

ONCHAN DISTRICT COMMISSIONERS



LEAD MEMBER FOR FINANCE AND GENERAL PURPOSES' RATE ANNOUNCEMENT FOR 2016/17

At a meeting of the Board of Commissioners at Hawthorn Villa, 79 Main Road, Onchan, on 25th January 2016, Mr John Quaye, Lead Member for Finance and General Purposes, proposed that the District Rate for 2016/17 be set at 310p in the pound, that is, an increase over last year of 3p (0.98%). The proposal was carried.

The text of Mr Quaye's speech follows:

"Mr Chairman, Ladies and Gentlemen, as the Lead Member for Finance and General Purposes, it is my duty to report on the probable financial result of the Authority's activities for the year to 31st March 2016 and on the budget for the forthcoming year to 31st March 2017 which has been agreed by Members and was set out in detail in the document circulated to Members. I would also like to express the Commissioners' appreciation to the Authority's officers and staff for their endeavors during this past year.

The current board will complete their term of office shortly and I would also like to thank my fellow Commissioners for their service to the district. When the current board took office it was apparent that the Authority was running a revenue deficit and it was an aim of the board to rectify this position through seeking to make savings and raising rates only where necessary. This has proved increasingly difficult over the current term of office with the major headwinds being faced by central government having direct bearing on the activities and finances of local government authorities. I am pleased however to report that the Authority is projecting an overall surplus for the current financial year.

This surplus will contribute towards the various capital projects and improvement of facilities in the district and in particular the Authority has furthered plans to refurbish the Youth and Community Centre. Ongoing consultation is being carried out and funding has been set aside to ultimately upgrade and improve the usability of the centre. The Authority is also conscious of the need to maintain a rolling program of maintenance and replacement of facilities and equipment throughout the district to reduce potential budgetary surprises. With this in mind the Authority has implemented new procedures and carried out various smaller projects over the course of 2015.

This year has also seen Onchan take on numerous services such as street sweeping, weed spraying, hedge trimming and gully emptying, all of which were previously carried out by the Department of Infrastructure. The costs of these services have been largely absorbed by virtue of central government not implementing the annual increase in waste disposal charges. It is however anticipated that waste charges will rise again in coming years and will have direct bearing upon the rates. The Commissioners also remain mindful of the increasing costs of financing the local government final salary pension scheme and the implications that this could ultimately have on services unless the funding deficit is addressed sooner rather than later.

The overall result for the financial year is a projected surplus of approximately £18,000 compared to the budgeted deficit of £28,000. The improvement over budget has been achieved largely through careful management of the Authority's assets and tight budgetary control. The projected revenue budget for 2016-17 is expected to produce a similar surplus. Several projects are also factored into the budget for 2016-17 representing capital investment in assets that should benefit the Authority for a number of years going forward.

The Onchan Commissioners have sought to balance both sustainable and long-term financial planning with the needs of residents and as such are keeping this year's rate increase to 3p in the pound or 0.98%. This increase amounts to approximately £4.50 per annum for the average household in the district.

The Commissioners have been committed to approaching their finances in a proactive and forward looking manner during the course of this term and hope that this continues with future boards. I am happy to propose this recommendation to the board."

Released by Onchan District Commissioners

26th January 2016