

Minutes of the ordinary meeting of the **ONCHAN DISTRICT COMMISSIONERS** held in the Boardroom, Hawthorn Villa, 79 Main Road, Onchan, on Monday 14<sup>th</sup> January 2019 at 6.30 p.m.

**Present:** Mr. M. Macfarlane (Chairman)  
 Mr A. Allen (Vice-Chairman)  
 Mr J. Cherry (Lead Member for Properties and Amenities)  
 Mr D. Crellin (Lead Member for Environmental and Technical Services)  
 Mr C. Quirk

Mr R. Turton (Lead Member for Finance and General Purposes)

**Apologies:** Miss K. Williams

**In Attendance:** Mrs L. Radcliffe (Chief Executive/Clerk)  
 Mrs S. Johnson (Finance Manager)  
 Mr B. Price (District Surveyor)  
 Ms A.S. Dentith (Senior Administrator)

**C19/01/02/01**  
**RATE SETTING 2019/20**

The Chief Executive/Clerk and Finance Manager gave a power point presentation to the Board.

In answer to comment, the Finance Manager clarified what items made up the total income of the Authority.

Members considered the previously circulated documents in respect of the Authority's income and expenditure for the current financial year, proposed additional expenditure and proposals for the rate for the coming year.

A number of queries were raised and answered as follows:-

- Increase in budget to include the rolling replacement programme of 10 street lights per year on top of the annual maintenance budget.
- Annual increase of salaries of 2.5% and 1% increase in pension cost. Brief discussion ensued with regard to employees being opted back in to the pension scheme which will have a potential impact of 3.7%.
- Amount of new income generated from Port St Mary Refuse Contract.

The Lead Members for Finance and General Purposes explained that there is an increase in costs for the Authority:-

- 3.2% inflation rate
- 5.8% increase on waste disposal at the Energy from Waste Plant.
- Inclusion of budget for 2020 election year.

The rate is currently set at 312p in the pound, and equates to 1.6% rise over the last three years. Unfortunately, the Authority cannot absorb all <sup>[amended by ODC 21/01/19]</sup> the costs without increasing the rates.

Discussion ensued with regard to high ticket items and possible funding streams.

The Finance Manager advised that there was a delay in the signing off of the annual accounts.

In answer to comment, the Lead Member for Finance and General Purposes advised that the average costs had increased by 9.1% and an uplift in rates is necessary to cover projected deficit.

In answer to comments, the Chief Executive/Clerk advised that a meeting with the Department of Infrastructure was due to be held next week. <sup>[amended by ODC 21/01/19]</sup>

There was a brief exchange of views with regard to the voids expenditure. The Chairman advised that the Board had been updated on the position.

The Lead Member for Finance and General Purposes advised that the housing income and expenditure streams are not taken into account for consideration of the district rates.

Mention was made with regard to the rental increase for social housing tenants of 3.24%.

The Lead Member for Finance and General Purposes stated that any increase on the rates would still be less than the 9.1% average increase. The Board has to be prudent in its financial management, and the officers are being stringent. If the rates are held at the current rate, this may have an implication of a hike in the rate for the following year.

In answer to comment, the Lead Member for Finance and General Purposes stated that savings were being achieved throughout the Authority, but there will be a point reached where there are no more to be made unless services are cut.

It was agreed that monies should be used from the reserve fund to reduce the amount of rate increase required to a break even position.

The following items were approved to be funded, on the proviso that final quotations were subject to Board approval:

- Waste Management
  - Refuse Wagon – Agreed that tender process be completed and that a loan be used to finance the purchase. It was pointed out that loans would require government approval.
- Onchan Park
  - Lift Installation – Views Restaurant. Agreed to installation and to be funded from reserves.
  - Fire System Update. Agreed and to be funded from reserves.
- Parks and Open Spaces
  - Wood chipper purchase – Agreed and to be funded from reserves.

Discussion ensued with regard to the sharing of the pick-up truck which had been purchased the previous year. The District Surveyor advised that this was not practical during the summer months. The District Surveyor to investigate leasing options.

In answer to comment, the District Surveyor advised that there were currently:-

- Refuse Department
  - 4 Large Refuse Wagons
  - 1 Small Refuse Wagon
  - 1 Pick-Up Truck
  - 1 Pavement Sweeper
- Parks Department
  - 2 pick up Trucks
  - 1 Van
- Municipal Vehicles
  - 2 cars

The Lead Member for Finance and General Purposes proposed:

- £50,000 be taken from reserves to supplement the rate increase
- 2% increase of the rate at 318p in the pound.
- The installation of the lift, fire alarm upgrade and purchase of a wood chipper would be funded from reserves.
- Purchase of a refuse truck through a loan option. The process would take between 6 to 8 months to complete.

Members felt that a 2% increase was more palatable and easier to deliver to the public.

The Finance Manager explained individual items within the budget considerations, including where savings were being made and expected expenditure.

The Lead Member for Finance and General Purposes stated that the Authority are looking for value for money wherever possible, some things will incur costs which is the nature of the service.

The Board agreed that during any future considerations of the Eastern Area Plan, that should any representation be required it would be considered on a case by case basis and any costs be funded from reserves subject to the approval of the Board.

Members agreed that they wished to continue to support all the District's residents.

The Chairman stated that there was a good standard of reserves and the Board did have an appetite to use it, but it must be for the right reasons.

The Lead Member for Finance and General Purposes stated that any future expenses which may be incurred are not related to the rates, as this could be taken from reserves.

The Lead Member for Finance and General Purposes stated that there is increased costs of 9.1% and by using due diligence and using the Authority's money wisely the proposal is to increasing the rate by 2%, which is approximately 21p just under £11 per year per household on average.

It was proposed by Mr Turton, seconded by Mr Cherry, that the District Rate for the 2019/20 financial year be increased by 2% to 318p which is a rise of 6p.

In answer to question, the Chief Executive/Clerk advised that the Authority were very lean on staff, and a review and looking at the finer detail will not be undertaken in time for the rate setting process.

The Vice-Chairman was reassured that the decisions being made were on the current position, and any cost savings on the staffing budget may be reflected in the accounts.

The Lead Member for Finance and General Purposes stated that the details presented are what can be achieved, if there are to be savings during the year they will be reflected in the following year's savings programme.

A Member added that the Board fully supported what the Officers have done, but in any statements it must be emphasised of the Government's involvement in increases and let the public come to their own deliberations.

It was stated that the Board are here to represent the people, and support the ratepayers and make things as economical as we can in order to provide good services.

The Lead Member for Finance and General Purposes complimented the Board and the staff for the work entailed in keeping the rate as low as it can be.

It was proposed by Mr Turton, seconded by Mr Cherry, and unanimously **resolved that that the District Rate for the 2019/20 financial year be increased by 2% to 318p which is a rise of 6p. It was further RESOLVED that**

- **£50,000 be taken from reserves to supplement the rate increase**
- **The installation of the lift, fire alarm upgrade and purchase of a wood chipper would be funded from reserves.**
- **Purchase of a refuse truck through a loan option. The process would take between 6 to 8 months to complete.**

A discussion ensued with regard to the Eastern Area Plan, and whether any budget needs to be considered. Members acknowledged that they wished to support the residents of the district, and it was agreed that the matter be brought back to the next meeting of the Board - in private, for further discussion.

**There being no further business, the meeting closed at 8.25 p.m.**