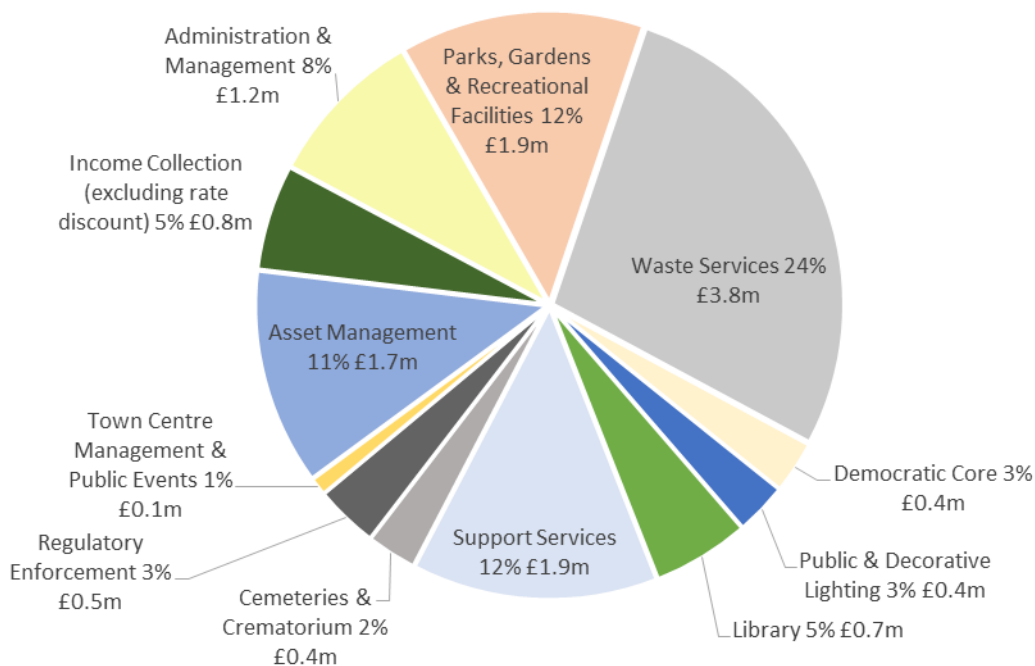
Over the term of the present Council more than £3.8 million in savings achieved.

For 2021-22 £295k budget reductions, including:

- £73k Public lighting and other electricity cost savings mainly due to LED conversions;
- £17k savings in professional fees costs.
- £20k Staffing cost savings due to efficiencies and reduction in overtime costs;
- £82k reduction in borrowing costs, through use of reserves;
- Over £100k other miscellaneous savings and other budget reductions benefiting rate for 2021/22.



Budgeted Gross Non-Housing Revenue Expenditure 2021/22



Investments in Capital Assets:

- New Eastern Civic Amenity Site development, in association with other Eastern local authorities
- Crazy Golf Course project for Nobles Park (due to commence 2022/23)
- £0.8m capital programme new investment to upgrade Borough's public lighting assets

Also, to be funded from reserves in 2021-22:

- Promenade pedestrian routes resurfacing works, linking Walkway to highway
- New clubhouse/changing rooms at Pulrose playing fields funded from capital receipts (subject to grant funding to come from Football Foundation)
- New investment into LED lighting installation in Town Hall, and Operational Services Centre, funded from Invest to Save Fund
- Perimeter active travel and leisure track around Douglas Golf Course
- Additional water features for Nobles Park "Splash Zone"
- Nearly £250k investment into ICT infrastructure
- Over £400k investment in key vehicle assets
- New signage for town centre and parks and gardens
- New Nursery greenhouse boiler and polytunnel enhancements
- New compostable toilet facility for Douglas Golf Course

Housing:**£21.7m 2021-22 budgeted social housing capital programme. Major investments (subject to petition approval to be received from DoI):**

- Completion of major development 66 flats on Peel Road
- Development of 49 two-bedroom apartments in Willaston
- Continuation of 10-year £33 million external refurbishment of Willaston

Also:

- Additional welcome one-off boost of £105k social housing rents income ring-fenced for additional revenue maintenance

Challenges:

- Ongoing impact on local businesses and residents of Douglas Promenade Scheme works; Ongoing and longer term impact on local businesses of COVID-19, not least the town centre hospitality sector
- Impact on town centre retail environment from changes to consumer shopping trends, the decline of UK national chain stores;
- Development of the Council's response to Government's declaration of the Island's climate change emergency;
- Potential inflation and supply-chain threats from UK leaving EU;
- Need to secure petition approval for key much-needed social housing developments, not least the Spring Valley redevelopment.

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